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Boosting Intra-African Agricultural Trade
Technical Working Group (TWG) 6 Report

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Abbreviations and Acronyms

AATM	Africa Agriculture Trade Monitor
ACTReF	African Continental Technical Regulatory Framework
AfCFTA	African Continental Free Trade Area
AfDB	African Development Bank
AFSA	African Food Safety Agency
AFSEC	African Electro-technical Standardization Commission
AGRA	Alliance for a Green Revolution in Africa
AMIS	Agricultural Market Information System
ARSO	African Organization for Standardization
ATO	Africa Trade Observatory
AU	African Union
AUC	African Union Commission
AUDA-NEPAD	African Union Development Agency- New Partnership for Africa's Development
AVE	Average ad valorem equivalents
BR	Biennial Review
CAADP	Comprehensive Africa Agriculture Development Programme
COMESA	Common Market for Eastern and Southern Africa
EAC	East African Community
ECOWAS	Economic Community of West African States
FAO	Food and Agriculture Organization of the United Nations
FBS	Food Balance Sheets
GDP	Gross Domestic Product
GTI	Guided Trade Initiative
ICBT	Informal Cross-border Trade
IFAD	International Fund for Agricultural Development
IGAD	Intergovernmental Authority on Development
IPPC	International Plant Protection Convention
LDC	Least Developed Countries
NTBs	Non-tariff Barriers
NTMs	Non-tariff Measures
OECD	Organisation for Economic Co-operation and Development
PAPSS	Pan-African Payments and Settlement System
PAQI	Pan African Quality Infrastructure
PSTCs	Provisional Schedules of Tariff Concessions
RECs	Regional Economic Communities
SMEs	Small and Medium-sized Enterprises
SPS	Sanitary and Phytosanitary
TBT	Technical Barriers to Trade
WOAH	World Organisation for Animal Health
WTO	World Trade Organization

Acknowledgments

This report was developed by the members of Technical Working Group 6 (TWG6) under the overall coordination of the convener – Prof. Chahir Zaki (Chaired Professor of Economics, University of Orléans; Research Fellow, Laboratoire d'Économie d'Orléans) and co-convener, Dr. Sunday Odjo, (Deputy Director, Operational Support, AKADEMIYA2063).

Our sincere gratitude is extended to the experts from partner institutions who contributed to the process and made the finalization of the TWG6 report possible.

Editorial

Since its adoption by the African Union (AU) in 2003, the Comprehensive Africa Agriculture Development Programme (CAADP) has been Africa's primary policy framework for agricultural transformation, wealth creation, food security, economic growth, and prosperity. It guides the African Union Commission (AUC), AUDA-NEPAD, Regional Economic Communities (RECs), and Member States in driving food security and agricultural transformation toward a self-reliant and productive Africa.

The continent has witnessed robust economic growth since the launching of the agenda, producing rising average incomes and household consumption expenditures. Evidence indicates steady decreases in the prevalence of poverty and improvement in food security and nutrition, with undernourishment declining in the 2000s and early 2010s and child malnutrition declining consistently throughout the CAADP period. However, progress on many of these indicators has slowed and, in the case of undernourishment, reversed in recent years, especially with recent economic disruptions related to the Russia-Ukraine war, the COVID-19 pandemic, and the climate crisis.

As Africa phases out of ten years of implementing the Malabo Declaration set to conclude in 2025, the Kampala (Post-Malabo) Agenda aims to deepen CAADP's impact and accelerate progress. In early 2024, the AU Department of Agriculture, Rural Development, Blue Economy and Sustainable Environment (AUC-DARBE) and AUDA-NEPAD, in collaboration with critical technical partners, launched the process to develop a Post-Malabo Agenda for Action on CAADP. The CAADP Post-Malabo Agenda development process set out to leverage an inclusive, multistakeholder effort to build on 20 years of CAADP successes while addressing emerging challenges like sustainable food systems, climate change, and resilience to shocks.

Under the framework of the Post-Malabo Agenda development process, AKADEMIYA2063, as a technical partner to AUC-DARBE, was designated to facilitate the **Data and Analytics Workstream**. This entailed the mobilization of African centers of excellence and think tanks organized across 13 Technical Working Groups (TWGs) to lead the research, data, and analytical work to inform the thematic design of the successor to the existing CAADP Agenda. This process leveraged extensive stakeholder consultations, research, and analysis to guide the formulation of a new strategy for the next decade of CAADP implementation.

With the Kampala CAADP Declaration on "Building Resilient and Sustainable Agrifood Systems in Africa" and the associated CAADP Strategy and Action Plan (2026-2035) endorsed by the Extraordinary AU Summit in January 2025 and entering into force in January 2026, there is a real opportunity to leverage knowledge and evidence to enhance Africa's preparedness for its implementation.

The ***Kampala Technical Paper Series*** presents research developed by the 13 TWGs comprised of African academic institutions, think tanks, centers of excellence, and various CAADP constituencies deployed during the Post-Malabo Agenda development process. The series proposes comprehensive technical content designed to feed into the thematic core of the Kampala Agenda to ensure inclusive, sustainable, and resilient agrifood systems and livelihoods in Africa over the next decade.

With this series, AKADEMIYA2063 aims to make the research available to a wide range of stakeholders and development practitioners while providing insights into the critical priority areas for the continent's agrifood systems transformation. This move is motivated by the belief that the evidence-based recommendations for policy and programmatic interventions will help move the needle toward an agriculture-led, broad-based economic transformation across Africa.

Executive Summary

At a time when different threats related to climate change continue to mount, agriculture trade policies can be a key tool for improving the trade performance of African countries and enhancing food security. Such tools are particularly important to achieve stability, economic diversification and inclusive growth, ethnic appeasement, quality of life, common values, and essential human and social rights by building strategic interdependencies and developing win-win integration initiatives.

While several African countries have managed to reduce tariffs, non-tariff measures remain more trade-restrictive than tariffs. Efforts to promote regional integration have reduced tariffs, but intraregional traders still face high tariffs despite significant progress. Intracontinental tariffs in Africa are the highest in the world. Factors other than tariffs make the trade of goods and services particularly costly for African countries and likely contribute to regional trade gaps. The AfCFTA Annex no.7 on sanitary and phytosanitary (SPS) measures and the AU Continental SPS Policy Framework are aimed at addressing non-tariff measures to ensure efficient trade. To ensure that the economic and welfare benefits of deeper regional trade integration are equally shared, trade policies should be combined with structural reforms that boost sustainable agricultural productivity to better leverage existing comparative advantage, and this should include targeted social schemes and training programs to improve worker mobility across industries and promote employment.

More investments are needed to improve infrastructure and trade facilitation. Poor connectivity still has a negative impact on African agricultural trade, especially for perishable products. A strengthened policy framework should support governments, public-private partnerships, and international donors to invest more in trade logistics, including transport infrastructure, border processes, and customs practices.

While there has been significant progress in data systems in Africa, more efforts are needed to build capacity and collect real-time data on trade, including informal cross-border trade. Quality data are particularly needed for agricultural trade in Africa, where official trade statistics are often inaccurate and do not include informal trade. The latter remains an important data gap that must be addressed to better assess and monitor recent intraregional trade developments. Real-time data are needed to support evidence-based decision-making given the increasing frequency of shocks.

1-Scope and Rationale

At the AU Summit in Malabo in 2014, Heads of State and Government adopted a set of concrete agriculture goals to be attained by 2025, and one of these clearly refers to boosting intra-African trade in agricultural commodities and services, as well as fast-tracking a continental free trade area and the transition to a continental common external tariff scheme. Africa's journey towards an integrated and prosperous continent attained an important milestone on May 30, 2019, with the entry into force of the agreement establishing the African Continental Free Trade Area (AfCFTA).

Its first phase, which took effect in January 2021, committed to gradually eliminating tariffs on 90 percent of goods and reducing barriers to trade in services. Africa's integration agenda is expected to increase intra-African trade and investment and help create sustainable jobs, incomes, and livelihoods to improve long-term agricultural productivity and food security, generate economic growth, create more job opportunities for millions, and provide opportunities for women and young entrepreneurs. The CAADP provides a key pathway for regional trade integration. It seeks to improve rural infrastructure and trade-related capacities for market access, transform agriculture, and sustain inclusive growth by enhancing markets, trade, and value chains.

While total intra-African agricultural[1] trade rose sharply in the second half of the 2000s and early 2010s, it declined to US$11.6 billion in 2016 and stagnated for several years before rising to $14.9 billion in 2021 (Odjo et al. 2023). However, Africa runs an agricultural trade deficit, with the share of intra-African agricultural trade being consistently below 20 percent in recent decades (Bouët and Odjo 2019; AGRA 2019), which is far below the corresponding figures for Asia and Europe (more than 60 percent). At the product level, the continent's agricultural imports are dominated by food products such as cereals, meat, dairy products, fats, oils, and sugar, while exports mostly consist of traditional cash crops, including cotton, cocoa, coffee, tea, spices, and oilseeds. Moreover, the export of products processed in Africa is greater in regional markets than in external markets outside Africa, typically dominated by raw material exports (FAO-AU BIAT 2021; Bouët et al. 2022). While the demand for processed food in Africa is growing fast, triggered by demography, urbanization, and income growth, the low level of industrialization reduces food processing capacities and is likely to slow down the participation of some countries in the regional trade integration process and regional agricultural value chains under the AfCFTA.

While efforts to boost intra-Africa trade have been bolstered by the AfCFTA agreement, which aims to facilitate smoother cross-border trade, the development of regional value chains is crucial for enhancing agricultural productivity, improving food security, and promoting trade within and across regions. The food baskets and trade corridor approaches encourage countries to see a bigger picture or outcome from participating in a regional approach. The Post-Malabo Agenda should be able to identify and promote food baskets and trade corridor approaches, leveraging regional strengths and market opportunities to maximize impact. In these high-potential regional value chains, joint investments in infrastructure, policy commitment, and sharing knowledge or technology will result in the growth/development of certain value chains within multi-country geographical regions.

If we are to go beyond the traditional definition of agricultural trade and adopt an agrifood system approach, it is important to monitor the trade in key agricultural inputs, such as seeds, fertilizers, and farm machinery. While the latter category is not currently tracked in the Malabo framework, all of these products are enablers to trade in agricultural and food products and are also critical to the development of strong up-stream value chains. They are part of the agrifood system's transformation, and several African countries are emerging as important fertilizer producers, for instance. Yet almost 90 percent of fertilizer consumed in Africa south of the Sahara is imported. Small farmers in these countries are, therefore, particularly affected by soaring and volatile fertilizer prices.

Intra-African agricultural trade, including trade in agricultural services, has not tripled as per commitment number 5 in the 2014 Malabo Declaration. In addition, Johnson et al. (2022) indicate that external agricultural imports into Africa have been growing annually at a higher percentage than the growth rate of intra-African trade.

1 In this report, agricultural trade relies on the definition of agricultural products used at the WTO complemented by trade in fisheries products.

This finding signals the need for agrifood systems transformation policies (Post-Malabo) that could support African agriculture to compete with imports from outside Africa, such as cereals, meat and dairy. This is of particular importance from a food security and nutrition perspective.

The limited progress in continental integration has increased African vulnerability to external shocks such as the COVID-19 pandemic and the Russia-Ukraine war, both of which have revealed the exposure and vulnerability of the continent's agrifood system to global supply chain disruptions. However, external shocks have also been combined with intra-continental disruptions associated with domestic political instability, conflicts, and insurgencies. Such crises have limited the circulation of goods and people, negatively impacting bilateral trade among some countries or restricting transit facilities, especially for landlocked countries.

As mentioned earlier, Africa is off-track in meeting the targets related to boosting intra-African agricultural trade under the Malabo Declaration of 2014. According to the fourth CAADP Biennial Review (BR), based on data from 49 AU Member States, only Rwanda and Zambia were on track in 2023 to triple their trade with other African countries. Only Equatorial Guinea met the targets for facilitating trade by creating conducive policies and institutional conditions (AU 2024). By increasing and diversifying production, the Post-Malabo Agenda will also contribute to creating a strong production base that will feed the success of the AfCFTA by allowing trade in more products.

At the country level, trade performance is also heterogeneous. For instance, South Africa is notably the largest exporter of agricultural goods within Africa, accounting for about a quarter of total intra-African exports during the Malabo period. Moreover, many African countries are highly dependent on primary commodity exports and imports and are therefore vulnerable to international price fluctuations and demand/supply shocks related to these commodities. This situation is likely to result in a deterioration in the terms of trade of exporting countries and lead to their currency depreciation. Deteriorating terms of trade reduce a country's ability to import, and for many African countries that are highly dependent on food imports, this means lowering food imports or maintaining current food import levels at the cost of lowering imports of other goods while also eroding purchasing power, especially that of vulnerable communities. In addition, government expenditure reduction might result in deteriorating public finances in an environment where government spending (as a percentage of GDP) is already low. To mitigate some of these effects, many countries will be forced to increase their debt to unsustainable levels.

It is important to note that the agricultural sector is characterized by smallholders practicing mixed farming of livestock, food crops, cash crops, fishing, and aquaculture, and it is challenging for these actors to participate fully in international trade. Women play a prominent role in African agriculture, especially cross-border trade, representing 70 percent of activity (UNDP-AU 2020). Existing trade flows and patterns are impacted by gender-biased barriers, and the participation in and impact of trade is not gender-neutral. Current integration trends have mixed effects since gender disparities in agriculture limit participation in trade, and transportation costs disproportionately impact women, while corruption and the risk of gender-based violence and harassment at the border remain frequent (FAO 2021). In addition, the transition to formalized markets is hampered by a lack of assets and formal rights, e.g., land ownership, exacerbating gender disparities.

Although Africa is off-track in meeting the targets related to boosting intra-African agricultural trade under the Malabo Declaration of 2014, the Post-Malabo Agenda provides an opportunity to understand the factors behind the dismal performance of many countries in meeting these targets and to embrace new measures and approaches to improve outcomes.

2-The African Continental Free Trade Area

Overview

The AfCFTA was launched officially in January 2021 as a trade agreement to create a single continental market for goods and services in Africa. It was signed in March 2018 and came into force in May 2019, with actual trading starting in January 2021. It aims to promote economic integration among African countries by removing tariffs and other trade barriers, facilitating the free movement of goods and services, and fostering cooperation on investment, intellectual property, competition policy, and other areas of economic activity. AfCFTA is the world's largest free trade area with the objective of bringing together the 55 countries of the AU[2] and eight RECs. The overall mandate of the AfCFTA is to create a single continental market covering a population of about 1.3 billion people and a combined GDP of approximately $3.4 trillion.

As of July 2024, 54 Member States had signed the agreement, with Eritrea the only exception. Forty-seven Member States out of these 54 signatories (87 percent) have deposited the instruments of AfCFTA ratification. Ratification of AfCFTA is still pending for Benin, Liberia, Libya, Madagascar, Somalia, South Sudan, and Sudan. In line with the commitments on tariff liberalization, 42 Member States that have ratified the AfCFTA Agreement have submitted their Provisional Schedules of Tariff Concessions (PSTCs) to the AfCFTA Secretariat for verification and consideration by the AfCFTA Council of Ministers.

The need to develop AfCFTA-specific national strategies was endorsed by the Conference of African Ministers of Finance, Planning, and Economic Development during their meeting in Addis Ababa in May 2018 and reiterated at the AU Summit held in Nouakchott in July 2018. Following these decisions and recommendations, at least 35 National AfCFTA Implementation Strategies and two regional strategies have been developed. The ECOWAS and IGAD RECs have also already validated their AfCFTA regional strategies.

To facilitate effective implementation of the AfCFTA at national level, individual countries have established National Implementation Committees and developed AfCFTA Implementation Strategies. National Strategies have been validated in 29 Member States, while five AfCFTA National Implementation Committees have been established in Côte d'Ivoire, Ghana, Kenya, Nigeria, and Rwanda and are operational. The Democratic Republic of Congo, Comoros, and Tunisia have taken steps and passed laws paving the way for the establishment of their National Committees. Algeria and Mauritania are also working toward passing laws to enable them to put their National Committees in place. Other countries have preferred to use their existing negotiations and implementation structures for AfCFTA issues instead of establishing new structures.

AfCFTA has established several operational instruments to facilitate its implementation. These include (i) the rules of origin (governing the conditions under which a product or service can be traded duty-free across the continent); (ii) tariff concessions (an agreement on 90 percent tariff liberalization over a five and 10-year period for non-LDC and LDC countries respectively); (iii) the Continental Online Tool/Mechanism for monitoring, reporting, and elimination of Non-tariff Barriers[3]; (iv) the Pan-African Payments and Settlement System (PAPSS), a centralized payment and settlement infrastructure for intra-African trade and commerce payments; and (v) the African Trade Observatory (a trade information portal that will address hindrances to trade in Africa caused by a lack of information on opportunities, trade statistics as well as information about exporters and importers in countries).

Three indicators to track the implementation of AfCFTA were added under Theme 5 of the CAADP BR mechanism: (i) Proportion of tariff lines applied to intra-Africa imports of agricultural goods and services with zero tariff rate; (ii) Index of non-tariff measures related to intra-Africa trade of agricultural commodities and services, and; (iii) Index for enabling institutional environment for AfCFTA implementation. The data was used

2 Eritrea is yet to sign it.
3 https://au.int/en/articles/operational-phase-african-continental-free-trade-area-launched

as a pilot, and results were not included in the performance scoring. In this regard, it is also important to highlight the role of the Guided Trade Initiative (GTI), which was established in accordance with the decision of the 7th Ministerial Directive of the AfCFTA Council of Ministers responsible for trade and adopted by Heads of State and Government in February 2022.[4] The initiative is an interim solution to encourage trade among interested parties that have met the minimum requirements for commencing trade under the AfCFTA Agreement, in addition to testing the readiness of the private sector and testing the operational, institutional, legal, and trade policy environment under the AfCFTA (ECA 2024). While it could be argued that the process is still at a very early stage, there is a need to fast-track AfCFTA's implementation.

Progress and limiting factors

At the agreement level, the AfCFTA is expected to significantly boost intra-African agricultural trade, offering a pathway to achieving the targets under the Malabo Declaration. Yet, the success of the AfCFTA hinges on its effective and prompt implementation and infrastructure development, including the development of transport and logistics to facilitate the movement of goods, harmonization of agricultural policies and regulations, institutional quality of the Member States, and resolving non-tariff measures. Additionally, there is a need for Member States to concretely own the AfCFTA implementation by domesticating and ensuring operationalization of the instrument in their national frameworks and creating awareness with relevant stakeholders, in particular the private sector, where the actual trading takes place.

In the context of uncertain macroeconomic situations, the success of the AfCFTA will also depend on efforts to promote coordination on a broader set of policies, including budgetary and monetary policies at the continental level and general public security/safety. Macroeconomic instability and its impacts on financial flows and exchange rate fluctuations could be a major impediment to trade. At the same time, a lack of security limits the capacity to participate in trade activities and serves to exclude vulnerable groups, e.g., women and disabled people.

Depth of the agreement and its implementation

In the review process and the implementation of the AfCFTA, it is critical that all partners consider the fact that its horizontal and vertical depth is dependent on widening product coverage and shortening the transition period to full liberalization of trade in agricultural commodities. Available trade-related literature points out two main shortcomings that could limit the effectiveness of AfCFTA implementation. Deep trade agreement includes reciprocal agreement between countries covering additional areas beyond trade, such as flows of investment and the protection of intellectual property rights and the environment. And while the AfCFTA is broadly ambitious (with several protocols being negotiated), it needs to be better implemented. So far, the implementation of the AfCFTA has limited horizontal depth, i.e., it covers limited provisions specifically on tariff liberalization concessions. Some of the existing trade agreements within the RECs (such as the EAC) cover a bit more horizontal and vertical depth that augment trade agreements. An important factor in the success of a regional agreement is the effectiveness of dispute settlement mechanisms, especially in terms of their legal commitment and enforceability.

Tariff barriers

With the implementation of the AfCFTA still at its nascent stages, tariffs imposed by African countries remain a significant barrier to intra-African agricultural trade. The agricultural sector is highly taxed compared to the rest of the economy. The average duty applied by African countries on agricultural products is 23 percent, against 7.6 percent for non-agricultural products (Bouët and Nimenya 2023). Agricultural and food products often feature predominantly in the list of sensitive and excluded products for the AU's RECs with common external tariffs, subjecting them to higher tariffs that undermine intra-African agricultural trade. Furthermore, the RECs exhibit varying levels of protectionism, which impacts the flow of agricultural products among the various RECs and, consequently, the overall level of intra-African agricultural trade. For instance, there is a notable disparity in the average protection imposed by ECOWAS and EAC on their imports of agricultural and food products. Approximately two-thirds (30 out of 50) of the products identified as sensitive by EAC countries are in the agriculture sector, with tariffs ranging between 50 percent and 100 percent.

4 Initially, 7 countries were included in this initiative; in 2024, 24 additional countries joined.

Similarly, the most sensitive products identified by ECOWAS countries are also in the agricultural and food sectors. However, the maximum tariff rate for these sensitive products, which include meat and meat products, dairy products like yogurt, milk, and cream, birds' eggs, vegetables (mainly potatoes and onions), and vegetable oils such as groundnut oil and palm oil, etc., is much lower at 35 percent (ECA and CEPII 2024a). It is therefore not surprising that intra-African agricultural trade largely occurs within RECs, as tariffs within most RECs are either low or zero (AGRA 2023; Bouët et al. 2021).

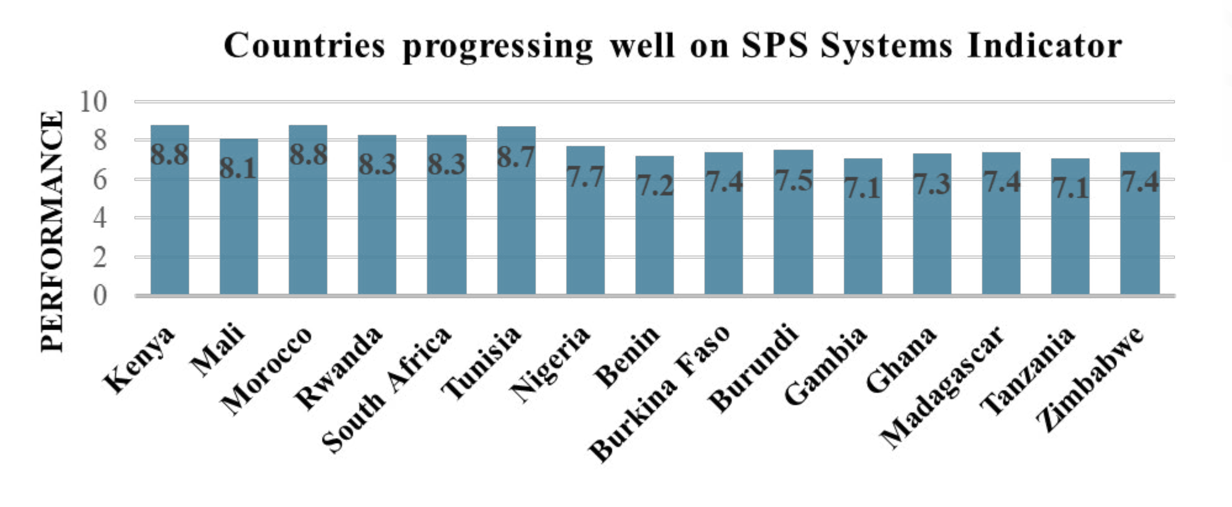
Non-tariff measures: standards, technical barriers to trade and other potential restrictions

In addition to tariffs, trade protection is also operationalized through non-tariff measures (NTMs), such as sanitary and phytosanitary measures (SPS), technical barriers to trade (TBT), price and quantity controls, and export-related measures. Non-tariff measures (such as SPS measures) that are not aligned with science- and risk-based international standards, recommendations, and guidelines, represent significant constraints to African trade. In addition, compliance with standards and technical regulations is crucial for signaling and guaranteeing the quality of produced and traded goods. However, the volume and complexity of technical regulations, along with the variation in import/export certification, testing, inspection practices, and standards used by different African countries, may continue to hinder intra-African trade (ECA 2020).

There is a consensus that these measures pose some of the biggest constraints on Africa's agricultural exports and are even more damaging than tariffs for intra-African trade. Average ad valorem equivalents (AVE) of NTMs across Africa can be as high as a tariff rate of 21 percent (Bouët, Odjo, and Zaki 2022) and exceeds 100 percent for a number of products.

AU Member States adopted SPS indicators and reported on these during the 4th BR (2023). Regarding the progress on an SPS Systems Indicator for the Fourth BR report, none of the 49 reporting Member States attained the benchmark of 9 out of 10, indicating that none are on track for achieving the target of 100 percent functional SPS systems. However, it is noteworthy that 15 out of the 49 Member States, representing 31 percent of the total, attained a commendable score of seven or higher, indicative of substantial progress in their SPS systems (Figure 1). These Member States along with their respective score are as follows: Kenya (8.8), Mali (8.1), Morocco (8.8), Rwanda (8.3), South Africa (8.3), Tunisia (8.7), Nigeria (7.7), Benin (7.2), Burkina Faso (7.4), Burundi (7.5), Gambia (7.1), Ghana (7.3), Madagascar (7.4), Tanzania 7.1) and Zimbabwe (7.4).

Figure 1. Progress on SPS systems at African continental level

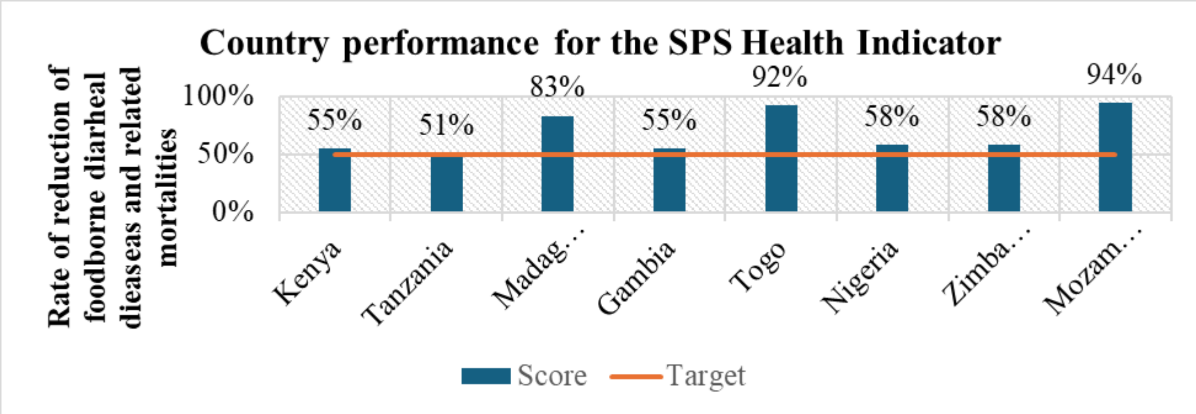


Source: AUC BR report (2023).

In a report from the AUC BR concerning the progress on an SPS Health Indicator, eight Member States (16 percent) attained the benchmark of 9. These Member States, which include Burundi, Gambia, Kenya, Mozambique, Nigeria, Tanzania, Togo, and Zimbabwe, are on track towards a 50 percent reduction in foodborne diarrheal diseases and associated mortalities, demonstrating positive strides in improving public health. It is worth mentioning that Member States that were on track for the SPS Health Indicator were also progressing well in achieving functional SPS Systems, further demonstrating the impact of functional

SPS systems on public health outcomes. The submission of incomplete data on the SPS Health Indicator by some Member States that progressed well on the SPS Systems Indicator may have accounted for their low performance in the SPS Health Indicator.

Figure 2. Country performance for the SPS Health Indicator



Source: AUC BR report (2023).

SPS measures play a critical role in protecting public health and animal and plant health/life. However, weak national capacity to comply with SPS requirements can result in a country's exclusion from key markets, while poorly applied procedures can increase the cost of trade. Estimates show that domestic food prices in Africa south of the Sahara are 13 percent higher on average due to SPS measures. Promoting intraregional trade will require the reduction of such barriers to trade (ECA, forthcoming; FAO and AUC 2021). Therefore, there is a need to develop integrated science-based SPS systems that are supportive of sustainable and resilient food systems and intraregional trade.

This underscores the need for harmonized standards to facilitate trade at the continental level. AfCFTA Annex 6 on technical barriers to trade requires State Parties to develop and promote the adoption or adaptation of international standards or to adopt standards developed by the African Organization for Standardization (ARSO) and the African Electro-technical Standardization Commission (AFSEC). Additionally, the African Continental Technical Regulatory Framework (ACTReF) mandates members to withdraw conflicting national and regional standards to promote the adoption and implementation of harmonized standards. Nonetheless, data from ARSO indicates a low level of adoption of harmonized standards at the country level, which could impact trade flows, especially between countries in different RECs. In addition, according to the Pan African Quality Infrastructure (PAQI), only a handful of African countries can boast of critical investment in quality infrastructure.

Specificities of intra-African agricultural trade require the tracking and implementation of specific solutions regarding SPS, either in terms of definition and implementation to facilitate compliance by smallholders or in terms of the role of specific sectors like the trade in live animals (veterinarian certificates, transboundary animal disease tracking, etc.). Implementing the specifications of Annex 7 on SPS will allow a number of these issues to be addressed.

Finally, it should be noted that other policy measures associated with political crises, within or across countries, e.g., sanctions or the closure of borders, could disrupt trade and impact agrifood trade in a specific manner. Strengthening AfCFTA processes in terms of identification, monitoring, and elimination of NTBs through the Continental Online Tool/Mechanism and other regional tools, as well as dispute settlements, will protect trading activities and encourage governments to limit unilateral ad hoc measures.

Soft and physical infrastructure

The benefits of the AfCFTA cannot be realized without adequate infrastructure systems. The Logistics Performance Index measures the quality of trade, and transport-related infrastructure is quantified with the help of this index, with a lower index value indicating poor quality of trade-related infrastructure (for example, ports, railroads, roads, and information technology). North America has the highest score at the global level, followed by Europe and Central Asia, while Africa south of the Sahara had the lowest scores in 2012 and 2018.

The modest quality of infrastructure in Africa can be traced back to colonial times when colonizers only focused on developing infrastructure that served the export-oriented economies. Only roads connecting to ports were developed, while other traditional continental trade routes were ignored and perished over time. Underdeveloped regional roads are a fundamental problem affecting intra-African trade. At the country level, the absence of adequate transport and storage services and weak IT infrastructure are all major problems affecting the production and trade of agricultural products. Value chains of fresh produce require swift and appropriate transport and storage to avoid damage. Poor infrastructure and hot and humid weather conditions contribute to significant commodity spoilage. The poor state of infrastructure in Africa has reduced economic growth by 2 percent and annual productivity growth by as much as 40 percent (FAO and AUC 2021).

In addition to physical infrastructure, trade operations require strong financial institutions and infrastructure. Finance is needed at both the production and trade stages. Meeting the growing demand for finance in the agricultural sector in Africa remains a major challenge and is a symptom of market failure (ECA, forthcoming). It is estimated that only 10 percent of African farmers have access to credit (Inter-Réseaux 2019), while commercial bank lending for agriculture represented 4.8 percent of annual lending in 2016 (AfDB 2017), often forcing farmers to borrow at exorbitant interest rates from informal moneylenders (FAO and AUC 2021). Women and youth face higher barriers due to a lack of collateral assets and an almost non-existent system of proper risk scoring on the continent.

Accessing trade finance presents a specific challenge for agrifood operators. Indeed, while being a limiting factor for continental trade, with a financial gap of around $100 billion, it is also highly biased since it only provides limited resources to small-scale operators (SMEs represent less than 30 percent of trade finance bank lending) and focuses on low-risk operations (AfDB 2017).

Trade facilitation and behind-the-border barriers

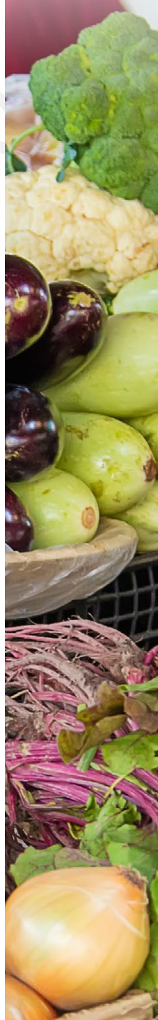
Despite Africa's efforts to liberalize trade, other impediments remain, especially administrative barriers. Indeed, African countries have experienced several waves of tariff liberalization, but exports and imports are still hindered by non-tariff measures or implicit barriers to trade. The Doing Business dataset 2020 shows that the higher the income level of a country, the shorter the time it takes to export to or import from, the lower its cost of trade, and the higher its rank in terms of ease of cross-border trade. For instance, the European Union's time to export is only 0.62 days, and its time to import is only 0.42 days. On the other hand, for Africa south of the Sahara, the figure is 7 days for exports and 9 for imports. Besides tariffs and non-tariff measures, many African countries impose taxes beyond the border, such as health and safety, inspection, development, advance income, consumption, and statistical taxes, which might further impede trade. All of this adds to the inefficiency and corruption within trade procedures in Africa.

Modalities of payments

In addition to the high cost of accessing finance and insurance, traders in Africa face high costs in international transactions, especially in countries with constraints in foreign exchange reserves. Limited access to means of payment represents an acute problem for marginalized groups and prevents their direct participation in cross-border trade (AfricaNenda 2022).

Some RECs have initiatives to facilitate cross-border payments, which could be built upon. The Common Market for Eastern and Southern Africa (COMESA) Regional Payment and Settlement System is expected to expand significantly intra-COMESA trade by facilitating online payments of all intra-COMESA transactions. As of March 2022, 9 of 21 COMESA countries were live on the platform (COMESA 2022). The EAC Payment System was launched in 2014 to enhance the efficiency and safety of payments and settlement of intraregional payments to boost regional trade. Still, members have been reluctant to trade in each other's currency, impeding its use.

At the continental level, the PAPSS aims to support the AfCFTA and facilitate intra-African trade by avoiding a reliance on external currencies to settle transactions. As of July 2024, banks from only eight AU Member States were live on PAPSS.



Incomplete data

It is important that all countries submit their data to the African Trade Observatory and have the necessary infrastructure and capacity to do so. Indeed, basic trade statistics do not exist for some African countries, leading to a reliance on mirror data. In addition, data for trade in agricultural services is non-existent. Official trade statistics from most African countries primarily account for formal trade, often overlooking the substantial volume of informal cross-border trade (ICBT) prevalent across the continent (ECA, Afreximbank, and ECOWAS 2023). Analysis by ECA (2021) estimates that ICBT represents between 7 percent and 16 percent of formal intra-African trade flows and between 30 percent and 72 percent of formal trade between neighboring countries.

Moreover, various surveys on ICBT (e.g., ECA, Afreximbank, ECOWAS 2023; Zambia Statistics Agency 2021; UBOS and BOU 2019) indicate that agricultural products dominate ICBT. Keyser (2014) suggests that an estimated 70 percent of intraregional food trade among ECOWAS members goes unrecorded. Similarly, in the EAC and neighboring countries, small traders are believed to account for approximately 80 percent of intraregional food trade. Therefore, the level of intra-African agricultural trade is likely to be underestimated since ICBT is rarely integrated into the official trade statistics.

Additional data need to be collected and integrated into agrifood information systems to monitor the success of agrifood trade in the context of the AfCFTA and to guide private and public actors in making the right decisions. In particular, quarterly Food Balance Sheets (FBS), linked to live trade data, can provide key information for policymakers and traders about the situation in food markets and potential shortages or surpluses. Monitoring sustainable agricultural productivity is also necessary to track the system's performance and guarantee sustainable trade patterns, reflecting unbiased comparative advantages. Information on market prices is also key for policymakers and operators, but there are only a limited number of initiatives covering a few African countries (FIEWS-NET; FAO-GIEWS). The importance of market information (prices and food balance sheets for key commodities and inputs) is demonstrated by the G20 Agricultural Market Information System (AMIS)[5] platform to promote coordination and functional global markets. A similar system would benefit the African continent greatly.

Finally, due to the critical role of women in agrifood systems and the specific challenges they face, it is important to develop targeted and gender-responsive measures and to collect sex-differentiated data at the production, consumption, and trade levels.

5 https://www.amis-outlook.org/

3-Future Outlook

Trade and relevant agreements are important drivers for sustainable growth: they help create jobs, expand markets, and boost economic growth and innovation. With the proper institutional settings and complementary policies, they can deliver inclusivity and reduce gender inequalities. They also lower costs and facilitate adopting and deploying climate-friendly technologies to reduce greenhouse gas emissions worldwide and adapt to a changing climate. As instruments of privileged partnership, trade agreements embedded in an open and rules-based multilateral system provide a platform for policy dialogue and cooperation on sustainability. This is vital to address global challenges. While trade policies and agreements could shape agrifood trade flows, they are also driven by structural drivers: productivity, overall economic and population growth, etc. This section proposes an overview of the expected trend in African agricultural trade, new emerging challenges both in terms of climate and nutrition, and how the AfCFTA could help accelerate continental trade and promote agrifood processing.

Expected trends in African agrifood trade

While the African continent represents 20 percent of global agricultural land and 17 percent of the global population, it only represents 8 percent of the global value of agricultural production (FAOSTAT, accessed July 28, 2024). This situation is driven by low agricultural productivity, and this structural imbalance results in a structural food deficit. Combined with a low income level and high poverty rate limiting food access, the food security and nutrition situation is critical and has deteriorated in recent years: the prevalence of undernourishment on the continent reached 20.4 percent of the population in 2023, compared to 16 percent in 2015. Moderate and severe food insecurity impacted 58 percent of the population in 2023, compared to 45 percent in 2015. This trend is not expected to be reversed, and in a business-as-usual scenario, it is estimated that the number of undernourished people will increase from 298 million in 2023 to 308 million in 2030 (FAO 2024). With strong demand driven by population growth and limited supply-side response, intra and extra-regional agricultural trade will remain a key component of the continent's food security and nutrition landscape. The import bill, at a constant price, is expected to rise by 48 percent in the next 10 years. While a high self-sufficiency rate is expected for some staples, like maize and roots and tubers (e.g., cassava, sweet potatoes), imports of rice, wheat, and vegetable oils are expected to increase significantly (OECD-FAO Outlook 2024). During the same period, exports are expected to increase by 20 percent (in constant prices), driven by stronger growth in high-value products, especially in fresh fruits and vegetables, but also in traditional exports like cocoa, tea, and coffee. The latter group of products will continue to be exported to the global markets with limited levels of processing.

There is also potential for developing regional value chains through product transformation, which will help economic growth and create more jobs. Indeed, off-farm activities account for 22 percent of total food economy employment and 31 percent of total non-farm employment. Similarly, food marketing activities (transport, logistics, retail, and wholesale) account for the largest share (68 percent) of employment in the off-farm food economy (Allen et al. 2018).

New challenges

In addition to the existing structural problems (poverty, demographic growth, low level of productivity and processing), Africa faces new challenges that will significantly reshape agricultural trade patterns and escalate the role of intra-regional trade in mediating these shocks. First, climate change has started to hit the continent by slowing down productivity growth, costing 1/3 of the productivity gains made over the past 60 years (Ortiz-Bobea et al. 2021) and reducing yields by about 40 percent over the next 60 years (Gouel and Laborde 2021; based on FAO 2012).

These structural changes will shift the comparative advantages across countries and alter the mix of products that can be produced, as well as the costs of production. Under these circumstances, integrated and well-functioning agrifood markets are essential to adapt to climate change. Gouel and Laborde (2021) show that the continent will be particularly affected by reduced yields due to the initial low level of trade integration and the limited capacity to use international trade to maintain availability and access to food. In addition, as

a net importer of staples, Africa is exposed to major terms of trade losses since the climate impacts will lead to increases in world food prices. Accelerating trade integration at the continental level will be a major component of Africa's climate change adaptation strategy as it seeks to cope with weather-related shocks such as floods and droughts. Agrifood trade will be a way of balancing short-term surpluses and deficits in regions impacted by positive or negative shocks and will help mitigate food insecurity impacts by maintaining food availability and mitigating price impacts. Mitigating these shocks is particularly important to protect vulnerable populations since climate shocks have more negative effects on poor households than on rich households and on women more than men (FAO 2021). Better cross-border trade also helps reduce food loss as it mitigates the problem of bumper harvests being lost to poor storage and post-harvest management.

The other important challenge for the continent is to go beyond ending hunger and tackle all forms of malnutrition. While a broader set of policies will be needed, encompassing health and sanitation,[6] improving the quality of diets is key. Currently, African diets are poorly diversified, and no country on the continent produces within its borders enough products from all the different food groups to provide healthy diets to their population (Swinnen et al. 2023). Limited supplies drive up the cost of a healthy diet: the least costly healthy diet is estimated to be $3.74 (PPP) on average for the continent, below the world average ($3.96) but more than the cost for people living in high-income countries ($3.50). Given the low income levels on the continent, 65 percent of the continent's population cannot afford healthy diets. International trade enables the provision of a wider variety of food options at a lower cost and can help diversify diets. While this trend needs to be accelerated, intra-African trade already plays a significant role in macro and micro-nutrient diversity (Olivetti et al. 2023).

Alongside dietary diversity, food safety is also important. Improving food safety on the continent is a high priority, as the consumption of unsafe food accounts for approximately 137,000 deaths and about 91 million cases of acute foodborne illnesses annually in Africa. While most of this food is locally produced and consumed, implementing SPS standards in the context of the AfCFTA will deliver gains for local and foreign consumers. The AfCFTA process complements the African Union Food Safety Strategy for Africa 2022-2036. Establishing and operationalizing an African Food Safety Agency (AFSA) will also provide leadership in food safety issues at the continental level and facilitate the convergence of regulations limiting the intra-African NTBs related to SPS, consistent with Annex 7 of the AfCFTA on SPS. The development of integrated science-based SPS systems also supports the sustainability and resilience of agrifood systems. Establishing an AU Rapid Alert System for Food and Feed will help efficiently manage shocks and crises, avoiding unilateral trade responses, e.g., import bans, based on limited information, and will strengthen trade by increasing consumers' trust in African food products.

The AfCFTA: a game changer for the continent

Evidence shows that the African middle class will drive demand for higher-value agricultural and value-added products from the processing sector (IFAD 2020). The large scale of the African market can boost intra-African trade in agriculture. Moreover, the implementation of the AfCFTA will not only boost intra-African trade but also foster the development of regional value chains in the agrifood sector. The removal of high barriers to intra-African agricultural trade is expected to increase significantly the trade in processed and unprocessed products for both intermediate and final consumption, as illustrated in the table below. As intra-African trade in agrifood products for intermediate consumption rises, so too will the development of intra-African agrifood value chains, and this, in turn, will drive growth in intra-African agrifood trade for final consumption (ECA and CEPII 2024b).

6 See FAO 2024.

Table 1: Changes in intra-African trade following implementation of the AfCFTA Agreement, as compared to baseline (i.e. without AfCFTA), 2045[7]

Sector	Consumption type	Variation	
		USD billion	%
Agrifood (non-processed)	Final	7.1	81.6
	Intermediate	3.9	30.6
Agrifood (processed)	Final	35.2	62.8
	Intermediate	12.4	59.7

Source: ECA and CEPII (2024b).

The AfCFTA is thus expected to contribute to the development of regional value chains through trade complementarities and economies of scale. Intra-African trade represents an important channel for local producers to access rapidly growing African markets. If African countries are to reap the benefits of upgrading along regional and global value chains, intra-African trade will require significant tariff dismantlement, the elimination of burdensome non-tariff measures, and a strengthening of the policy framework. By facilitating formal trade procedures and reducing formal trade costs, the full implementation of the AfCFTA through instruments such as simplified trading regimes will reduce the incentives for actors to rely on informal trade channels. While full tariff dismantlement could lead to minor tariff revenue losses for African governments, this could be compensated by increased economic growth and domestic tax reforms, notably adjustment in tax base and rates (Edwards et al. 2024; ATAF 2022). This latter agenda item could be another source of integration and convergence at the continental level since heterogeneity in indirect tax rates also hinders the transparency of the system and can lead to socially suboptimal arbitrage by the private sector (tax evasion or tax optimization).

7 The simulations were carried out using the MIRAGE-VA model. The simulation scenario considers tariff liberalization plus a 50 percent cut on actionable non-tariff measures NTMs in both services (five AfCFTA priority services sectors and health and education services) and goods within Africa. The NTMs in goods and services are cut linearly from 2021 to 2035, remaining constant thereafter and until 2045.

4-Suggested Interventions

Experience gained within the RECs suggests that reducing tariffs alone is not sufficient to boost intraregional trade. Poor trade logistics, including transportation infrastructure, border processes, customs practices, or typical non-tariff measures such as quotas, licenses, complex or dissimilar rules of origin – as well as SPS rules and technical barriers – also play a key role, along with weak business and regulatory environments. At the same time, many initiatives launched and implemented by RECs provide concrete solutions to overcome the limitations of existing agreements. They could be scaled up at the continental level through the AfCFTA and the Post-Malabo Agenda.

The following actions could help to build an enabling environment to attract business investment and facilitate trade and should be reflected across the Post-Malabo CAADP Strategy and Action Plan.

General actions

1) Fast-track the implementation of the AfCFTA regarding agrifood trade, as well as all the annexes, the national AfCFTA implementation strategies, and other continental and regional frameworks. Developing the continent's production base is a prerequisite for generating a tradeable surplus.
2) Use the review process of the implementation of the AfCFTA to promote harmonization and convergence of trade policies on agrifood products excluded from the existing liberalization schedule.
3) Protect agrifood trade from politically driven restrictions and measures and consider agrifood products and inputs as essential goods and services. Strengthening continental trade-related institutions will provide a strong framework to promote the rule of law and avoid discretionary measures.
4) Build on the regional blocks with regard to a wide range of issues such as tariff reforms, means of payments, convergence of norms, and the simplification of trading regimes.
5) Define commitments and targets regarding intra-Africa agrifood trade based on rigorous and data-driven evidence and analysis.
6) Track the impact of the implementation of agrifood trade under the AfCFTA through proper data systems and ex-post impact assessments. Monitor obstacles and empower a strong system of dispute settlement to facilitate enforcement of existing commitments and support private sector actors.
7) Promote evidence-based decision-making on trade policies based on data and invest in agrifood data systems accordingly.
8) Develop gender-based responsive policies and interventions in the context of trade measures.
9) Be proactive in integrating the intra-African trade efforts in the WTO and international standard-setting platforms, e.g., Codex Alimentarius, and other global discussions, and articulate bilateral and plurilateral negotiations with non-African third parties with continental priorities.

Tariffs

10) Mainstream the utilization of the AfCFTA trade regime and accelerate the implementation of the AfCFTA. Governments must deploy more efforts to promote traders' utilization of the AfCFTA. National AfCFTA implementation strategies should prioritize the implementation of the tariff schedule.
11) The implementation of the liberalization of sensitive agriculture and food products under the AfCFTA in the next 10 to 13 years should be closely monitored.
12) Review the existing list of excluded agriculture and food products from the AfCFTA and encourage

future efforts to remove remaining barriers, especially for key agricultural products.

13) Promote transparency by collecting and disseminating clear and reliable information among all key stakeholders, especially among vulnerable and marginalized groups, on all tariffs, levies, charges, and additional taxes collected at the border.

Standards and other non-tariff measures

14) Fast-track the implementation of relevant annexes of the AfCFTA related to agrifood products for TBT and SPS (see annexes 5 and 6).

15) Strengthen SPS capacity of AU Member States in the following areas related to the WTO SPS agreement:

    a) Harmonization and Assessment of Risk

    b) Equivalence and mutual recognition

    c) Establishment of Pest or Disease-Free Areas

    d) Transparency and notification system for trading partners

    e) Inspection, certification, and approval procedures with a focus on cross-border inspection and informal cross-border trade (women and youth)

    f) Support/facilitate effective participation of AU Member States in trade negotiation for international standard-setting bodies such as the WTO SPS committee (trade negotiation), Codex (food safety), IPPC (plant health), and WOAH (animal health).

16) Promote the implementation of harmonized standards, SPS requirements, and mutual recognition agreements.

17) Establish and operationalize an African Food Safety Agency (AFSA), as envisaged in the Africa Food Safety Strategy, to provide leadership and coordinate capacity building in food safety risk assessment and to support the establishment of reference laboratory networks and other food safety issues at the continental level.

18) Establish an AU Rapid Alert System for Food and Feed, as envisaged in the Africa Food Safety Strategy.

19) Develop national sanitary and phytosanitary (SPS) policies based on continental and international scientific and risk frameworks.

20) Increase the capacity of Member States to apply Good Regulatory Practices, including regulatory transparency and the development of regulatory impact assessments. This should include institutional training to support the implementation of the relevant existing national, regional, and continental policy frameworks.

21) Enhance transparency through timely and accurate notification of trade-related non-tariff measures by Member States to the WTO.

22) Establish and expand shared regional infrastructure facilities for testing and conducting risk assessments related to SPS measures.

23) Work with relevant stakeholders such as the Pan African Quality Infrastructure (PAQI) institutions to enhance and streamline regional and national quality infrastructure.

Infrastructure

24) Prioritize the development of corridors and the connectivity of regions with high potential in terms of agrifood supply and demand.

25) Mobilize public and private sector investment in trade infrastructure development such as regional road networks, finance, storage, laboratories, etc.

26) Domestication and implementation/operationalization of existing frameworks that aim to promote the development of digital infrastructure, such as the AU digital transformation strategy and the AfCFTA protocol on digital trade.

Trade facilitation and finance

27) Accelerate implementation of agrifood trade facilitation measures through digitalization and automation procedures, the streamlining of all forms of permits and licenses, and the development of harmonized operating procedures for customs authorities in line with the relevant existing frameworks such as Annex 3 on Customs Co-operation and Mutual Administrative Assistance; and Annex 4 on Trade Facilitation.

28) Facilitate access to trade finance and insurance, particularly for SMEs, women, and youth, by promoting innovative products such as the yellow card insurance scheme in COMESA.

29) Facilitate access to regional and continental Payments and Settlement Systems such as the Pan-African Payments and Settlement Systems (PAPSS) and scale up participation in the platform by countries and financial institutions.

Capacity building

30) Conduct training to support a more transparent, equitable, gender transformative, and accountable trade policy system and to strengthen efficient and reliable national dispute resolution mechanisms, like arbitration, that are appropriate and accessible for local commercial practices.

31) Create awareness of existing trade frameworks, initiatives, and instruments for supporting trade, such as the AfCFTA and simplified trading regimes.

32) Increase awareness of and inclusive participation in platforms and instruments related to trade information, market information, and payments platforms that can support the implementation of the AfCFTA and participation in agrifood trade by different stakeholders.

33) Create awareness of tools to reduce and manage risks (early warning systems, animal diseases, financial instruments to manage currency and price risks) related to trade in agrifood products.

Data quality and availability

34) Support and build capacity of African countries to generate reliable, complete, and timely trade data in order to contribute to the Africa Trade Observatory (ATO). The ATO could also be expanded to capture information in a similar way to the Agricultural Market Information System (AMIS) used by the G20.

35) Scale up the monitoring of ICBT through the implementation of the Continental Methodology for ICBT data collection in Africa.

36) Collect and analyze sex-disaggregated data related to cross-border trade in agrifood.

37) Include indicators on inputs (fertilizers, pesticides, machinery) to support the monitoring of the integration of agrifood systems on the continent.

38) Strengthen the overall agrifood data system, e.g., food balance sheets, to allow for informed and timely trade and trade policy decisions by public and private sectors.

39) Provide transparent and comparable information on agricultural and food policies regarding the level of domestic public expenditures as well as their impact on price distortions on commodity markets, using a methodology similar to the Organisation for Economic Co-operation and Development Producer Support Estimate (OECD PSE) and FAO's Monitoring and Analysing Food and Agricultural Policies (FAO MAFAP) program, to support collaborative policy approaches and trust among members.

40) Develop comprehensive indicators and metrics to monitor SPS and NTMs for agrifood trade, assess their level of restrictiveness, and track the level of heterogeneity among national regulations.

Other interventions

41) Complement trade policy reforms with structural reforms that boost agricultural productivity. Other than structural investments, agricultural extension services should be strengthened and facilitate access to inputs, technologies, and knowledge.

42) Promote public and private investments in agricultural R&D supported by frameworks on IP rights and SPS to take advantage of large continental markets to achieve economies of scale.

43) Encourage countries to implement social safety nets for producers and consumers to protect them from excessive price fluctuations, thereby minimizing incentives to rely on sub-optimal trade policy instruments, e.g., export bans.

44) Provide targeted social programs and training programs for agrifood workers to ease worker mobility across sectors and promote employment following the implementation of trade liberalization.

45) Reform and regularize land tenure to promote investment in the primary sector while addressing remaining gender imbalances that hinder land ownership by women.

46) Reduce policy and security risks on the continent to strengthen the development of business networks, facilitate the movement of goods and people, and reduce insurance premiums.

47) Accelerate the adoption, ratification, and implementation of frameworks facilitating the free movement of persons, such as the Protocol to the Treaty Establishing the African Economic Community Relating to Free Movement of Persons, Right of Residence and Right of Establishment (Free Movement Protocol), the Migration Policy Framework for Africa, the Single African Air Transport Market and the AU Strategy for a Better Integrated Border Governance.

48) Scale up existing initiatives on competition policy and consumer protection aimed at avoiding the abuse of market power and contributing to a fair distribution of the benefits of the agrifood trade to all actors in the agrifood value chains. Promote the implementation of the AfCFTA protocol on competition and the establishment of a continental competition agency.

5-Conclusion

African integration and policy reform should continue to be a priority for the AU and its Member States in the Post-Malabo Agenda. The AfCFTA will support intra-African trade integration; however, successful integration will require African governments to undertake important policy and regulatory reforms.

The AU can develop an agricultural policy that encourages more sustainable and efficient agrifood production and trade, which will support food security and resilience while also addressing severe challenges related to climate change. Agricultural trade is essential to any proactive effort to address food insecurity and reduce malnutrition and poverty; it can also help to diversify food sources and support greater supply chain resilience. Open markets with low transaction costs allow food to move from surplus to deficit regions, stabilizing markets by reducing the risk of food scarcity in domestic markets and mitigating food price volatility. Only a small fraction of countries produces more calories than they consume, and even these countries rely on trade for a varied and nutritious diet. Trade makes safe and nutritious food more affordable and available and supports healthier diets. As noted by the Food Trade Coalition for Africa, an intra-African trade deficit is key to facilitating access to safe and nutritious food products in Africa. While intra-African trade has increased significantly since the early 2000s, this expansion has slowed in the face of current international challenges.

Finally, at the value chain level, the AfCFTA is expected to contribute to the development of regional value chains through trade complementarities and economies of scale. Intra-African trade represents an important channel for local producers to access rapidly growing African markets. For African countries to reap the benefits of upgrading along regional and global value chains, an ambitious promotion of intra-African trade will require serious tariff dismantlement, elimination of burdensome NTMs, and strengthening of the policy framework, including attention to illicit trade.

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Annex

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3	Paola De Caro	European Commission – DG AGRI
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9	Stephen Karingi	UN Economic Commission for Africa
10	David Laborde	Food and Agriculture Organization
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14	Laura Naliaka	UN Economic Commission for Africa
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