



Standards

IN THE CONTEXT OF THE AFRICAN CONTINENTAL FREE TRADE AREA

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Introduction

In a context in which Africa contributes 3% of world trade and only 12 to 15% of trade in Africa is between African countries, the implementation of a continental free trade agreement is a major issue. During the 2015-2017 period¹, intra-regional trade was around 15.2% in Africa, compared to 47.4% in America, 61.1% in Asia, 67.1% in Europe and 7.2% in Oceania.

The agreement on the African Continental Free Trade Area (AfCFTA) is a regional trade agreement within the meaning of the regulations of the World Trade Organization (WTO) in particular Article XXIV of the General Agreement on Trade in Goods and Tariffs (GATT 1994). This agreement will lead to the elimination

of customs duties for the bulk of trade as well as technical barriers to trade. In principle, the AfCFTA must contribute to the free movement of goods and people. The creation of this area is one of the priorities of the African Union Agenda 2063.

The AfCFTA Agreement entered into force from May 2019, following its ratification by 22 States as provided for in Article 23. Currently, there only remains the validation of the implementation instruments such as the list of tariff concessions, the on-line non-tariff barriers monitoring and elimination mechanism as well as the competition aspects, investments and intellectual property.



STANDARDS

The AfCFTA Agreement makes relevant provisions for the progressive elimination of technical barriers to trade, notably in Article 4 (a) of the Framework Agreement and Article 2 (b) of the protocol on trade in goods. These provisions cover standards, technical regulations², conformity assessment procedures and sanitary and phytosanitary measures. They fall under Annexes 6 and 7 (Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary Measures (SPS)) of the Protocol on Trade in Goods. These annexes highlight the harmonization of standards for the facilitation of trade between states. In this context, the ARSO³ will have an important role to play in the harmonisation of standards on the continent. The ARSO already has 1234 harmonised standards including standards on agri-food products. These standards were developed through 13 Technical Harmonisation Committees, including the Technical Harmonisation Committee for Food Products (THC 02) with 294 harmonized standards. In addition, it is important to emphasise that some RECs of the African Economic Community (AEC) have advanced quality infrastructure, for example ECOWAS. RECs with advanced quality infrastructure will be able to provide significant support to the continental quality infrastructure.

To achieve the objective of eliminating technical barriers to trade, the African Organization for Standardisation (ARSO) should be the central instrument for harmonized and accepted standards in all Member States. It is also important to remember that the ARSO is leading the development of the African Quality Policy project, which should be adopted in early 2020. This policy will support quality infrastructure that can boost trade.

THE AfCFTA AND WOMEN-OWNED BUSINESSES

The promotion of intra-African trade, industrial development and economic integration are the most viable means for African countries to achieve structural transformation and sustainable development. The implementation of the AfCFTA agreement should help boost trade between countries to provide a source of economic growth, and to encourage and promote entrepreneurship. All things that will create decent jobs for all of their citizens, especially for women entrepreneurs and producers.

In Africa, women play a key role in different economies through income-generating activities. Most often these women are active in the agri-food sector, particularly through processing and trade in agricultural products.

According to a study⁴ for the Women in Africa Initiative, the African continent has one of the highest female entrepreneurship rates in the world. The total rate of women's entrepreneurial activity, measuring the female working-age population actively involved in start-ups from the start-up phase to 42 months, is estimated at 24%. which is much higher than in most parts of the world.

¹ UNCTAD Report 2019 on Economic Development in Africa

² Mandatory standards

³ African Organisation for Standardisation (ARSO) accessed on 4 September 2020.

⁴ "Women Entrepreneurship in Africa" in 2018 by Roland Berger

Opportunities and Challenges for women entrepreneurs and producers

Standards and quality offer two strategic tools that are essential for the preservation of health, the protection of life, the protection of consumers and collective interests, as well as the integration of national production at sub regional, regional and international levels. Compliance with standards remains a major challenge face by companies in meeting new development challenges, approach methods and increasingly sophisticated features.

Women entrepreneurs in different economic sectors face difficulties including the implementation of quality management systems, quality approaches and the application of standards. This inadequate use of the rules and guidelines of national, regional and international standardisation bodies and failure to address the matter of quality partly explain the difficulties of access to markets and the provision of quality products and services.

Standards issues have been clearly addressed in the on the AfCFTA agreement, specifically in Annexes 6 and 7 of the Protocol on Trade in Goods. Article 6 of Annex 6 provides for cooperation in standardisation. States must promote the adoption of the standards developed by ARSO. Technical regulations, the mandatory application of standards being a key factor in the promotion of quality, Article 7 of Annex 6, invites States to comply with the Technical Barriers to Trade Agreement (TBT) of the World Trade Organization (WTO) to ensure that regulations do not raise unnecessary obstacles to trade.



OPPORTUNITIES

Standards involve and provide solutions to technical and commercial problems relating to products and services that repeatedly arise in relations between economic partners. They cover a range of areas, including product specifications, measurement, testing and analysis methods, labelling and packaging, management, evaluation and compliance. The objectives of standards including the definition of a common language between economic actors (producers, users and consumers), a quality and safety level and the harmonisation of good practices. Anything that facilitates trade at national, regional and international levels and helps to structure the economy better and facilitate the day-to-day lives of actors (companies, consumers, the state etc.).

According to an econometric study by Keith Maskus E (2005), based on a sample of 159 companies in 12 industries located in 16 developing countries, including some countries in sub-Saharan Africa, the costs associated with regulatory compliance are higher for the strictest technical regulations and standards. The variable costs of production are higher when the costs of adaptation to standards increase, which means additional work and capital.

Harmonisation of standards facilitates trade and enables economies to integrate. The effects of standards on regional and international trade relations are different from traditional trade barriers such as tariffs. Essentially, Standards do not have a protectionist purpose. Their aim is to protect the health of populations, the environment and vegetation. In terms of integration of economies, particularly within the system of Regional Economic Communities (RECs), the harmonisation of standards plays a crucial role. Harmonised standards facilitate integration and reduce the costs of compliance to companies as they take account of the specificity of each stakeholder as well as the development issue.

CHALLENGES

The trade facilitation provisions of the AfCFTA offer opportunities for businesses, especially for women entrepreneurs and producers. However, certain challenges remain.

For women entrepreneurs and producers, these challenges can be:

- the cost of conformity assessments, because women's businesses are often small and medium-sized enterprises (SMEs) that have no financial capacity;
- the difficulties of applying standards in the absence of technical capacity and quality human resources;
- lack of organization and coordination of agro-processing activities from production to marketing;
- poor access of processing units to suitable storage, conservation, processing, transportation and marketing techniques and technologies;
- lack of knowledge of markets and opportunities created by bilateral, regional and multilateral agreements.

In terms of quality infrastructure, it is of note that there is a lack of quality infrastructure, particularly conformity assessment (certification of products and services for example).

It is also important to highlight challenges relating to transport infrastructure and funding issues:

- the volatility of raw material prices and the irregularity of supply due to the lack of infrastructure of rural tracks and roads in production areas;
- difficult access to finance for women and young people.



What does the AfCFTA mean for companies?

Women contribute in one way or another to the fight against poverty, the reduction of unemployment through income-generating activities. These women are generally in the agri-food and services sectors working in small and medium-sized businesses with limited technical and financial capabilities.

The implementation of the AfCFTA agreement will have the effect of eliminating customs duties for the bulk of trade and will boost intra-African trade to stimulate “Made in Africa”. The AfCFTA will also contribute to increased trade between States as a source of economic growth, encouraging private sector investment and development (companies). This will enable countries to focus on what they do best in order to take full advantage of the implementation of the agreement.

This will mean that companies are able to take advantage of liberalisation to win export market shares and benefit from the transfer of knowledge and know-how within Africa. It will also enable them to improve their turnover.

The AfCFTA agreement will also create trade which will offer opportunities to companies through:

- the development of regional value chains with by connecting small businesses with medium-sized and large enterprises;
- increased company exports as a result of the removal of tariff and non-tariff barriers;
- low-cost access for companies to raw materials available in other countries;
- the creation of economies of scale with the competitiveness of local products;
- mobility of capital and human resources;
- dissemination of knowledge, know-how and technology;
- increased investment, which enables the countries to benefit from the investments, from technology transfer, job creation, export development and economic growth;
- the availability of a quality regional infrastructure to enable companies to access quality tools (standards, certification etc.) which help overcome the costs of non-quality.

CHALLENGES

In implementing the AfCFTA agreement, companies may face a number of challenges, including difficulties relating to market access (compliance with technical standards and regulations). Local businesses may face stiff competition from foreign firms.

These risks can be mitigated by upgrading companies both financially and organisationally (non-cost competitiveness). This is achieved through:

- the application of standards and certification to guarantee non-cost competitiveness;
- better structures and organisation, especially women producers and businesses;
- enhanced productive capacity through the provision of equipment to meet the needs of customers;
- development of partnerships with other companies, especially joint ventures, especially for women producers;
- involvement of women and women's producer associations in the development of standards at national and regional levels.





Conclusion and Recommendations

Within moves towards intra-community trade at regional level, the AfCFTA represents a key instrument at the service of companies. With the elimination of tariff barriers, companies will be able to export easily. However, some barriers need to be lifted - particularly non-tariff barriers, including, for example, standards and technical regulations.

With a view to fostering trade within the AfCFTA, the AU Commission can build on the West African experience (ECOWAS) in relation to quality infrastructure.

Indeed, ECOWAS has set up a regional quality infrastructure based on the following priorities: standardisation, conformity assessment, accreditation, metrology and technical regulation. As regards standardisation, ECOSHAM is the body responsible for harmonising standards, and today more than 90 standards have been harmonised covering different standardisation areas, namely:

- Agricultural products
- Foodstuffs
- Chemicals
- Buildings and building materials
- Electrical
- Tourism
- Water and sanitation

Based on harmonised standards, a regional certification system has been put in place to certify the conformity of products and services. This certification of products in the region aims to help the region's consumers to recognize products and services in the market that are safe and secure and meet established standards.

Harmonised standards will play a full role with the effective implementation of the certification system (ECOWAS conformity mark). Bodies have already been set up to roll out this certification system. These are the Community Committee for Conformity Assessment (ECOCONF) and ECOWAQ (ECOWAS Quality Agency).

EXAMPLE

For example, a company established in Mali could have its product certified with ECOWAS ECOQMA, which, first, gives local consumers a guarantee regarding the quality of the product. Secondly, the company can export the product to another ECOWAS country with the assurance that the product will pass the borders controls (health, phytosanitary, technical regulations). This mechanism will be supported by recognition of the Certification Mark (ECOQMARK) by all ECOWAS Member States. The certified product can also be exported to a country outside ECOWAS with the guarantee that it meets the standard.

The benefits of this certification include:

- reduction of non-tariff barriers with wide acceptance of the product due to the guarantee of quality granted by ECOQMARK;
- increase in volume and turnover of the company due to the lower costs of sanitary, phytosanitary controls etc..
- avoiding or reducing unnecessary additional conformity assessments;
- time savings in relation to export formalities, economies of scale, productivity and lower costs resulting from non-quality;
- winning new markets and customers.

This certification system provides support for the conformity of products and services of companies with ECOWAS standards, which certifies the conformity of products and services with these standards. This will mean products are accepted in markets and companies will be protected from technical barriers to entry into these markets.

The conformity of the products and services of companies through the Regional Mark is an opportunity for companies to increase their market share and to explore other markets outside the market of the ECOWAS community. To do this, companies must demonstrate the conformity of their products or services through certification (ECOQMARK).

It should be noted that ECOQMARK certification gives products and services wide acceptance in all ECOWAS States through the ECOQMARK recognition mechanism mark. ECOQMARK will also guarantee access to other markets with the support of accreditation from certification bodies that will deliver the mark.

Likewise, at African level, the ARSO's harmonised standards may also play an important role in trade. To achieve this, a certification system for West Africa (ECOWAS) needs to be set up. This system will be based on the CACO (Conformity Assessment Committee), the body responsible for conformity assessment for ARSO level. Note that ARSO also has a certification system, based on sustainability standards (which take account of environmental impacts). This certification system can be extended to other types of standards such as product specification standards.

In the African context, it is necessary to take account of the quality infrastructure put in place in Regional Economic Communities (RECs) such as ECOWAS and, more specifically, to set up mechanisms for the recognition of regional certification marks as well as national standards certification marks. This mechanism must be supported by a regional accreditation system for recognition of certificates issued by certification bodies. To ensure the effectiveness of this type of system, procedures can be put in place for certification bodies to be mandated to issue certification marks recognised throughout Africa.

Mandating is a procedure for recognition of the authority of a body in relation to specific tasks. Mandating rules must contain criteria in relation to the organisation's competence, generally based on the requirements of accreditation standards.



To achieve positive effects on trade at African level, Africa's Quality Policy must be based on a number of elements to boost intra-African trade, particularly for women's businesses. Accordingly our recommendation to the BIAT is for the following actions to implement.

01

AT THE NATIONAL LEVEL

- organisation of information and awareness campaigns for actors (women entrepreneurs and producers) on standards and certification;
 - promotion and support for the participation of companies, in particular women's companies, in national standardisation initiatives;
 - information and awareness-raising for women's companies on standards and the quality approach.
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02

AT THE REGIONAL LEVEL

- the establishment of simple conformity assessment procedures, in particular quality labels, through specific programmes to enable SMEs to guarantee a minimum quality level of products and services;
 - promotion and support for the participation of companies, in particular women's companies, in regional standardisation initiatives;
 - roll-out of tools for quality promotion among companies, for example certification marks;
 - information and awareness-raising on quality procedures for trade control and promotion organisations in the Region's States.
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03

AT THE CONTINENTAL LEVEL

- the establishment of certification recognition mechanisms at continental level;
- the delivery of training programmes for businesses, especially for women, to ensure their compliance in terms of quality, standards and certification;
- development and dissemination of manuals and practices tailored to the needs of women entrepreneurs
- promotion and support for the participation of companies, in particular women's companies, in continental standardisation initiatives;
- initiate mechanisms in support of the application of standards and certification. This sharing the costs of certification between companies and public or regional funds;
- identifying and boosting the technical capacity of the region's testing laboratories to facilitate product analyses and lower costs;
- strengthening the online monitoring mechanism on non-tariff barriers in Africa and informing stakeholders of its existence.

BOX 1 RECOMMENDATIONS

DOMAINS	RECOMMENDATIONS (BIAT AND OTHERS)	OBJECTIVES	IMPACT ON WOMEN	ACTORS INVOLVED
Standards & Quality	Development and implementation of the African Quality Policy (BIAT & ARSO)	Implementation of a Quality Policy to provide an efficient and effective quality infrastructure	Support for women's activities in terms of compliance with standards	ARSO, AU, RECs & Regional standards bodies
Standards	Accelerate harmonization of standards at the regional and continental levels in order to facilitate market access (ARSO)	Make harmonized standards available to users for their application	Sensitize and support women's businesses in the application of harmonized standards	ARSO, RECs and regional standards bodies
Standards	Facilitate the participation of women at national and regional standards committees to put in place and follow adhere to standards (ARSO)	Involve women producer associations in standardization activities	Active participation of women in standardization work	Women Producer Associations, ARSO, RECs, Regional Standards Organizations & National Standards Bodies
Standards	Provide the necessary information through simple and accessible tools to facilitate control of procedures and standards requirements (BIAT & ARSO)	Facilitate the understanding and application of standards for women's businesses through the development of simple and adapted manuals (in local languages)	Provision of manuals and guides adapted to the context of women and producer enterprises	Women Producer Associations, ARSO, RECs, Language Centers
Standards	Put in place technical and financial mechanisms for women entrepreneurs related to standards compliance for BIAT, ARSO & RECs	Ensure the conformity of the products and services of women's businesses to the standards	Upgraded women's businesses to meet standards	Women Producer Associations, ARSO, RECs & BIAT
Standards	Training for women's companies on standards, particularly on good practices in production, manufacturing and hygiene etc. (BIAT & ARSO)	Dissemination of good knowledge in the application of standards	Upgrading of production activities	Women producers and companies
Standards	Implementation of a quality label whose conformity assessment procedures are simple and less expensive (BIAT & ARSO)	Women producers have a certification system adapted to the size of their activity	Women producers have a certification system tailored to the size of their activity	National and regional certification bodies, ARSO
Investments	Development and dissemination of appropriate and modern techniques and technologies for storing, preserving, processing and transporting products. (BIAT)	Provision of appropriate technologies and techniques	Upgrading of women's companies in product storage, preservation, processing and transportation techniques	Women Producers and Enterprises, BIAT, ARSO

BOX 1 RECOMMENDATIONS (CONTINUED)

DOMAINS	RECOMMENDATIONS (BIAT AND OTHERS)	OBJECTIVES	IMPACT ON WOMEN	ACTORS INVOLVED
Marketing & market access	Assistance in improving the quality and presentation of the agri-food products of women entrepreneurs and producers including marks and packaging. (BIAT)	<ul style="list-style-type: none"> Support for stakeholders in the design and production of trademarks and packaging Support for companies in the protection of the marks through the AIPO (African Intellectual Property Organisation) 	Ensuring the visibility of products processed by women	Women producers and companies & BIAT
Standards	Deploy training in standards and quality for women leaders to be cascaded within their associations. (BIAT & ARSO)	Rollout of training programmes at regional and continental level on standards and the quality approach	Standards training for women producers and companies	ARSO, BIAT, Women producers and companies
Standards	Reduce the costs of conformity assessments, because women's businesses are often small and medium-sized enterprises (SMEs) that have no financial capacity; (BIAT, AU & REC)	Provision of financial and technical support mechanisms for certification for companies	Benefits of reducing compliance costs	AU, BIAT & REC, Women producers and companies
Investment	Facilitate access to finance for women and young people. (BIAT & AU)	Support for the implementation of simplified procedures for access to finance	Availability and easy access to finance	BIAT, AU, Women producers and companies
Market access	Facilitate of information for women's business associations and entrepreneurs on market opportunities and opportunities created by bilateral, regional and multilateral agreements. (BIAT, REC)	Implementation of market information tools in collaboration with to national and regional export promotion bodies	Knowledge of rules and opportunities of import markets	Trade promotion bodies, women producers and companies



#SheTrades

Women's economic empowerment is not a matter for government policy, the private sector, or social change alone. All have critical roles to play. This is why the International Trade Centre (ITC) launched the SheTrades Initiative, which seeks to connect three million women entrepreneurs to market by 2021.



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For more information on SheTrades, visit our [website](#)