Addressing the Trade Facilitation Challenge in the Context of the AfCFTA: Views from West Africa

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The year 2020 saw an unravelling of geopolitical alliances and global economic governance in general. Global supply chains and transportation networks suffered major disruptions, mainly because of the COVID-19 pandemic and the Ukraine crisis, which started with Russia’s invasion in February 2022. In addition, there have been locust infestations in East Africa, droughts in Southern Africa and a growing terrorist threat in the Sahel. These and other crises make an integrated Africa more relevant than ever, intensifying the need to build a continent that is more resilient to external shocks. African economies must become more capable of meeting the needs and aspirations of their young and diverse populations. The African Continental Free Trade Agreement (AfCFTA) represents a key opportunity to catalyse rapid economic development and remove barriers to intra-African trade.

For improved trade, Africa needs to tackle the prevalence of red tape and non-tariff barriers, especially for women traders. Women traders represent about 50% of the labour force in agriculture but are disproportionately affected by these barriers. According to the Africa Trade Report 2020 review of informal cross-border traders, women constitute more than 60% of informal cross-border traders in West and Central Africa. Yet along with youth and marginalized border communities, these women receive very little support for their trading activities. Such barriers prevent these underserved groups from tapping into neighbouring markets and receiving the full benefits of economic integration. A focus on embedding trade facilitation measures at borders could help to unleash the full potential of African trade.

Over the past decade of engaging in advocacy and public-private partnership on regional trade in West Africa, the private sector-led trade advocacy group Borderless Alliance has come to understand and appreciate the difficulty of enforcing the free and fair implementation of regional regulations at the national level so that they benefit all parties involved. And yet advocacy and dialogue remain the best tools to create trust and mobilize policymakers to take meaningful action to en-

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1 Ziad Hamoui is the founding member and past president of Borderless Alliance and is currently the national president of Borderless Alliance for Ghana. This paper reflects research conducted by Borderless Alliance and has benefitted from expert reviews by Lesley Wentworth (Managing Director, TUTWA Consulting) and Mahouélé Kpako (Trade and Gender Expert, ATPC, ECA). Nadia Hasham (ATPC, ECA) and Nadira Bayat (former ATPC, ECA) provided guidance and direction.


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able a friendlier business and trade environment in their countries.

While the continent draws lessons from the recent disruptions and charts its path towards a more inclusive and sustainable future, it is important to start the conversation about the required skills, tools and information needed to help interest groups become more active in shaping the future of trade and economic development across Africa.

Barriers to trade and transport, both local and regional, must be eliminated. Trade and transport facilitation are top priorities for a flourishing economy, and cross-border trade can accelerate regional integration across West Africa. Yet as those familiar with the situation are aware, the reality on the ground contradicts the aspirations for and pledges of reform that have been repeated for so long. This deeply affects the vulnerable and marginalized groups of society across Africa, especially women business owners, cross-border traders and young entrepreneurs.\(^6\)

Lofty aspirations have failed to transform into actions because of weak political will to reform obsolete regulations at points of entry, cumbersome nonreciprocal customs procedures and duty regimes, lack of adequate local funds to develop much needed infrastructure, and a myriad of related issues. Similarly, deeper dialogues between public and private stakeholders continue to expose conflicts of interest and dubious alliances between official agents and economic operators, resulting in ambiguity around three fundamental questions:

- Should security of goods supersede transport efficiency, or the other way around?
- Should policymakers focus on simplifying trade procedures or on formalizing all cross-border trade?
- Can compliance and facilitation be balanced without compromising security or prosperity?

Without faster, simpler and more transparent trade procedures, trade inefficiencies will continue to boost costs for consumers and economic operators alike in transit countries, while governments will continue to experience revenue leakages due to illicit fees at multiple checkpoints and ineffective trade and business procedures. At the same time, cargo diversion remains a serious threat to transit trade, adding time and cost to transit trade, and requires tougher security measures. Resolving these types of competing perspectives often calls for facilitated multistakeholder dialogue.

Holistic policy dialogue can help resolve conflicts of interest and can accelerate regional integration initiatives. Indeed, policy engagement and public–private dialogue remain necessary modalities for improving the awareness of key stakeholders of their collective responsibility in building an enabling trade and business environment.

Advocacy Programme for Women in Trade

In early 2017, under the “Promoting Food Across Borders” (ProFAB) program, Borderless Alliance, in collaboration with Women in Law and Development in Af-

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\(^6\) Borderless Alliance Study on the Specific Problems of Women Traders on the Abidjan-Lagos Corridor, March 2017
rica–West Africa (WiLDAF-WA) and the Association des Femmes de l’Afrique de l’Ouest” (AFAO), conducted a study on women in regional trade and on cross-border trade in agro-pastoral products. This advocacy study was conducted with cross-border traders along the borders of the Abidjan-Lagos corridor and in the Senegal-Gambia region.

A similar diagnostic study on the movement of small-scale cross-border women traders along three West African corridors (Dakar-Bamako, Abidjan–Lagos and Conakry-Bamako) was conducted in 2020 to better understand the needs of women traders at the border.7

The main findings from these studies and from the advocacy experience accumulated on the ground across West Africa since 2012 by Borderless Alliance are summarized below, outlining the key challenges and potential solutions for immediate action.

**Challenge 1: Lack of Adequate Border Infrastructure**
Long and distant borders separate production areas from consumption centres across Africa, especially between coastal and landlocked countries, creating friction in the cross-border movement of goods. This situation is exacerbated by deficiencies in infrastructure at border posts, including a lack of security infrastructure, inadequate trade infrastructure (too few customs counters) and insufficient basic utilities such as restrooms and showers. The results are costly border delays, deficient health and sanitary conditions and inadequate safety and security standards, especially for women.

These challenges create disincentives, especially for smaller traders, to use formal borders and drive these traders to use informal (illicit) crossings instead, to bypass costly delays. These circumvention measures expose them to higher health and safety risks.

**Challenge 2: Entrenched Culture of Gender Bias**
Many border crossings in Africa are not designed to meet the needs of women traders. Whether because of a lack of consideration for the physical, social and economic differences between women and men, or because of the inadequate number of female officers, women traders are subjected to harassment or extortion more frequently than men are, with few options for lodging official complaints or seeking assistance.

**Challenge 3: Absence of Adequate Information Desks**
Economic operators and uniformed agents (police, customs and immigration officers) often lack adequate knowledge about the rules and procedures of border crossing for passengers and economic operators. Many traders and economic operators are unaware of the documentary requirements or the clearing procedure for moving goods across the border, especially regional laws (such as the Economic Community of West African States [ECOWAS] Trade Liberalization Scheme). The situation is often exacerbated by high turnover of officials.

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7 Borderless Alliance Diagnostic Study on the Movement of Small-Scale Cross-Border Women Traders on Three Corridors in West Africa, April 2020
Many regulatory agencies (e.g., standards authorities, veterinary services, food and drug authorities) lack an adequate presence at borders, making it difficult to refer to particular procedures. This provides added leverage for further delays, which can be negotiated in exchange for a “facilitation fee.” The absence of clearly designated information centres creates a chaotic environment that attracts local intermediaries who charge a fee in return for providing a service to passengers and economic operators. These intermediaries are known as “touts” in Nigeria, “Goro boys” in Ghana and “Klébès” in Benin.

**Challenge 4: Informal Nature of Cross-Border Trade**

In West African cross-border trade, as in most of Africa, the bulk of trade is carried out by informal, small-scale women traders. Although trade associations and organized groups exist, most traders lack the knowledge and organizational skills needed to form effective networks or associations.

This highly informal market structure complicates data collection at borders, resulting in a lack of reliable and specific statistics on the transactions of women traders operating across borders. The situation is exacerbated by the reluctance of women and control agents to collaborate and support data collectors at border posts and the difficulty of mobilizing women to attend cross-border stakeholder meetings.

As a result, informal trade volumes go largely unnoticed, and real cross-border trade flows remain under-reported. The insufficient interest and inaction by policymakers on these issues mean that trade informality persists, despite continuing advocacy from private sector and civil society.

**Challenge 5: Dispute Resolution**

The lack of a dispute resolution mechanism to enforce regional laws is another challenge. Even though the ECOWAS has been in existence since 1975, its protocols lack a clear procedure to resolve breaches between regional trading parties. Despite the existence of the ECOWAS Trade Liberalization Scheme, a free trade agreement that provides for duty-free movement of goods originating in the region to member states, its rules are frequently breached. States often take up these incidents on behalf of their economic operators and resort to ad hoc interventions that involve heavy compromises.

**Recommended Solutions**

Even as market participants and stakeholders adjust to the “new-normal” and as countries draw lessons from the failures of the current system, it is time to consider ways to equip women traders, cross-border traders, youth and marginalized groups with adequate tools, skills and information to enhance their productivity in today’s world. And as the AfCFTA Secretariat prepares for subsequent phases of negotiations, with a focus on digital trade, women and youth, it is important to engage with representatives of these groups early enough to ensure that their needs and challenges are being taken into consideration and prioritized.

Borderless Alliance believes that the AfCFTA provides an excellent opportunity to bridge the economic gender gap and calls on African policymakers to design
gender-specific interventions that can improve cross-border trade and unlock economic opportunities. Failure to take prompt and meaningful action risks widening the gender gap. Borderless Alliance proposes specific measures that can facilitate trade in general and trade by women in particular.

Addressing Cross-Border Infrastructure
Tackling the lack of suitable infrastructure for cross-border trade and transport requires collaboration between the state and the private sector. Adequate areas for goods handling and storage, passenger movement, health, security and sanitary facilities are essential. These should be fit for purpose, easy to maintain and sustainable using available resources. Since dealing with these challenges involves state budget planning, efforts to prioritize the development of border infrastructure need to be spearheaded by ministries of finance and economic planning. Partnerships with other state agencies and relevant organized private associations will be expected to help review the flow of trade through border crossings, ensuring quick, safe and secure crossings.

Ending Gender Bias in Trade
Addressing gender discrimination against women traders will require training for border officials on proper search and interrogation techniques, setting up effective complaint mechanisms that include tough sanctions and developing monitoring tools to enhance effectiveness at borders. Other traders and economic operators will have to be sensitized to these procedures as well, so that they become aware of what to expect. Ministries for women, along with trade facilitation committees, can lead the implementation of gender streamlining in policymaking. However, it is advisable to share monitoring, information collection and complaint filing with credible and neutral institutions, such as civil society organizations.

Redressing Information Deficiencies
Addressing the lack of knowledge on trade procedures will require resources for training stakeholders on regional and continental rules and regulations, trade procedures and the required documentation for regional trade and transport. It will also require designing or re-engineering existing simplified trade procedures for small-scale cross-border traders, to enable them to benefit from the wider market under the AfCFTA.

Formalizing Trade via Enhanced Trade Data Collection
Data collection at borders, with an emphasis on volumes, values and details of trade and traders across borders, can be enhanced by embedding gender-trained focal points at border crossings. These focal points can be observers and data collectors, as well as community engagement experts who build trust among traders, economic operators, border communities and border agencies. Although an ECA-Afreximbank study has identified various ECOWAS initiatives designed to include informal trade in national and re-

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8 ATPC/UNECA 2019, Enhancing the quality of informal cross-border trade in the Economic Community of West African States: https://repository.uneca.org/bitstream/handle/10855/46372/b1199650x.pdf.
Regional registries, focal points are needed to ensure that informal trade is included in overall statistics.

**Dispute Settlement under the AfCFTA**

The AfCFTA has been equipped with a Board of Dispute Resolution, which is empowered by the Rules and Procedures on Dispute Settlement. The procedures of the Board of Dispute Resolution stipulate that private parties may not come before the Dispute Settlement Mechanism of the AfCFTA. Rather, disagreements must be settled by State Parties, provided that these parties are recognized in their respective countries. State Parties do not recognize small groups if they are not officially organized. In addition, even if these groups have official status and come to the AfCFTA Board of Dispute Resolution with a case, the current procedure may determine whether the complaint is significant enough to warrant State-State intervention.

To address this challenge, the AfCFTA Secretariat is considering complementing its current Dispute Resolution Mechanism with an alternative mechanism that can fast-track the complaint redress process for small-scale challenges by marginalized or small economic operators.

**Conclusion**

The AfCFTA represents a unique opportunity to rebuild the African economy better by factoring all border stakeholders and their needs, including economic operators and the marginalized groups, into policymaking and providing them with the tools needed to grow and thrive, without compromising security or prosperity. Evidence suggests the following entry points for action:

- Tackling intra-African trade barriers in a meaningful and lasting manner. Significant tariff elimination is an important expectation of the AfCFTA, but other tariff barriers, especially nontariff barriers, are more obscure and difficult to eliminate. This will happen only with real commitment from governments.
- Acting deliberately to address gender imbalance at border posts. Women are especially vulnerable to the lack of sanitation and infrastructure at border posts, as well as trader harassment. In part, these gender imbalances reflect that fact that men are typically in authority as inspectors and customs officials.
- Addressing information asymmetries has the advantage of making economic activity more transparent and more efficient and of lowering transaction costs. With the integration brought about by the AfCFTA, information collection and organization are much more challenging yet all the more critical.

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9 Various initiatives have emerged to track informal cross-border traders (ICBT) in the ECOWAS region such as the ECA-Afreximbank pilot project for the Abidjan–Lagos corridor. The project has developed a harmonized data collection framework for the ECOWAS region. Other corridors in the region are encouraged to use this framework and may also get support from development partners. The mobile application ECO-RATIN (ECOWAS-Regional Agricultural Trade Intelligence Network) has been developed for monitoring ICBT in the ECOWAS region. The Permanent Interstate Committee for Drought Control in the Sahel (CILSS) also collects data on ICBT that are planned to integrate the national statistics of ECOWAS Member States.
• Using the appropriate dispute resolution mechanisms. Apart from being affordable and accessible to women traders, dispute resolution mechanisms must have the potential to achieve an amicable outcome that does not prejudice future business between the parties.

• Setting up multistakeholder dialogues. Such dialogues should focus on key outcomes for each stakeholder to enable ongoing and positive engagement on economic trade and integration.

Message from the author: We at Borderless Alliance remain committed to our core objective of promoting regional economic integration and the free movement of goods and people in West Africa and beyond. We stand ready to collaborate with all concerned stakeholders towards that end and for the benefit of all.

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