



## **Terms of Reference**

### **An Impact Analysis of the African Continental Free Trade Area (AfCFTA) Post-Implementation: A trade Union Lense**

#### **Background and Context**

The African Continental Free Trade Area (AfCFTA), inaugurated in 2018 and operational since 2021, represents a landmark initiative aimed at unifying 54 African economies into a single market covering over 1.3 billion people and a combined GDP exceeding USD 3.4 trillion. This ambitious agreement seeks to catalyze significant economic growth, enhance industrialization, and significantly improve socio-economic conditions across the continent by creating a cohesive economic space for the free movement of goods, services, and people. Historically, Africa has experienced fragmented markets and relatively limited regional trade, with intra-African trade amounting to only about 16% of Africa's total trade in 2018, compared to 59% in Asia and 68% in Europe. The establishment of AfCFTA has been poised to change this narrative dramatically. According to the United Nations Economic Commission for Africa (UNECA), AfCFTA could potentially increase intra-African trade by more than 50% through the elimination of import duties and by up to 100% if non-tariff barriers are also addressed. This significant increase in trade is expected to energize the continent's industrial sectors such as manufacturing and agriculture, leading to broader economic resurgence and development.

AfCFTA's promise of economic integration is anticipated to generate substantial employment opportunities, directly addressing one of Africa's most daunting challenges: high unemployment rates, particularly among youth where figures surpass 30% in several countries. By stimulating trade and industrial activities, AfCFTA aims to create not only more jobs but also better-quality jobs characterized by fair income, security, and social protection. Moreover, increased economic activity from trade is likely to enhance public services and social protection systems, as greater fiscal revenues could be reinvested into vital sectors such as healthcare, education, and social security. In the wake of structural economic shifts driven by AfCFTA, the role of trade unions is crucial. They are key in ensuring that the gains from increased trade lead to tangible improvements in labour rights and working conditions. Trade unions are instrumental in advocating for the inclusion of robust labour standards within trade policies, safeguarding against economic progress coming at the cost of workers' rights. Continuous monitoring and assessment of AfCFTA's impacts on labour are essential to ensure equitable benefits across the workforce.

While AfCFTA harbours immense potential for transforming Africa's economic landscape, it also presents particular challenges for marginalised groups including

women, youth, and persons with disabilities. These groups often encounter systemic barriers such as lower wages, precarious employment conditions, and limited access to social protections. Successfully implementing AfCFTA requires tailored strategies to mitigate these challenges, ensuring no group is left behind as Africa moves towards greater economic integration. As part of the impact analysis, it is critical to include a trend analysis of trade statistics over the period since AfCFTA's inception. This analysis will provide a quantitative foundation to assess how changes in trade volumes and patterns have influenced economic structures and labour markets across the continent. By examining trade data, such as import and export volumes between member states, the analysis can identify sectors and regions that have experienced significant change, positively or negatively or otherwise.

This trend analysis will also delve into how these economic changes have translated into employment opportunities, wage levels, and labour conditions, providing a comprehensive view of the socio-economic impacts of increased intra-African trade. Such insights are indispensable for understanding the broader implications of AfCFTA and will guide trade unions, policymakers, and economic stakeholders in making informed decisions to optimize the benefits of the trade agreement for all Africans, especially workers and those in precarious or informal employment.

## **Objectives**

The primary objectives of this comprehensive impact analysis of the African Continental Free Trade Area (AfCFTA) since its inception are to:

1. *Quantitatively and Qualitatively Assess Trade Growth* –  
To analyze the trends in trade volumes and patterns across AfCFTA member states and determine the extent to which AfCFTA has achieved its goals of boosting intra-African trade.
2. *Evaluate Economic Impact* –  
To assess the macroeconomic impacts of AfCFTA, focusing on GDP growth, industrial development, and sector-specific changes within member countries.
3. *Determine Labour Market Outcomes* –  
To examine the effects of AfCFTA on employment rates, job creation, and labour conditions, with a specific focus on the quality of jobs and the prevalence of decent work standards.
4. *Investigate the Role and Effectiveness of Trade Unions* –  
To evaluate how trade unions have engaged with AfCFTA processes and policies and their effectiveness in advocating for labour rights and standards during the integration process.
5. *Assess Impact on Marginalised Groups* –  
To specifically assess how AfCFTA has impacted vulnerable groups within the workforce, including women, youth, and persons with disabilities, in terms of employment opportunities and access to social protections.
6. *Formulate Policy Recommendations* –  
To provide actionable recommendations for policymakers, trade unions, and economic stakeholders to enhance the benefits of AfCFTA and mitigate any adverse effects, particularly on marginalised groups.

## Scope of the Study

The scope of this comprehensive impact analysis of the African Continental Free Trade Area (AfCFTA) is extensive and covers multiple dimensions of economic, social, and labour market impacts since the agreement's inception. The analysis aims to provide a holistic understanding of how AfCFTA has influenced trade dynamics, economic growth, labour markets, and social protections across the continent, with a particular focus on its effects on workers, especially those from marginalized and vulnerable groups. Each component of the scope will be examined through both qualitative and quantitative lenses, ensuring that the impact of AfCFTA is thoroughly evaluated.

A critical element of this study will be the assessment of intra-African trade volumes since the implementation of AfCFTA. This will involve a detailed analysis of trade statistics, focusing on the changes in import and export flows between member states. By examining the trends in trade volumes and patterns, the study will identify which sectors and regions have experienced the most significant shifts and which areas have seen limited growth. Additionally, the study will assess the reduction of tariffs and non-tariff barriers and their role in facilitating economic integration. The evaluation will not only focus on quantitative data but also on the quality of trade relations, the creation of new trading partnerships, and the diversification of trade products within the continent.

The study will evaluate AfCFTA's contribution to the macroeconomic landscape of member countries by analysing its effects on gross domestic product (GDP) growth and industrial development. By linking trade liberalization to economic outcomes, the study will determine how increased trade activities have influenced industrialization across different sectors such as manufacturing, agriculture, and services. Special attention will be given to the extent to which AfCFTA has stimulated industrialization, expanded market access for local producers, and promoted value addition within member countries. The research will assess whether AfCFTA has been successful in driving economic diversification and reducing reliance on exports of raw materials, particularly focusing on how these developments have affected employment opportunities in key industrial sectors.

Understanding the impact of AfCFTA on the labour market is central to this study. The analysis will explore employment trends, job creation rates, and changes in the quality of jobs since the agreement's inception. Special emphasis will be placed on the nature of employment generated—whether the jobs created are in line with decent work standards, including fair wages, job security, and adequate working conditions. The study will examine how AfCFTA has affected both formal and informal sectors, identifying which types of workers (skilled versus unskilled, urban versus rural) have benefitted the most or least. The research will also explore potential negative consequences such as job displacement in certain sectors or regions due to increased competition and structural adjustments triggered by the agreement.

Trade unions play a pivotal role in advocating for labour rights, especially during significant economic transitions like those driven by AfCFTA. This analysis will examine how trade unions have been involved in the development and implementation of AfCFTA-

related policies. It will assess the level of trade union engagement in negotiations, their ability to influence policy, and their effectiveness in safeguarding labour rights during this period of economic integration. The study will investigate whether unions have been able to successfully lobby for the inclusion of strong labour standards within the framework of AfCFTA, and how effective their advocacy has been in ensuring that workers' rights are protected amid the broader economic changes.

One of the key areas of focus in this study will be the impact of AfCFTA on marginalized and vulnerable groups, including women, youth, and persons with disabilities. These groups often face systemic barriers in accessing decent work and social protection. The analysis will delve into how AfCFTA has influenced employment opportunities and economic conditions for these populations, exploring whether the agreement has helped to reduce wage gaps, increase access to quality jobs, or improve social protections for these groups. The study will pay particular attention to the informal sector, where many marginalized workers are concentrated, and assess whether AfCFTA has provided pathways for these workers to transition into more secure and formal employment.

The study will also assess the effects of AfCFTA on social protection systems across member countries, particularly in relation to healthcare, unemployment benefits, pensions, and worker safety nets. By evaluating how trade-driven economic growth has contributed to the strengthening or weakening of social protection systems, the analysis will provide insight into whether the gains from AfCFTA have been distributed equitably across the workforce. The study will examine whether member countries have used increased revenues from trade to invest in improving social protections for workers, especially those in precarious or informal employment. The role of trade unions in advocating for enhanced social protection as part of the economic growth under AfCFTA will also be explored.

A key outcome of this study will be to provide actionable policy recommendations based on the findings. This aspect of the study will be guided by stakeholder feedback, including input from policymakers, business leaders, trade union representatives, and workers. By integrating qualitative insights from these groups with the quantitative data on trade, employment, and economic growth, the study will develop a comprehensive set of recommendations to inform future AfCFTA policies. These recommendations will focus on ensuring that AfCFTA continues to support inclusive economic growth, decent work standards, and strong social protections, especially for those in vulnerable positions.

## **Methodology**

This study will use a mixed-methods approach, incorporating both quantitative and qualitative data collection and analysis to assess the impact of AfCFTA on trade, economic growth, labour markets, and social protections. The methodology is divided into three phases: Data Collection, Data Analysis, and Synthesis & Reporting.

In **Phase 1: Data Collection**, quantitative data will be gathered from various official sources. Trade data will be obtained from institutions like UNECA and WTO to assess intra-African trade volumes, sectoral shifts, and tariff reductions. Economic data, including GDP growth and industrial development, will be sourced from the African

Development Bank (AfDB) and national statistics offices. Labour market data, such as employment rates and wage trends in both formal and informal sectors, will be drawn from labour surveys and the International Labour Organization (ILO). Social protection data, including access to healthcare and unemployment benefits, will be collected from national social protection agencies. Qualitative data will be gathered through key informant interviews (KIIs) with trade union leaders, policymakers, and business stakeholders, as well as focus group discussions (FGDs) with workers, especially marginalised groups such as women, youth, and informal sector workers. Additionally, case studies will be developed for specific sectors or countries to provide in-depth insights. A secondary data review of existing reports and literature will also complement primary data collection.

**Phase 2: Data Analysis** will involve both descriptive statistics and trend analysis to examine trade, employment, and economic indicators over time, identifying key shifts pre- and post-AfCFTA implementation. The analysis will include sectoral and regional comparisons, highlighting how different regions and industries have been impacted. Disaggregated analysis will focus on the effects on vulnerable groups such as women, youth, and persons with disabilities. Thematic analysis will be used to interpret qualitative data from interviews and focus groups, identifying key themes such as trade union engagement, labour conditions, and social protections.

In **Phase 3: Synthesis and Reporting**, the findings from the data analysis will be synthesised to provide a holistic understanding of AfCFTA's impacts. These findings will inform the development of policy recommendations aimed at improving labour conditions, enhancing social protections, and strengthening the role of trade unions. A Validation workshop with stakeholders will be conducted to gather feedback on preliminary findings. Finally, the report will be disseminated to targeted audiences such as policymakers and trade unions in Africa and other stakeholders.

### **Deliverables**

1. Inception report
2. Full report incorporating comprehensive findings, analyses, and actionable insights including summarising key insights and policy recommendations.
3. Facilitating validation workshop to discuss findings and engage with policy implications.

### **Timeframe**

The project will extend over 3 months, structured around distinct milestones for each phase of the methodology. Deadline for submission of submission of the final report will be **November 30, 2024**.

The consultant interested in conducting the study on should have:

- A relevant advanced degree (e.g., PhD or Master's) in economics, public policy, or a related field is typically required.
- The consultant should have a strong background in trade economics or international economics, with specific expertise in regional economic integration schemes, preferably in Africa. This includes understanding the mechanisms of free trade agreements, such as AfCFTA, and their implications for economic growth, trade flows, and sectoral dynamics.

- Proficiency in qualitative and quantitative research methodologies is essential. The consultant should have experience in designing and implementing surveys, conducting interviews, and analysing both primary and secondary data related to economic policies and trade agreements. Knowledge of statistical tools and methods for data analysis is highly desirable.
- Familiarity with key sectors affected by AfCFTA, such as manufacturing, agriculture, services, and informal sectors, is crucial. Understanding the specific challenges and opportunities within these sectors under the AfCFTA framework will enable the consultant to provide nuanced insights and recommendations.
- Ability to translate research findings into actionable policy recommendations is important. The consultant should demonstrate past experience in providing strategic advice to governments, international organizations, or NGOs on trade policy, economic development, and labour market dynamics.
- Knowledge of the African continent's economic landscape, regional integration efforts, and socio-economic dynamics is advantageous. Understanding regional disparities in awareness, knowledge levels, and trade dynamics under AfCFTA will enhance the consultant's ability to contextualize findings and recommendations.
- Strong communication skills, both written and verbal, are essential for preparing comprehensive reports, presenting findings to diverse stakeholders, and facilitating workshops or validation sessions. Experience in engaging with government officials, trade unions, civil society organizations, and international agencies is beneficial.
- Proficiency in English is necessary, as it is widely used in academic and policy circles across Africa. Knowledge of other languages commonly spoken in African countries (e.g., French, Portuguese, Arabic) would be an asset, facilitating broader engagement and understanding.

#### **Coordination, Research and Reporting**

- The Executive Director of the Africa Labour Research and Education Institute (ALREI) of the African Regional Organization of the International Trade Union Confederation (ITUC-Africa) is responsible for the overall oversight of the research project including technical backstopping and publication.
- ALREI values collaboration as a key approach to producing unique research content that reflects the objectives, values and vision of the organization. To this end, a designated ALREI researcher, will co-write/co-author some sections of the report. For example, aspects of the introduction, methodology, analysis and conclusion of the study may be written by an ALREI researcher. It is therefore imperative that the individual consultant collaborates closely with ALREI researcher(s) to produce the study.
- The Consultant will be responsible for planning and conducting the analysis (including any logistics and communications) and report writing.

#### **Submission of application**

Interested consultants and/or agencies applying for this assignment should submit the listed documents [alrei@ituc-africa.org](mailto:alrei@ituc-africa.org) with the subject: ITUC-Africa AfCFTA after 4 years.

- A technical proposal (including the CV(s) and financial proof the consultant(s)) outlining the proposed methodology and timelines.
- Present financial proposal
- Successful candidates will be contacted within one week of the deadline.

**Only short-listed candidates will be communicated.**

**Deadline for submission of Technical and Financial Proposals is September 30, 2024**