

Informal Cross-Border Trade (ICBT) in Africa Comprehensive Analysis and Strategic Integration under the African Continental Free Trade Area (AfCFTA)

Terms of Reference (ToR)

Background and Justification

Informal Cross-Border Trade (ICBT) is integral to intra-African trade, accounting for approximately 30-40% of trade flows in various African regions, significantly sustaining livelihoods, especially among women and youth (Bouet et al., 2018; UNCTAD, 2019). Women represent about 70% of informal traders across Africa, engaging predominantly in trade in agricultural products, textiles, and manufactured goods (Brenton & Soprano, 2018). Youth, constituting about 60% of the continent's unemployed population, heavily depend on informal trading as an accessible economic entry point (AfDB, 2020). Despite their critical role, informal traders, particularly women and youth, are disproportionately affected by socio-economic barriers including limited access to finance, lack of secure trading spaces, cumbersome border procedures, harassment, and inadequate awareness of trade regulations (Koroma et al., 2017). The operationalisation of the African Continental Free Trade Area (AfCFTA) offers a transformative opportunity to formally integrate informal trade sectors, addressing systemic inequalities and promoting inclusive economic development. Significantly, the recently introduced AfCFTA Protocol on Women and Youth in Trade aims to specifically address these inequalities by providing targeted support and creating conducive policy environments. By focusing on the specific challenges and opportunities faced by women and youth in ICBT, the AfCFTA, through its dedicated protocol, can significantly contribute to broader social and economic empowerment. This research is conducted within the context of a SASK AfCFTA project titled "*African Trade Unions' agenda and Effective Participation in Trade and Investment Processes: Africa Continental Free Trade Agreement (AfCFTA)*," which aims to empower trade unions to effectively participate in AfCFTA processes.

Purpose of the Research

The purpose of this study is to critically evaluate the current dynamics of **Informal Cross-Border Trade (ICBT)**, specifically examining challenges and opportunities for women and youth traders. This study aims to provide empirically grounded recommendations to facilitate their meaningful integration into formal economic activities through the AfCFTA framework, particularly leveraging the AfCFTA Protocol on Women and Youth in Trade.

Objectives

General Objective

- To explore ICBT dynamics and propose strategic interventions within AfCFTA that empower women and youth.

Specific Objectives

- Quantify and categorise sectors, scales, and socio-economic profiles of women and youth engaged in ICBT.
- Analyse gender-specific and age-specific constraints experienced by informal traders.
- Assess levels of awareness, preparedness, and capacity among women and youth for leveraging AfCFTA opportunities, specifically under the AfCFTA Protocol on Women and Youth in Trade.
- Identify existing and potential support mechanisms for informal traders.
- Explore the utility of AfCFTA provisions in enhancing inclusion and empowerment, particularly through the AfCFTA Protocol on Women and Youth in Trade.
- Develop policy recommendations for the strategic integration of informal traders into formal trade practices.

Scope of the Study

The study will cover the following countries: Ghana, Togo, Nigeria, Benin, Kenya, and Uganda. Special emphasis will be placed on three critical border crossings:

- Aflao Border (Ghana – Togo)
- Busia Border (Kenya–Uganda)
- Seme Border (Nigeria–Benin)

The Ghana-Togo Aflao border is one of the busiest and economically significant crossings in West Africa, connecting Ghana to Togo and the broader ECOWAS region. It supports extensive informal trade, predominantly by women and youth who trade agricultural produce, textiles, and manufactured goods. This crossing is crucial for implementing the AfCFTA Protocol on Women and Youth in Trade, given its role in supporting economic livelihoods and regional integration. The Busia border is a key trade link in East Africa, facilitating significant informal trade between Kenya and Uganda. It is particularly important for women and youth traders involved in agricultural products, fish, and small-scale manufacturing. Despite its strategic importance, traders face challenges such as complex customs procedures, insecurity, and limited access to finance, making it a critical focus for inclusive trade reforms under AfCFTA. The Seme border, one of the busiest in West Africa, is a vital trade corridor between Nigeria and Benin, with a high concentration of informal trade in textiles, electronics, and agricultural goods. Women and youth dominate this trade, often operating without formal protections, making them vulnerable to harassment and extortion. The AfCFTA Protocol on Women and Youth in Trade presents an opportunity to address these challenges, promoting formalisation and economic empowerment.

Methodology

This study will adopt a participatory and intersectional mixed-method approach, employing both qualitative and quantitative research techniques to ensure a comprehensive and nuanced understanding of Informal Cross-Border Trade dynamics. Initially, a thorough desk review will be conducted to collate and analyse existing literature, relevant policy frameworks, and past research on informal trade, AfCFTA implications, and specifically, the AfCFTA Protocol on Women and Youth in Trade. Surveys will then be administered to women and youth traders using structured questionnaires, designed to gather quantitative data on the scale of their economic activities, specific challenges faced, and their awareness and preparedness regarding AfCFTA. Key Informant Interviews (KIIs) will complement these surveys, targeting informal traders, border officials, representatives from trade associations, and policymakers to provide deeper qualitative insights. To capture the lived experiences and perceptions of the traders more thoroughly, gender-sensitive and youth-focused Focus Group Discussions (FGDs) will be held at each selected border crossing. Additionally, observational fieldwork at these borders will document real-time trading practices, procedural barriers, and other dynamics that affect informal traders. All data collected will be disaggregated by gender and age to facilitate precise comparative analysis across the selected countries and to identify targeted policy interventions effectively, particularly in line with the objectives of the AfCFTA Protocol on Women and Youth in Trade.

Deliverables

- Inception Report detailing methodological approach
- Individual Country Case Study Reports
- Comparative Analysis Report
- Virtual Validation Workshop.
- Final Comparative Report.
- Policy Brief highlighting key recommendations.

Timeline

The project will span 16 weeks:

- Week 1: Contractual arrangements.
- Week 2: Submission and approval of inception report.
- Weeks 3-8: Data collection phase.

- Weeks 9-12: Data analysis and drafting of reports.
- Week 13: Validation workshop.
- Weeks 14-16: Final report revisions and submission.

Consultant Profile

The consultant(s) should possess:

- An advanced degree in Trade Economics, Development Studies, Gender Studies, or Public Policy.
- Proven experience in conducting research on informal economies, with specific expertise in gender and youth issues.
- Demonstrable knowledge of AfCFTA and related trade policies.

Coordination and Reporting

The study will be coordinated by the Executive Director of the African Labour Research and Education Institute (ALREI), ITUC-Africa, supported by dedicated ALREI research staff. Close collaboration between consultants and ALREI researchers is mandatory to ensure the intellectual rigour and practical applicability of the study outcomes.

Budget and Payment

- First tranche (60%) upon approval of the inception report.
- Final tranche (40%) upon submission and acceptance of all deliverables.

Submission of application

Interested consultants and/or agencies applying for this assignment should submit the listed documents with the subject: ITUC-Africa ICBT Study. to alrei@ituc-africa.org

- 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.

Deadline for submission of Technical and Financial Proposals is June 30, 2025

Submission email: alrei@ituc-africa.org

References

- AfDB. (2020). *African Economic Outlook 2020: Developing Africa's Workforce for the Future*. African Development Bank Group.
- Bouet, A., Pace, K., & Glauber, J. (2018). *Informal Cross-Border Trade in Africa: How Much? Why? And What Impact?* IFPRI Discussion Paper 01783.
- Brenton, P., & Soprano, C. (2018). *Small-scale Cross-Border Trade in Africa: Why It Matters and How It Should Be Supported*. Bridges Africa, 7(4).
- Koroma, S., Nimarkoh, J., You, N., Ogalo, V., & Owino, B. (2017). *Formalization of Informal Trade in Africa: Trends, Experiences, and Socio-economic Impacts*. FAO and CUTS International.
- UNCTAD. (2019). *Borderline: Women in Informal Cross-border Trade in Malawi, the United Republic of Tanzania, and Zambia*. UN Conference on Trade and Development.