

# Programme Support to the African Continental Free Trade Area (AfCFTA)

## Malawi Component

### Background and context

Malawi is committed to the African Union “Agenda 2063: The Africa We Want” which is a long-term vision and 50-year strategy for the development of Africa. The Agenda 2063 calls for “a prosperous Africa based on inclusive growth and sustainable development”. Malawi is a signatory to and in January 2021 ratified the AfCFTA.

Malawi’s vision for African trade is to expand the export market share beyond the Regional Economic Communities (RECs). The country’s goal is in line with the Action Plan for Boosting Intra-Africa Trade (BIAT). In 2019, Malawi goods exports into Africa were estimated at USD 331 million and imports were valued at USD 802 million with a goods trade balance of USD – 471 million. Total exports of goods to the world in 2019 were USD 912 million, and exports of services stood at USD 179 thousand. On the other hand, imports of goods were USD 2.9 billion and that of services USD 335 thousand, representing a goods trade deficit of USD 2.1 billion.

To this end, the overarching objective of the Malawi AfCFTA National Strategy is to support the effective implementation of the AfCFTA, and to reduce the intra-African trade deficit by 25 percent and build global trade networks by 2026. The Malawi AfCFTA National Strategy was developed and anchored in the Action Plan for Boosting Intra-Africa Trade (BIAT) and the Malawi Vision 2063.

### Our approach

The AfCFTA is one of the AU’s flagship projects for the implementation of its 2063 Agenda. The agreement was signed by 54 of the 55 African states and came into force in May 2019. As of October

2022, 43 countries have officially ratified the AfCFTA (the so called “State Parties”), including Malawi.

The German Federal Government is providing support to this continental development initiative through GIZ. The GIZ programme aims to address the challenges around institutional and legal frameworks in supporting the negotiation and implementation of the AfCFTA. In response to the heterogeneity of the AfCFTA State Parties in terms of size, income level and openness to other economies, and the complex nature of the AfCFTA negotiations and implementation, the programme works at the continental, regional and national level. Malawi is one of the countries that is supported at the national level.

Project name	Programme Support to the African Continental Free Trade Area (AfCFTA)
Commissioned by	Federal Ministry for Economic Cooperation and Development (BMZ)
Lead executing agency	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
Partner Organisation in Malawi	Ministry of Trade and Industry (MoTI), Malawi Investment and Trade Centre (MITC), Malawi Confederation of Chambers of Commerce and Industry (MCCCI) and the National Association of Businesswomen (NABW)
Total Programme Budget	EUR 48 million (as of 05/2022)
Malawi Component Budget	Up to EUR 1 million
Overall Programme Duration	08/2021 – 08/2024

### Objective

The programme aims to strengthen the framework conditions at continental, regional and country level to realize the AfCFTA.



#### Contact

Chimwemwe Richard Mwage  
[chimwemwe.mwage@giz.de](mailto:chimwemwe.mwage@giz.de)  
 T +(265) 995 337 585

For that, the GIZ AfCFTA programme is focusing its support on the following key areas:



Strengthening institutions for strategic steering and coordination at continental, regional and national level



Facilitating negotiations on Trade in Services (TIS) liberalization



Creating capacity to implement commitments under Trade in Goods (TiG) and facilitating negotiations



Supporting preparation for phase two negotiation, specifically on Investment, Competition Policy and Digital Trade



Promoting sustainability approaches for social, ecological and participatory trade negotiation and implementation of the AfCFTA

## Partner structure in Malawi

The main implementing partners for the Programme Support to the AfCFTA in Malawi are the Ministry of Trade and Industry (MoTI), the Malawi Investment and Trade Centre (MITC), the Malawi Revenue Authority (MRA), the National Association of Business Women (NABW), as well as the Malawi Confederation of Chambers of Commerce and Industry (MCCCI).

## Areas of GIZ support under the Malawi Component

In Malawi, the project is supporting the negotiations and national implementation efforts and is working closely with the GIZ More Income and Employment in Rural Areas of Malawi (MIERA) programme. A national AfCFTA implementation strategy has been set and structures have been established to implement the Boosting Intra-African Trade Agenda. The agenda seeks to address the key constraints and challenges of intra-African trade, while significantly increasing the volume and benefits of trade for sustainable economic growth and development.

To leverage synergies and maximize benefits the project is also working with other GIZ projects on the ground.

Key activities under the Malawi component are, among others:

- Support in the implementation activities of the National AfCFTA Strategy
- Provide technical support to the Ministry of Trade and Industry on the negotiation preparations for Phase II

- Sensitization and training on Rules of Origin for customs and other relevant authorities and stakeholders
- Support Women Business Associations through the ITC SheTrades initiative to develop gender sensitive policy recommendations
- Build the capacity of the private sector actors to comply with regional and international standards for exports of the selected value chains

## Challenges for the AfCFTA implementation

The challenges that hinder the implementation of the AfCFTA are; Institutional structures designed to fit the need, human capital (the technical know-how) of the negotiating team, the low production capacity of Malawian firms and the financial resources for the implementation of the AfCFTA. Institutions that can prioritize the implementation work and enhance the capacities of other institutions, such as the National AfCFTA Committee, that is dealing with trade facilitation measures and trade information sharing with the private sector (including women and the youth) and the civil society are also lacking in the country. Building and strengthening these institutions as well as improving coordination arrangements in the country will support in the implementation of the AfCFTA in Malawi and thereby also boosting the country's trade performance and the intra-African trade.

## Results

With its support the project is aiming for the following outcomes until August 2024:

- Strengthened AfCFTA steering structure for facilitated negotiation process
- Enhanced framework conditions for implementation of commitments under TiG and TIS
- Improved private sector and civil society involvement in the AfCFTA negotiation and implementation process
- Position reached on the second phase of the negotiation topics and the necessary preparations undertaken on implementation of trade related aspects of IPR in the context of the AfCFTA

In collaboration with the Government of Malawi, the programme, at impact level, aims at realizing sustainable development in Malawi through active participation of the country in the AfCFTA market.

Published by

Deutsche Gesellschaft für  
Internationale Zusammenarbeit (GIZ) GmbH

Registered offices Bonn and Eschborn, Germany

GIZ AU Liaison Office  
Svenja Ossmann  
P.O – Box 100009  
Addis Ababa, Ethiopia  
T +251 115 157865  
F +251 114 703325  
svenja.ossmann@giz.de  
www.giz.de/en/worldwide/59611.html

As at

April 2022

Photo credits

Japhet Khendlo: page 1  
Jörg Böhling: page 1 & 2  
Elizabeth Bailie: page 2

Text

Chimwemwe Richard Mwage

GIZ is responsible for the content of this publication.

On behalf of

Federal Ministry for Economic  
Cooperation and Development (BMZ)

In cooperation with



