



Chapter 7

Africa Continental Free Trade Agreement – AfCFTA: Prospects and Impediments

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Introduction

The African Union's (AU) efforts to promote intra-African Trade have reached a zenith with the ratification of the African Continental Free Trade Agreement (AfCFTA) by 24 countries in May 2019. AfCFTA aims at increasing Africa's economic growth and industrial competitiveness. As a part of the larger Pan-African vision, the initiative is a part of the commitment to building economic and political unity and enhancing the attainment of Agenda 2063. According to Geda and Yimer (2019), the AfCFTA agreement aims to provide better opportunities to gain economies of scale and efficiency through greater competition and specialisation. As anticipated, it offers a more attractive domestic market for international and local investment. In addition, an increase in intra-regional commerce would boost economic expansion and help pull people out of poverty.

The eventual success of AfCFTA hinges on African states not just ratifying it but also fully implementing and complying with the elements in the protocol establishing the free trade regime, and on the commitments of the economic players being able to utilise it (Apiko, Woolfrey & Byiers 2020). Beyond the ratification of AfCFTA, there is a missing aspect based on the Abuja Treaty's recommendation and implementation hierarchy – the disparity between the progress of existing RECs and the 'preemie' of AfCFTA

(Seife 2022). As a result, the AfCFTA idea, rather than increasing intra-African trade, exacerbates the existing problem, and will continue to do so unless the AU takes prompt remedial actions.

Ajibo (2019) asserts that the AU transitional plan outlined in Article 6 of the Abuja Treaty of 1991 consists of six stages:

- **Stage 1:** strengthening and creating RECs (the first five years);
- **Stage 2:** stabilisation of tariff and other barriers to regional trade and strengthening of industry and energy (the next eight years) – this includes sectorial integration, particularly in the fields of trade, agriculture, finance, transport and communication;
- **Stage 3:** establishment of a free trade area (a further ten years);
- **Stage 4:** harmonisation of tariff and non-tariff systems (two years);
- **Stage 5:** establishment of a common market and adoption of common policies (four years); and
- **Stage 6:** integration of all sectors, the establishment of a central bank and a single African currency, setting up an African monetary union, and creating and electing the first Pan-African parliament.

The treaty clearly specifies the conditions for establishing regional economic communities (RECs).

The first stage is characterised by the consolidation of existing RECs and, within a maximum of five years, the formation of new economic communities in regions devoid of any formula or preconditions. However, because of structural impediments, the RECs remain weak, and most of them are still in various evolutionary phases. The assumption is that RECs are the fundamental pillars that carry out most of AfCFTA's work at the sub-regional level, whereas AfCFTA is anticipated to facilitate the policy framework at the continental level. Which came first – the horse or the cart? When we consider the feeble and non-existent RECs, it is difficult to establish a continental body like AfCFTA.

In Africa, some RECs are in the phase of eliminating tariff and non-tariff barriers, while others are PTAs (Preferential

Trade Areas), FTAs (Free Trade Areas), and customs unions. These facts are questionable, according to Seife (2022), since the recent entry of the Democratic Republic of the Congo (DRC) into the East African Community (EAC) complicates and contradicts the fundamental premise of the Abuja Treaty. The actions taken by East African leaders and the DRC go against the Abuja Treaty. Consequently, it will be more challenging for the EAC, the Southern African Development Community (SADC), and the Economic Community of Central African States (ECCAS) members to harmonise tariff and non-tariff obstacles and establish an FTA from scratch.

This chapter focuses on the positive development and potential impediments to implementing AfCFTA. Specific effort is directed at the inevitability of establishing a unified market economy, which will serve as the primary motivator for political union. Importantly, 54 nations have signed the agreement, and 47 have signed and ratified it, representing the culmination of a protracted and arduous effort to get all member states to co-operate on a single trade platform (Leshoele 2020). African countries can benefit from free trade and open markets because they facilitate trade by adjusting prices based on supply and demand.

This chapter critically engages the processes that led to the creation of the AfCFTA Agreement and its subsequent implementation. It discusses the economic and political motivations behind the creation of AfCFTA, AfCFTA's equitability, the implementation issues that lie ahead, and the policy responses that are needed to overcome these obstacles. It aims to lay the groundwork for further research and better policy prescriptions by providing an analytical basis for interpreting AfCFTA's opportunities and problems in light of regional economic integration theory. Indeed, policymakers should examine the indigenous unification theory, which includes the mandate and authority of AfCFTA and the restructuring of institutions. Agendas for African unity and the extent of harmonisation can vary between blocs, and membership in overlapping customs unions can impede the establishment of unified external tariffs.

Before addressing the larger task, AfCFTA is expected to respond to this issue.

The political and economic ramifications of AfCFTA must be analysed by looking at how African countries do business with one another. AfCFTA's prospects and challenges must also be assessed in terms of their respective time, governance, context, and conduct. The four fundamental problems must be addressed systematically. First, it is necessary to determine the 'when' question, which is related to the timeframe for existing RECs to harmonise their common customs union. This will enhance the effective performance of the continental free trade initiative.

The subject of 'how' pertains to governance and institutional renewal, particularly the quests for each state to belong to a specific regional institution. Regarding the potential challenges provided by the question 'why', the current governance model is incompatible with the context, goals, and operationalisation of AfCFTA. The conduct of AfCFTA and the rationale behind it must specify 'what' is expected to overcome the existing structural problems and address the future political and economic consequences.

By any measure, this is a significant milestone indicating that Africa's unity is inevitable. On the other hand, it is crucial to raise three key issues. The first pertains to the potential conflicts of interest among existing RECs, such as the Common Market for Eastern and Southern Africa (COMESA) and the Southern African Customs Union (SACU) in attaining their goals. The second relates to the issue around compatibility. Thus, the study highlights the current institutional and governance difficulty, focusing on the RECs and the AU. The third focuses on the obstacles related to AfCFTA's mandate and challenges that impede the successful implementation of the free trade mission.

What Are the Most Important Opportunities Presented by AfCFTA?

Although Africa has a long history of grandiose rhetoric about regional unification, it has rarely translated into concrete political or economic results. AfCFTA is a progressive step in the

right direction, regardless of how one evaluates the agreement's structural and institutional problems (Signé & Van der Ven 2019). The primary goals of AfCFTA are to establish a continental customs union by creating a single continental market for goods and services and free movement of persons and investments (Wapmuk & Ali 2022). By opening up continental markets to African products, increasing industrial capacity, and facilitating more efficient use of available resources, AfCFTA is poised to improve the continent's economic competitiveness.

Given the potential for AfCFTA to enhance low levels of intra-regional trade and stimulate industrial growth and the establishment of regional value chains, the economic potential from the trade and investment benefits of AfCFTA is substantial (Abrego *et al* 2020). The agreement aims to lower all trade costs and facilitate Africa's integration into global supply chains. The AfCFTA roadmap was approved at the 2012 AU Summit in Addis Ababa. At that time, African heads of state formally backed the action plan on Boosting Intra-African Trade (BIAT) and voted to hasten the development of a CFTA by 2017 (Wapmuk & Ali 2022). Initial expectations were to finalise the COMESA-EAC-SADC tripartite FTA by 2014, and have non-tripartite RECs establish regional FTAs by 2014. This would reflect the preferences of member states, consolidate the tripartite and other regional FTAs into a CFTA initiative in 2015 and 2016, and have the CFTA established by 2017, with the target date subject to review based on progress.

While AfCFTA's institutionalisation is proceeding in a positive direction, comprehensive discussions are required to reengineer the RECs to harmonise trade facilities among member nations. The African Union (2020) stated that, for AfCFTA to be effective, it must address two significant obstacles: one, strengthening RECs through negotiations with member states, and two, "building a powerful instrument to engage with parties outside of Africa". These include the European Union (EU), China, India, the United States (US), and others. One of the ways to achieve this is by ensuring that trade within the EAC and ECOWAS does not have any tariffs (Parshotam 2018; Seife 2021). Aside from that, Mauritius is the only SADC country that does not charge any

import taxes on SADC or COMESA trade. Parshotam (2018) also says that ECCAS has duty-free trade on paper, but it does not work well in real life. This creates scepticism about the capacity of AfCFTA to get rid of tariffs across the whole continent, when no REC has been able to do it completely. Since no country can gain an advantage without providing the same for others, this also gives them a unified voice in trade discussions for services (Simo 2020). Its member states drive AfCFTA, and the secretariat is responsible for ensuring its seamless operation.

The first major round of conversations between member nations centred on exchanging goods and services. Consequently, the convention on trade in goods addressed tariff liberalisation, non-tariff barriers, rules of origin, customs co-operation, trade facilitation and transit, trade remedies, product standards, technical regulations, technical assistance, capacity building, and co-operation (Wapmuk & Ali 2022). Protocols about trade in products and services, dispute settlement, intellectual property rights, investment, and competition regulations fall under the purview of AfCFTA (Abrego *et al* 2020). However, AfCFTA aims to establish a single continental market where products, services, and investments can be freely traded among participating countries.

The transfer of production components when a service is rendered in a particular way is a crucial feature of Africa's involvement in international trade and services (Simo 2020). The AfCFTA secretariat is the governing body responsible for organising and supervising AfCFTA's implementation. In order to ensure the agreement is implemented, the AfCFTA secretariat is tasked with delivering capacity-building resources to both state parties and non-state parties (AU 2020). The secretariat performs capacity-building assessments and provides individualised interventions to guarantee that all member states and state parties have an equal opportunity to contribute to the agreement's adoption and implementation (Albert 2019). Even if the documents state standardised regulation and application, it will be a test for AfCFTA in the next years as to whether it follows the norms.

The secretariat collaborates with state parties to create trade laws and frameworks for reducing trade barriers and establishing a dispute settlement mechanism, levelling the playing field for expanded intra-African trade. To prevent trade tensions among participating member states, the secretariat has therefore put in place dispute resolution mechanisms for the swift and transparent resolution of possible contentions (Simo 2020; Ajibo 2019). The AfCFTA Dispute Settlement Mechanism comprises vital institutions such as the Dispute Settlement Body, the adjudicating panels and the Appellate Body for second-tier review, and other appropriate avenues for seeking redress.

The secretariat is also in charge of making sure that each state party's trade policies are in line with the rules of the AfCFTA agreement. In cases when gaps are found, the secretariat helps to implement the agreement in a way that fills them (Albert 2019). It also performs periodic inspections of state parties' reports and keeps tabs on the agreement's overall implementation, while intervening as needed. The AfCFTA secretariat is expected to be staffed by professionals with expertise in a variety of areas, including law, economic policymaking, research, and public relations (Soutar 2021). However, like other agencies within the AU, AfCFTA faces challenges in allocating positions based on merit rather than political influence and regional representation, which may hinder its ability to address critical issues effectively. The primary role of these entities is to support the member states in ensuring the efficient advancement of discussions and the appropriate implementation and enforcement of the regulations specified in the agreement. However, the development made since its inception could have been better.

What is the Primary Challenge that AfCFTA May Face?

Despite the multiple benefits of AfCFTA to Africa's socio-economic development, regional and national actors must overcome the inherited governance obstacles must be overcome to maintain a vibrant and productive organisation. Some of these historical obstructions in African states and within RECs have

existed for a long time, including institutional and governance issues that ought to be addressed methodically. Of course, huge tariff revenue losses and an uneven distribution of costs and benefits are unquestionably among the most fundamental impediments to the continent's integration, which AfCFTA must address. Albert (2019) identified conflicting RECs as one of the most significant challenges. Since most African countries belonged to multiple RECs, convergence among RECs must be addressed in a manner that is compatible with AfCFTA.

It is not the strength of an organisation that determines the appropriateness of an issue, nor is it its ability to ensure success. The mismatch between existing RECs and the new idea of AfCFTA exacerbates the situation rather than fostering intra-African trade and economic development. Seife (2018) adds that an additional barrier to AfCFTA is the top-down institutional framework that limits the participation of most of society. A bottom-up approach, encouraging people's engagement with AfCFTA and its supporting institutions, is likely to yield a stronger mandate to participate meaningfully, and a participatory mentality will likely translate to institutional excellence, rather than a radical action. The possible implementation of a hybrid top-down and bottom-up approach would help AfCFTA to provide checks and balances between governance and institutional systems.

The fundamental problem that could arise in achieving the goals of AfCFTA might be its competition with pre-existing regional economic communities (RECs) like COMESA and the Southern African Customs Union (SACU). According to Hollington (2021), the Tripartite Free Trade Area (TFTA) was created in 2015 to integrate SADC, COMESA, and the EAC into a unified economic bloc. However, Hollington argues that the TFTA must still achieve its intended outcomes. The TFTA has not yet gone into effect, due to the complexity of liberalising tariffs across three intra-regional trade groupings aiming to consolidate into a single trading organisation. The TFTA aims to combine SADC, COMESA, and the EAC into one trading bloc of AfCFTA-ratified states; consequently, memberships overlap (Gumede 2020). Further, Hollington (2021) reiterated the provision of Article 19 of AfCFTA: "State Parties that are members of other regional economic communities, regional

trading arrangements, and customs unions, which have higher levels of regional integration than under this Agreement, shall maintain such higher levels among themselves.”

Neither COMESA nor the Community of Sahel-Saharan States (CEN-SAD) are geographically organic RECs; rather they are economic and political interests of leaders established with fluid structures (Kidane 2018). The principal objectives of COMESA and CEN-SAD are to encourage economic, cultural, political, and social integration among its member states through the establishment of a single market and collaboration (Hollington 2021; Gumede 2020). It is evident that COMESA and AfCFTA have contradictory and comparable purposes, but since they are aiming toward similar goals, COMESA should alter or modify its objectives to align with the goals of AfCFTA. The AU’s relations with the RECs concerning their recognition are baffling and inconsistent in many ways, not least because COMESA and CEN-SAD were recognised while SACU was not, since, relative to other RECs on the African continent, SACU is the most effective and represents the gold standard in customs unions.

Six provisions of the Abuja Treaty and Agenda 2063 have made little progress in utilising these activities as a guiding instrument for the establishment of a framework for the political and economic unification efforts in Africa (AUC 2019; Kidane 2018). Given the circumstances, there has been less dynamism in the development of Abuja Treaty plans that serve as a strategy for regional economic integration (Albert 2019; Ajibo 2019). Nonetheless, African political leaders should learn from this setback, while using the experience as a foundation for institutional re-engineering. The AU and regional communities should adopt two essential programmes: the consolidation of RECs and the establishment of a comprehensive regional customs union. The table below sheds more light on how the RECs have responded to the Abuja Treaty (where ✓ is achieved ~ is in progress).

Table 7.1: Status of Regional Economic Integration by Abuja Treaty Phases

RECs	1994-99	2000-2007	2008-17	2018-19	2020-23	2024-28
	RECs establishment and consolidation	Tariff and non-tariff barriers	Regional FTA	Regional CU	Continental Common Market	Pan-African Economic and Monetary Union
EAC	✓	✓	✓	✓		
ECOWAS	✓	✓	✓	✓		
COMESA	✓	✓	✓			
SADC	✓	✓	~			
ECCAS	✓	✓	~			
IGAD	✓	✓	~			
CEN-SAD	✓	~	~			
AMU	✓	✓	~			

Source: AUC (2019)

The purpose of the overall analysis presented in this table is to demonstrate and assist in examining the various levels of RECs' progress in achieving the goals established by the Abuja Treaty.

AfCFTA is an essential step toward African economic integration. It provides unprecedented possibilities for African countries to expand commerce within the continent and boost their standing in global markets (Simo 2020; Albert 2019). It will significantly aid in the development and economic prosperity of African countries by lowering the cost of cross-border trade, hence creating jobs, lowering poverty, and modernising African economic systems and communities.

RECs and Governance Structure Impediments

The Abuja Treaty was envisaged as the way through which the AU would implement African economic integration and a continental free trade area (CFTA) (Mevel & Karingi 2012). The CFTA is one mechanism that could be used to realise the African Economic Community (also known as the AEC). AfCFTA is being heralded as the solution to the problem of multiple overlapping RECs, tariff- and non-tariff-based programmes, and international responsibilities now in effect across most of Africa (Magwape 2018). In contrast to the bottom-up strategy of the Lagos Plan of Action, which bound states to RECs and RECs to a broader continental FTA, AfCFTA uses a top-down method, generating harmonisation by laying responsibilities on all participating member states.

AfCFTA aspires to liberalise trade between African countries in a phased approach. It also attempts to build on the accomplishments of the RECs, and achieve harmonisation of the RECs based on AfCFTA principles. Its members are signatories of numerous RECs with obligations that are both complementary and contradictory (Nwankwo & Ajibo 2020). It is not apparent how AfCFTA will be incorporated into the plan to harmonise these parallel memberships and overlapping commitments; ultimately, the mismatch between existing RECs and AfCFTA exacerbates the problem (Kidane 2021). Article 3 of the AfCFTA treaty indicates that one of its goals is to address the difficulties of

various and overlapping memberships and to accelerate regional and continental integration processes (Nwankwo & Cajibo 2020). The question of 'how' AfCFTA intends to fix the issue remains unanswered because it is not mandated to restructure its members' governance and institutional barriers.

The chapter's central argument began with the question: Which came first – the horse or the cart? It then argues that the re-engineering of RECs should occur before the operationalisation of AfCFTA. Kidane (2021) contends that for the RECs model to be sustainable and relevant, political reform must undergo a genuine transformation and a re-engineering process. This author further implies that any theoretical framework without institutional re-engineering is analogous to putting new wine in old wineskins. The ineffective structural governance and institutional structure of the AU system are to blame for the system's ongoing operational difficulties (Udombana 2002; Herbst 2014). Institutional mandate and structural reform are necessary to address operational issues, some of which stem from a deficiency in organisational philosophy, leadership style, a lack of priority, and political clientelism.

The complexity of governance structures and representation in the majority of postcolonial African nations has remained primarily unchanged and silent over the past 60 years (Seife 2021). Seife also alludes to the fact that the AU's policymaking processes have been confined to the heads of state; this trend has extended across borders, particularly in the RECs. Yet the absence of a governance system that ensures appropriate mandate and representation at sub-regional and regional levels poses a grave threat to both intra-African trade and the political cohesion of the continent. There is a chasm between the African people and the opportunity presented by AfCFTA, making it difficult for them to participate in or even understand the agreement. None of the eight RECs recognised by the AU has taken substantial measures toward building a united market or effectively functioning customs union. The challenges are best addressed by re-engineering RECs from the perspectives of institutional capabilities, governance structure, mandate, and

authority, together with an indigenous governance system that led to the *one nation, one REC* configuration.

Limitations on the Free Movement of People and Goods Hinder AfCFTA Objectives

The Protocol to the Treaty Establishing the African Economic Community Relating to Free Movement of Persons, Right of Residence and Right of Establishment was adopted by the AU at its January 2018 summit in Addis Ababa. The primary aim of this protocol is to enhance the execution of the Treaty Establishing the African Economic Community by establishing a framework for the gradual realisation of unrestricted movement of persons, the right to reside, and the right to establish oneself inside Africa. According to Hirsch (2021), it was anticipated that the protocol would play a crucial role in addressing and establishing AfCFTA, which necessitates the unrestricted movement of persons and goods.

Due to the fear of the unknown, the massive movement of migrants from conflict-prone African countries into other countries with appreciable levels of economic and political stability has become an obstacle to the continent-wide implementation of the free movement of people. As a result, the AU protocol for the free movement of persons project did not make considerable progress. Comoros, Ethiopia, Ghana, Kenya, Seychelles, Senegal, So Tomé and Príncipe, Niger, Mali, Mozambique, Rwanda, and Madagascar are among the few African nations that grant African nationals visa-free entry or visas upon arrival. Rukema and Vhumbunu (2020) argue that the AU comprises 55 different countries, each of which has its unique colonial, historical, political, economic, and socio-cultural context. As a result, the AU's efforts to establish a continental regime that allows for the free movement of people have, unsurprisingly, been fraught with their fair share of complexities and intricacies.

Implementing the free movement of products and people to build interdependence will increase intra-African commerce and investment from their current low levels to an acceptable

one (Kidane 2021). Kidane also makes a veiled reference to the fact that the Organisation for African Unity (OAU)/AU was meant to serve as the political backbone upon which African nations could build to bring about the desired change on the continent. However, these two continental organisations did not resolve issues relating to colonial borders, free trade, economic autonomy, or political power. Many African governments have made remarkable unilateral progress toward free migration, which is striking because numerous creative visa-openness and travel document solutions have been implemented by these countries (Hirsch 2021).

However, most of the countries at the forefront of this movement are either developing or small island governments with few resources (Hirsch 2021; Rukema & Vhumbunu 2020). The more developed and populous states in Africa, including Egypt, South Africa, Algeria, and others, are experiencing a widening gap in their progress towards liberalising their borders. While certain African states have a larger market share in AfCFTA and lead the organisation, they send contradictory messages to the general public. While responding to a question in the South African parliament on 30 August 2022, President Cyril Ramaphosa maintained, “Like any sovereign nation, we have the right to implement policies and measures that guarantee the integrity of our borders, protect the rights of South Africans, and provide that all who reside in our borders have legal right to be here” (The Presidency 2022). The free movement protocol encapsulates the objectives of African unification, economic growth, and progress, with the potential to yield substantial benefits and enhanced productivity. In this particular situation, the AU should promptly address this matter by enhancing and implementing the free movement protocol.

Conclusion

Africans, from Cape to Cairo and Djibouti to Dakar, anxiously anticipated AfCFTA’s implementation, which would galvanise the continent’s economic growth and development. It was envisaged that the achievement of AfCFTA would restore the dignity of African citizens and equality in the global arena: these

have become very important. Peace, security, and stability on the continent can only be guaranteed if political leaders and economic actors create decent employment for youth and guarantee food security. Through industrialisation and the supply of services, intra-African commerce is at the centre of the development demands of African states. The mission and responsibility of the AfCFTA secretariat are to realise AfCFTA's goal of growing intra-African trade through the acceleration of the Continental Free Trade Area.

Accelerating the pace of intra-African commerce would encourage the free movement of manufactured goods and labour throughout the continent. To effectively achieve the objectives of AfCFTA, which encompass the integration of the current RECs, the eradication of both tariff- and non-tariff-based obstacles, and the establishment of a regional and continental customs union, it is imperative to critically reassess the provisions outlined in the Abuja Treaty. In addition, AfCFTA would be ineffective in the absence of robust and well-organised RECs. As a result, AfCFTA lacks a sufficient mandate, preventing it from addressing concerns such as intra-state taxation, customs control, and the free movement of persons and goods. To harness the agreement's benefits and generate a commensurate economy of scale among its signatory nations, a concerted effort on the part of all stakeholders to find a solution to the diverse problem has become essential.

Indeed, the world's focus will shift to Africa if it manages to implement and establish a broader integrated market system. Likewise, Africans living throughout the continent ought to be cognisant of and engaged in AfCFTA's activities and explore its potential benefits. However, it is important to also be aware that the external version of the African story has not been a true reflection of the reality on the continent. Nevertheless, this misleading narrative has dominated how the rest of the world sees the continent, and most people fail to recognise the economic implications of this. Reframing these false conceptions of Africa should be a top priority for African institutions and other actors.

To attain a balanced economy of scale among its constituent nations and fully capitalise on the advantages offered by AfCFTA, it is imperative to reassess the institutional mandate and delegation. This chapter concisely analyses the advantages and obstacles associated with AfCFTA. Based on the information mentioned earlier, AfCFTA is deficient in terms of its mandate and its ability to effectively tackle issues related to intra-state taxes, customs regulation, and the facilitation of free movement of persons and goods. AfCFTA's current framework as a policy instrument is insufficient to eliminate intra-African trade obstacles and other significant objectives.

If Africa wants to meet its expectations, AfCFTA needs to figure out how to negotiate meaningfully and independently. African political actors should endeavour to sit at the table with enormous clout and respect that carries the weight required to bargain more effectively on a global level and from a position of strength. The impact of AfCFTA on interactions with international traders represents a significant aspect worth exploring in future research, shedding light on the agreement's potential benefits and the challenges it may pose. While AfCFTA has its roots in Africa, it must be considered within the larger global trade frameworks. However, harnessing the dividend of AfCFTA is only possible with a solid internal governance system, backed by vibrant and robust RECs.

Policy Recommendations

The AU has reached a watershed moment with the signing of AfCFTA. African nations can boost their presence in international trade and benefit from the increased intra-Africa trade made possible by this agreement. The demographic dividend of 1.3 billion individuals presents a significant opportunity for facilitating the shift from mostly agricultural and extractive industries to more advanced and value-enhancing industrial sectors. The agreement has the potential to substantially stimulate economies, reduce poverty, advance gender equality, and enhance governance. According to the UN-ECA, this trade agreement will allow the African economy to reach \$29 trillion by the year 2050. AfCFTA is transforming the African economy

and establishing itself as a model for international cross-border co-operation. Specifically, it is a one-of-a-kind opportunity to lift millions of people out of poverty by empowering women and youth to alter the business environment on the continent.

The advancement of e-commerce and the digital economy is influenced by various factors encompassing both digital and physical connectivity, limited internet penetration (30% of the overall population of Africa), low adoption of banking services or mobile money (40%), inadequate provision of secure internet servers, and unreliable postal services (Lemma *et al* 2022). Africa is home to the global population with the lowest median age, with a staggering figure of more than 400 million individuals between the ages of 15 and 35. The fundamental driving force behind AfCFTA, which is aligned with the continent's development blueprint known as Agenda 2063, is the significant presence of youth and women. This demographic group plays a crucial role in stimulating Africa's economic advancement and promoting the achievement of Sustainable Development Goals (SDGs). The implementation of this extensive, unified continental market is anticipated to result in a 52.3% growth in intra-African trade, foster greater continental integration, enhance productivity, generate additional employment possibilities, and provide significant gender-balanced prospects by incorporating women and youth into Africa's trade liberalisation efforts. Making intra-African trade competitive will help African countries and citizens to develop economically, creating jobs, decreasing poverty, and modernising African economic structures and societies. The ability of African nations to realise their full potential may be contingent on their ability to implement this agreement among themselves successfully. However, there are significant challenges and issues that member countries are currently facing and will continue to face in the future, and they must be addressed promptly. One new problem is the wide range of difficulties in putting the plan into action, which calls for various approaches in terms of policy, administration, and funding initiatives. Emphasis must be put on re-engineering RECs and other institutional and governance strategies.

AfCFTA Secretariat should be equipped with appropriate mandate and authority for the implementations of the Abuja Treaty and AfCFTA protocol by reconsidering contemporary demand and development. To fully harness the economic prospects presented by the agreement, policymakers would need to adopt supportive complementing policies geared to help structural transformations. The promotion of intra-African trade must be matched with these policies. Ensuring that member state negotiators take full advantage of the Fourth Industrial Revolution and create e-commerce facilities and connectivity, they should implement a protocol on e-commerce. Such promotion will allow them to take full advantage of the opportunities presented by AfCFTA.

The current structure of RECs needs to be adjusted through institutional and governance frameworks to improve intra-African commerce. African states' dual memberships of RECs create complex issues that impede the effectiveness of trade harmonisation at both regional and continental levels. Resolving this challenge will improve the governance structures of RECs and boost their efficiency. The REC must consist of a minimum of three and a maximum of five member nations (inter-states). Principal responsibilities should include formulating, executing, and monitoring policies as a collective, with increasing authority for local states. The formation of RECs must take into account population size, economic status, seaport access, customs facility, trade accessibility as an economic zone, and administrative facilities. The strategy's objective is to establish viable institutions that promote interaction between member states.

There is also a need to enhance and make available an environment that is conducive to the expansion and continued viability of micro, small, and medium businesses, the majority of which are found on the African continent. Regional and continental actors must be more committed toward solving the problem of youth unemployment and underemployment that is progressively affecting the African continent. African countries need to advance their efforts to create a unified economic community and single market for the continent in addition

to establishing an African Monetary Union, central bank and single currency.

The AfCFTA system should consider the historical structural imbalance between Africa and the rest of the world, particularly the EU, the US, and the newly emerging economic giant – China. Consequently, developing robust negotiation procedures with the EU, the US, China, and other economic partners with solid strategic positions is essential. In addition to developing comprehensive intra-REC tax monitoring systems, intra-African tax monitoring procedures should be established by AfCFTA, and member countries should work together. Furthermore, Table 7.2 specifically raised questions on key areas of intervention and provides possible policy responses. The goal of the table displayed is to condense important information and provide it in the form of questions and answers.

Table 7.2: Recommendations: Areas of Concern and Viable Considerations

#	Area of Concern	Observations and Considerations
1	<p>What measures should be taken to address the prevailing issue of a lack of surpluses in essential consumer and industrial commodities throughout the majority of African nations? The region relies significantly on mineral resources that lack a domestic market and are not consumed locally.</p>	<p>African nations must formulate plans to diminish their dependence on raw materials and natural resources, while concurrently diversifying their industrialisation efforts and fostering the advancement of the service sector. Facilitating local markets for mineral and industrial products is very important.</p>
2	<p>In what ways may robust and well-structured RECS assist AfCFTA in being at its most functioning and maintaining a healthy operation?</p>	<p>First and foremost, these institutions must have complete autonomy, with the mandate emanating from the citizens of Africa. The existing accountability model for African heads of state is antithetical to Africa's developmental and regional goals.</p>
3	<p>In the absence of a resilient financial sector and the necessary conditions for commerce and industrialisation, what avenues are available for Africans to derive benefits from AfCFTA? This entails striving to establish a global financial governance structure that ensures equitable opportunities for all individuals and enhanced accessibility to financial resources.</p>	<p>AfCFTA should prioritise enhanced competitiveness, accelerated industrial growth through diversification, and expanded regional value chains. It should make manufacturing the primary focus of policy, expand regional commerce in services, promote job creation, and investigate alternative financing mechanisms. Critical to commodity and trade among African nations is the use of local currency or an electronic equivalent exchange rate.</p>
4	<p>Are there procedures preventing Africa from becoming a dumping ground for items from China, India, or other big industrial nations?</p>	<p>Africa should create control points at airports and seaports, as well as a strong customs union that checks how goods move within and between RECS.</p>

#	Area of Concern	Observations and Considerations
5	What are some policies that may be implemented as an alternative to the African Growth and Opportunity Act (AGOA), to prevent to the exportation of raw materials and industrial goods from Africa?	For a variety of reasons, the AGOA has not been successful in helping African countries overcome some of the structural limitations of their economies. Africa needs to diversify the markets it exports to due to excessive tax imposition. Most importantly, boosting intra-African trade will be much more beneficial than the AGOA and other programmes of its like.
6	Chicken or egg? None of the eight RECs recognised by the AU has even begun to negotiate the terms of a continental customs union. What roles are the RECs playing in constructing a stable and effective AfCFTA?	An ultimate answer to this question is to ensure effective partnership between the RECs and AfCFTA. RECs are the official pillars of the AEC; thus, the RECs are the critical. The success of AfCFTA depends on a well-structured RECs.
7	No RECs have yet achieved the point where they have harmonised customs unions for trade, reduced tariff and non-tariff barriers, and established a customs union at both the regional levels. How will the RECs be integrated into the institutional architecture of AfCFTA and integration schemes and action plans for the continent? What does it mean to be a member of AfCFTA's building bloc?	The AU and other partners must equip all AfCFTA state parties with the tools they need to enhance trade governance within their borders and their countries. Specific reform initiatives at the national and regional levels need to be developed to achieve this goal. AfCFTA must plan for multiple African FTAs to coexist, while RECs must plan for successful regional integrations.
8	AfCFTA and the RECs do not have a clear mandate for re-engineering institutional and organisational roadblocks. As a result of these barriers, they cannot respond to various issues concerning intra-state taxation, customs regulation, and the free movement of persons and things.	The RECs and AfCFTA do not have a mandate structured to address the socio-economic difficulties faced by populations, enhance commerce between African countries, restore African identity, and increase economic interdependence among member countries. As a direct consequence of this, several components of the original vision, including unrestricted migration, open borders, unrestricted trade, and Pan-African unity, continue to be a pipe dream.

#	Area of Concern	Observations and Considerations
9	What can be done, given that RECs are not all at the same developmental stage and do not represent a unified group of regional integration arrangements with shared goals? How exactly should the RECs affect AfCFTA?	The RECs need a novel redesign that re-engineers the past and reinvigorates the current impasse. The essential premise is supported by four pillars: restoration, reconfiguration, harmonisation, and implementation. Additionally, 'one nation, one REC' must be highlighted, and institutional and structural reform must take precedence.
10	The realisation of the benefits of the AfCFTA agreement is contingent on the resolution of a critical question: how can African countries promote proportional industrialisation and economic growth?	African political actors at all levels must invest in young talents and technology to close the gap between African companies and the worldwide cutting edge of technological advancement. There is a need to raise more funds internally, particularly from land and real estate, to improve public service quality. It is important to boost regional commerce in the service industry, encourage the development of new jobs, investigate alternative financing methods, and make manufacturing a policy priority.
11	Why is it so difficult for African countries to allow free movement of Africans, and how can this be addressed?	Some of Africa's wealthier nations have been slow to open their borders out of a sense of uncertainty and in a display of extreme nationalism. Remarkably, several African governments have made significant unilateral and bilateral progress toward free mobility. This is due to the widespread implementation of novel visa-openness and travel document solutions. To facilitate intra-African trade, however, all African countries should be fully committed to free movement of persons. Therefore, African countries and the local population should be prepared to welcome any African person from another nationality, without visa requirements.

#	Area of Concern	Observations and Considerations
12	The AU and its organs must implement a governance structure and conduct comprehensive research on business re-engineering in order for the existing and recommended policy framework to be applicable throughout Africa. Both sub-regional and continental levels should employ these measures.	The process of re-engineering AU governance can be undertaken via the African Peer Review Mechanism (APRM) and other relevant entities within the AU. Nevertheless, it is imperative for the AU to demonstrate attentiveness, and member states must adhere to the comprehensive results of the overhaul and grant authority to the African Union Commission (AUC).

Source: Author's formation

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