United Nations
Economic Commission for Africa

ATPC
African Trade Policy Centre

AfCFTA IMPLEMENTATION STRATEGIES

SYNTHESIS REPORT

January 2024

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Publications Section
Economic Commission for Africa
P.O. Box 3001
Addis Ababa, Ethiopia
Tel: +251 11 544-9900
Fax: +251 11 551-4416
E-mail: ecainfo@uneca.org
Web: www.uneca.org

First printing March 2024

Designed and printed in Addis Ababa, Ethiopia by the ECA Printing and Publishing Unit. ISO 14001:2015 certified. Printed on chlorine free paper.

Cover photos: https://www.shutterstock.com

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Background

This Synthesis Report on AfCFTA implementation strategies forms part of the background documentation for the Peer Learning Conference on AfCFTA implementation strategies, held on 15 to 17 January 2024 in Nairobi, Kenya. The report is intended to provide a snapshot of AfCFTA implementation strategies in the continent and serve as a background document to inform discussions among the participants. To this end, the report provides highlights of adopted strategies focusing on their core elements, the process by which they were developed and adopted, and national experiences to date in the implementation of these strategies.

Core Writing Team
Geoffroy Guepie
Jacqueline Pimer

Contributing Author(s)
Stellah Mushiri
Brice Adou

Review Editors
Brendah Mundia
Melaku Desta

Introduction 1

The Agreement Establishing the African Continental Free Trade Area (AfCFTA), signed in Kigali, Rwanda, on 21 March 2018, aims to deepen the integration of African economies, contribute to increased intra-African trade, industrialization, and sustainable development in line with the African Union (AU) Agenda 2063 for *"The Africa We Want"* and the United Nations (UN) 2030 Agenda. As at November 2023, 54 AU Member States have signed the AfCFTA Agreement, 47 of which have ratified it and become State Parties. Once the Agreement is ratified by all the 55 AU member states, the AfCFTA will become the largest free trade area in the world by number of participating countries.

While the AfCFTA is widely believed to be a potential gamechanger for Africa, implementation of the Agreement is an essential precondition for this potential to be realized. AfCFTA implementation strategies were introduced to enable State Parties to stay focused on AfCFTA implementation, to identify priority sectors and policy actions, and to ensure continual monitoring and reporting on progress. The need to develop AfCFTA-specific national strategies was endorsed by the Conference of African Ministers of Finance, Planning and Economic Development, during their meeting in Addis Ababa in May 2018, and was reiterated at the African Union Summit, held in Nouakchott in July 2018.[1]

Following these decisions and recommendations, ECA has taken the lead and supported 44 countries and five Regional Economic Communities (see annex A for further details) in the development of national and regional implementation strategies that also ensure coherence with regional, continental and global frameworks. GIZ has supported one national strategy, while UNDP has supported three strategies. As of January 2024, ECA has facilitated the validation of 35 National Strategies and two Regional Strategies (IGAD and ECOWAS). A further three regional and 9 national strategies are at different stages of development. ECA has also provided capacity building for AfCFTA implementation to over 15 countries that have completed and validated their strategies.

Against this background, this synthesis report provides a snapshot of AfCFTA implementation strategies in the continent to inform discussions among conference participants. The report highlights the core elements of AfCFTA implementation strategies, the process by which they were developed and adopted, and national experiences to date in the implementation of these strategies.

[1] See ECA, Guidelines for developing African Continental Free Trade Area national strategies (2019), available at https://repository.uneca.org/handle/10855/43060.

2 Significance of the AfCFTA

While the AfCFTA aims to boost intra-African trade, its scope goes beyond the requirements of a traditional free trade area, in which members agree to remove or reduce trade barriers, import quotas and tariffs, with the goal of increasing intra-regional trade in goods and services. Its agenda also includes issues such as investment, intellectual property rights, competition policy, digital trade and women and youth in trade. Promoting industrialization and competitiveness of its member countries is at the heart of the objectives of the AfCFTA reform More broadly, the Agreement paves the way for a Continental Customs Union and ultimately the creation of and African Economic Community..

ECA's recent modelling assessment of the implementation of the AfCFTA Agreement[2] , undertaken in collaboration with the **Centre d'Etudes Prospectives et d'Informations Internationales** (CEPII), demonstrates that the continental-wide reform has the potential to increase Africa's gross domestic product (GDP), trade, output and welfare, with the bulk of the expected benefits to be concentrated in intra-African trade.

Specifically, intra-African trade is expected to be about 35% (or US$ 205 billion) higher in 2045 with the AfCFTA Agreement implemented, as compared to a situation in absence of the AfCFTA reform. All the main sectors would benefit from the intra-African trade expansion following implementation of the AfCFTA Agreement, with foreseen increases in 2045 of 54% (or US$ 47 billion), 38% (or US$ 6 billion), 36% (or US$ 123 billion) and 19% (or US$ 29 billion) in intra-African trade of agrifood, services, industry, energy and mining, respectively, as compared to absence of AfCFTA. In other words, nearly two-thirds of the absolute gains in intra-African trade generated by the AfCFTA reform would be felt in industry, thereby supporting Africa's industrialization. A new study by ECA and CEPII[3] even illustrates that implementing the AfCFTA Agreement would facilitate the creation of regional value chains in Africa, especially in industry and agrifood sectors. Sub-sectors displaying the greatest potential for value addition and the development of regional value chains in Africa include wood and paper, automotive, chemicals and pharma, metals, and other manufacturing (within industry), processed food and beverage, milk and dairy products, sugar and

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[2] Economic Commission for Africa and *Centre d'Etudes Prospectives et d'Informations Internationales* (CEPII), "Greening the Implementation of the African Continental Free Trade Area Agreement" (forthcoming); an earlier version can be accessed from the following link: "A Dynamic Path to a Low Carbon Economy" (purdue.edu).

[3] ECA and CEPII, "Implementing the AfCFTA Agreement and implications for Africa's regional value chains" (forthcoming).

meat (within agriculture) and even refined oil (within energy).

Another study by ECA (forthcoming)[4] shows that the implementation of the AfCFTA Agreement would have a positive impact on the reduction of both inequality and poverty within the Continent. However, the impact would be uneven across countries and socio-economic characteristics of the households. For instance, people living in urban areas and men would tend to benefit relatively more than people living in rural area (where poverty is currently the most prominent) and women. This calls for effective measures aimed at favouring women traders, starting with adequate provisions to be inserted in the AfCFTA protocol on Women and youth in trade.

Importantly, and as environmental considerations are gaining importance worldwide with Africa not being a significant contributor to climate change but negatively impacted by its impact, ECA and CEPII's assessment reveals that the implementation of the AfCFTA Agreement would in fact have little impact on climate change. Moreover, continental coordination is found to be most effective for Africa to implement climate policy aimed at reducing greenhouse gas (GHG) emissions in parallel to the establishment of the AfCFTA.

[4] ECA, "Country-level implications of the AfCFTA Agreement's implementation on inequality and poverty", (forthcoming).

3 AfCFTA Implementation Strategies

3.1 Purpose of the Strategies

The AfCFTA implementation strategies are policy documents prepared by AfCFTA State Parties (or RECs) to expedite the implementation of the AfCFTA Agreement and realize its benefits at national and regional levels. In this sense, AfCFTA implementation strategies form part of the overall national /regional development framework relating to trade. These strategies typically highlight the priority actions that must be undertaken by State Parties in the short to medium term at the national and regional levels in order to advance the AfCFTA agenda. More specifically, AfCFTA implementation strategies:

- Provide a framework through which State Parties implement the AfCFTA;
- Assess the adequacy of the institutional and legal/regulatory infrastructure and identify reform needs in order to implement the AfCFTA Agreement effectively and in an inclusive and environmentally sustainable manner;
- Highlight the trade and development opportunities presented by the AfCFTA;
- Identify and assess the main constraints, challenges and gaps that need to be addressed in order to realize AfCFTA opportunities;
- Identify sectors of priority interest in which each of the State Parties see potential competitive advantages and opportunities for the development of industry clusters and regional value chains;
- Design strategic pathways and policy transformations to advance the implementation of the AfCFTA; and
- Outline implementation action plans/ workplans that provide a framework through which these strategic pathways will be implemented.

3.2. Guidelines for Developing the Strategies

In March 2019, the ECA, in collaboration with the African Union Commission, developed a set of '*Guidelines for Developing AfCFTA Strategies*' with the aim of providing a common but flexible structure for the preparation of national strategies across the continent. The major recommended components of the AfCFTA strategies include:

- review of the State Party's macroeconomic environment, production and trade performance;
- key opportunities and priority sectors for production and trade, constraints and potential implementation risks to overcome;

- proposed strategic actions to address potential obstacles, together with an action plan/matrix;
- a monitoring and evaluation framework; and
- a strong communication plan.

The strategic actions and the action plan are a critical part of these strategies as they lay out the specific interventions to foster the State Party's participation in the AfCFTA and enhance the benefits from it. These planning frameworks lay out the strategic objectives to increase national performance in intra-African trade, complete with indicators of achievement, baselines and targets under each strategic objective which would make up the action plan.

Further, the strategic plan is expected to have a monitoring and evaluation framework (M&E) that should contain appropriate tools and instruments to support decision-making and the taking of corrective actions. The M&E framework should establish or define an AfCFTA national implementation committee which will be in charge of implementing the action plan.

Another critical component of the strategic plan is the financing needs for implementation. The action plan must identify potential sources of funding, including national budgetary allocation, private-public partnerships, and development partner support. Among the cross-cutting issues recommended for inclusion in the AfCFTA implementation strategies are gender mainstreaming, the environment, and digital trade and technologies. These issues are important to ensure inclusivity and further the realization of human rights through AfCFTA implementation. Inclusivity considerations seek to ensure the AfCFTA benefits all segments of society, including women, the youth, and persons with disability. Human rights considerations aim to ensure that governments pursue their trade policy agenda in a manner that respects, protects and fulfils the rights of the human person. Some of the challenges that need to be addressed to achieve inclusivity and human rights in the AfCFTA are: weak systems of trade facilitation, inadequate border infrastructure, limited access to finance, lack of market information, corruption, insecurity, gender-based violence, and limited business management skills.

3.3. Approaches to Developing the AfCFTA Strategies

As noted above, the AfCFTA is expected to deliver outcomes that will enhance intra-African trade, spur industrialization through regional value chains, and enhance Africa's level of participation in international trade and global value chains. However, these outcomes depend on the effective implementation of the AfCFTA at the national level, which will then reflect at the continental level. Therefore, the guidelines for developing AfCFTA strategies recommend a two-step approach that involves integration and participation.

Integrative Approach

The integrative approach aims to ensure that national implementation strategies are constructed based on existing national sectoral policies (e.g. industrial policies, infrastructure projects, and social policies) to ensure full alignment with overall development policies at the national level. In formulating their strategies, most countries have generally followed the integrative approach by aligning their strategic objectives with national sectoral policies and actions and by engaging relevant ministries in the strategy formulation process to ensure cross-sectoral coherence. An example of this approach is the costing of projects and activities in the strategies exclusively by national entities, especially the ministries overseeing trade and other sectoral ministries targeted by the priority actions.

Namibia's national AfCFTA implementation strategy, among others, exemplifies how strategic objectives and sectoral policies are integrated seamlessly. The formulation of its seven strategic objectives and the ensuing priority actions is deeply influenced by and complementary to national policies on industry, growth, infrastructure, and investment, such as the Fifth National Development Plan, the 2012 National Industrial Policy, the "Growth at Home" strategy, and the Harambee Prosperity Plan.

In contrast, some national strategies, such as those for Tunisia and for Sao Tome & Principe, make no reference to the need for coherence between their AfCFTA implementation strategies and other national policies. In the case of Tunisia, the strategy acknowledges, in a SWOT analysis, that the lack of harmony between the AfCFTA strategy and national development plans is a major weakness. It calls for "coordinating the development of national and sectoral strategies in the context of AfCFTA" as a priority action in its plan. It is also notable that the development of Tunisia's AfCFTA implementation strategy, from conception to actualization, took about two years, while countries such as Cameroon and Gambia developed theirs within one year.

Participatory Approach

The development of the national strategies for the AfCFTA requires a participatory approach to promote consensus building and ownership among the stakeholders. Therefore, the development process entails multi-stakeholder engagements, such as sensitization and awareness workshops, consultation meetings, and validation workshops on the final strategies. This ensures that the needs and interests of different actors are considered. Participation of various stakeholders helps create synergies towards achieving the common objective of implementing the AfCFTA in an effective, inclusive and sustainable manner.

In particular, disadvantaged groups in a country must be included in every step of the stakeholder engagement process. Micro, Small and Medium Enterprises (MSMEs), majority of whom are women- and/or youth-owned, are critical to the fulfilment of the inclusive agenda of the AfCFTA and must be engaged.

Generally, all validated strategies have followed this two-part approach, with some slight variations. Guinea Bissau has added a requirement for vertical consistency between the commitments it has made within the AfCFTA framework and those made within the Regional Economic Communities to which it is a member (UEMOA and ECOWAS) or other international arrangements to the integrative approach as defined in the guidelines. Mauritania, on the other hand, had to cancel a planned scoping workshop due to the Covid-19 health crisis.

4 Key issues emerging from the National Strategies

4.1. Comparative Analysis of Articulated Visions in National Strategies

A crucial element within the AfCFTA implementation strategies involves defining strategic actions and objectives that member states aim to undertake to harness the expected outcomes of AfCFTA. These are shaped by the macroeconomic context, challenges, constraints, and the production and trade opportunities identified in the initial stages of the development of each AfCFTA implementation strategy. Simultaneously, they are also formulated around national visions that inevitably vary from one state to another based on their developmental priorities and strategies.

While articulating their strategic visions for the implementation of the AfCFTA Agreement, many countries highlight the pressing need for economic diversification, both in production and exports, and/or the structural transformation of their economies. Examples include the national AfCFTA implementation strategies of Côte d'Ivoire, Rwanda, Senegal, and Niger.

Conversely, countries like Kenya, Gambia, and Tunisia have devised their strategic action plans with a focus on investment and competitiveness. Kenya, in particular, aspires to be an "investment hub in the AfCFTA region" through ambitious goals set within the AfCFTA framework.

While the aforementioned AfCFTA implementation strategies center around specific visions, others adopt a broader perspective, positioning the AfCFTA as a foundational element for transiting into an emerging economy within a defined time horizon. Togo and Cameroon, for instance, explicitly state that their AfCFTA implementation strategies contribute to their government's vision of achieving specific developmental goals by 2030 and 2035, respectively. The resulting set of strategic actions and objectives is thus aligned with this overarching ambition.

It is noteworthy that, regardless of the scope of the vision, all validated strategies share the common goal of guiding member states toward growth and development. Consequently, their strategic action plans should not be viewed as exclusively focused on the stated vision but rather understood as an interconnected framework encompassing all facets of the economy.

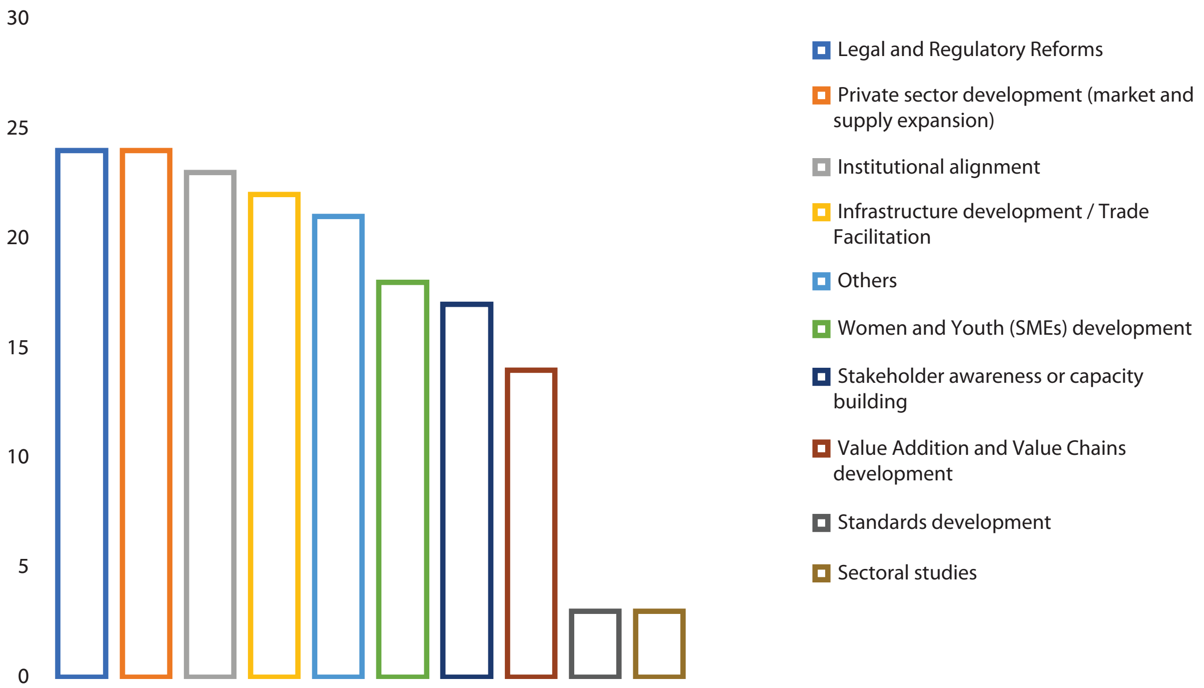
4.2. Strategic pathways

For ease of analysis, national AfCFTA implementation strategies are grouped into several categories, based on the strategic pathways selected by State Parties, as follows:

1. **Legal and Regulatory Reforms** including ratification of the AfCFTA Agreement and accompanying reforms to implement the Agreement;
2. **Institutional alignment**, in particular National Implementation Committees and other supportive institutions for AfCFTA implementation;
3. **Stakeholder awareness and capacity building**, such as trainings on the AfCFTA and related topics;
4. **Infrastructure development and trade facilitation**, such as roads, railways, seaports as well as the customs support system and other trade facilitation measures and institutions;
5. **Private sector development**, in particular the provision of trainings, trade promotion, activities dealing with supply side constraints or market expansion, and related support towards the private sector, focusing on Micro, Small and Medium Enterprises (MSMEs) and women entrepreneurs;
6. **Value addition and value chains development**, including the services sector regional value chains;
7. **Sectoral studies** such as on special export zones (SEZs), industrialization issues, and the like with the aim of enhancing understanding, implementation and access to the AfCFTA market;
8. **Standards development**, such as laboratory construction, the provision of trainings on standards and related capacities;
9. Activities geared towards **women and youth entrepreneurs** including specialized training sessions, policy actions to enhance access to finance and other production and trade enhancement initiatives; and

10. Finally, **other** strategic objectives that do not fit in the above categories.

The graph below summarizing the 10 categories or strategic pathways that countries have listed.[5]



Of the 33 Strategies reviewed, 24 State parties have included **legal and regulatory reforms** as well as private sector development among the priority policy actions. This reflects the fact that State parties recognize the critical need for domesticating their commitments at national level through regulatory and institutional reforms. The data indicate that almost always legal reforms will go hand in hand with **institutional alignment**. Twenty-three countries mention priority objectives that fall into this category.

Private sector development is the other equally most listed policy action area, attesting to the fact that State Parties recognize the importance of empowering the private sector to trade under the AfCFTA. These objectives or activities thereunder typically entail trainings and capacity building on entrepreneurship, trade processes and market access opportunities. They also include activities relating to easing access to finance and other supply and production related support to SMEs.

Of notable importance is the fact that many countries identified private sector support towards **women and youth entrepreneurs** as a separate set of policy actions. Of the 33 AfCFTA implementation strategies analysed, 18 aim to provide entrepreneurial support tailored to women and youth entrepreneurs.

Twenty-two out of the 33 AfCFTA implementation strategies identify **infrastructural related activities and trade facilitation**. One of the biggest challenges on the continent is infrastructure connectivity, so some of the initiatives such as the Northern Corridor in

[5] Derived from the National AfCFTA Strategies developed by the support of the ECA. For more detailed information visit the infographics page ...

the East African Community and LAPSSET (Lamu Port, South Sudan, Ethiopia – a road and rail corridor development programme passing through connecting these three countries), aim at contributing towards closing this barrier against intra-Africa trade. In Southern Africa, Namibia, Zambia and the DRC cooperate around the Walvis Bay Corridor. Coastal countries e.g., Senegal, Kenya, Namibia, Mozambique, and Somalia have prioritized the development of seaports, while several countries also highlight cooperation efforts in air transport, a critical issue that the African Union is focusing on through the Single African Air Transport Market (SAATAM).

Stakeholder awareness and capacity building is prioritized in 18 AfCFTA implementation strategies as a strategic pathway. The actions and activities envisaged here include sensitization of general stakeholders, such as sectoral agencies, civil society, and the private sector on the AfCFTA and the opportunities thereunder. It also includes the provision of training to customs officials, immigration officers, lawmakers and other implementors of AfCFTA.

Value addition and value chains development have been prioritized in 12 out of 33 AfCFTA implementation strategies. Given the expected contribution of the AfCFTA in this area, which highlights significant growth in intra-African trade and positive impacts in the agri-food, services, and industrial sectors, the number of countries that identified value addition and value chain development seems quite low.

Côte d'Ivoire, Namibia, Rwanda, The Gambia, and Zambia, and several others have prioritized value addition and the development of value chains and aspire to realize these objectives through the implementation of national, regional, and international policy actions and recommendations pertaining to investment and entrepreneurship. Moreover, their commitment extends to the support and fortification of identified priority sectors, facilitation of export trade in services, and advocacy for existing government measures that foster national and sectoral productivity for African businesses.

Interesting to note is the fact that only three countries listed **standards development** as a policy action. While one of the main non-tariff barriers faced by producers and traders in the continent is the inability to meet the product standards of trading partners outside of the continent, the issue of product standards has had different approaches within the continent. Some RECs, especially the East African Community (EAC) and Economic Commission of West African States (ECOWAS), have forged ways to recognize product certification marks, which might explain the limited focus on standards as a policy issue in the context of the AfCFTA implementation strategies. As with standards development, three countries are planning to undertake studies aimed at updating old national industrial policies (Namibia and Sierra Leone) or examining the feasibility of setting up a bank to finance production (Cameroon).

Other strategic objectives that do not fall within any of the above categories, while important, are diverse and include: ICT adoption, investing in labor markets for mobility, and prioritizing trade with Nigeria and the Democratic Republic of Congo (the last objective is found in the AfCFTA implementation strategy by Cameroon, which could limit the potential gains expected from AfCFTA for Cameroon).

4.2 Market opportunities

Analysis conducted by the ECA on priority products identified by State Parties in their AfCFTA strategies show significant market opportunities for some key products in the African market. For each State Party, five of the identified priority products were matched with the top five African importers of these products (excluding the extractives industry such minerals and petroleum). The table below is an excerpt from the results of the analysis for selected States Parties and products.

The results show huge trade opportunities within the continent for the selected countries and products. Egypt, which accounts for 69% of African oilseed imports, can be a target market for Burkina Faso, which has identified oilseeds as a priority product. Rwanda is the continent's leading importer of cassava, but over 95% of these imports come from Thailand. As Niger has identified cassava as a priority product, it could replace/compete with Thailand thanks to the AfCFTA. However, Niger will have to implement its strategic objective of strengthening national production capacities and promoting exportable supply, as it is not currently a cassava exporter.

The infographics drawn from the strategies confirm that trade opportunities within AfCFTA lie not only in increasing the volume of trade between existing partners (intensive margin), but also in increasing the number of trading partners (extensive margin). Find more details for each country here.

Selected State Parties	priority products	Market to be targeted	Corresponding Market share to be targeted (% of Africa total imports of the priority products)
Burkina Faso	Oil seed	Egypt Tunisia Morocco	69.3% 10.4% 5.2%
Burundi	Plastics	Egypt South Africa Morocco	21.5% 14% 12.4%
Cameroon	Iron steel	Egypt South Africa Nigeria	23.7% 9.3% 8.9%
Malawi	Rice	Côte d'Ivoire Benin South Africa	12.4% 11.8% 9.2%
Mauritania	Dairy	Egypt Nigeria Morocco	22.2% 13.1% 8.6%
Niger	Cassava	Rwanda Uganda South Africa	67.9% 6.1% 6%

5 Institutional mechanism to ensure effective implementation of the Strategies

All the examined AfCFTA implementation strategies show that State Parties recognize the need for establishing institutional mechanisms for effective coordination and implementation of the AfCFTA commitments. The implementation process is expected to be overseen by National Implementation Committees (NIC) established in accordance with the Decision of the 31st Ordinary Session of the Assembly of Heads of State and Government of the African Union, held on 1–2 July 2018 in Nouakchott, Mauritania, which requires Member States to set up such NICs.

In practice, however, many countries face difficulty in forming or reactivating NICs because they often have many existing, and mostly inactive, such committees at national level. Moreover, many of them lack adequate human and financial resources to set up and run new or additional committees for the AfCFTA.

As a result, some countries have chosen to reorganize their WTO National Trade Facilitation Committees as the AfCFTA NICs and give them the responsibility to also coordinate AfCFTA implementation. While this may be a wise move, it is also important to make sure that the NICs have a diverse membership that includes the private sector, women entrepreneurs, MSMEs, as well as civil society.

5 Gender Mainstreaming of the AfCFTA Strategies

With the backdrop of the AfCFTA Agreement connecting 1.4 billion people across 55 AU Member States boasting a GDP of close to USD 3 trillion, UNECA recognizes the unparalleled potential for advancing gender equality and economic growth so that women can contribute across various economic sectors and roles as workers, producers, entrepreneurs, and cross-border traders.

UNECA's approach to gender mainstreaming in AfCFTA strategies is multifaceted, encompasses analysis of how women participate in trade across diverse economic sectors and roles, identifying export opportunities that are driven by women and emphasizes the significance of their economic contributions. The goal is to highlight opportunities for women economic empowerment and employment within priority sectors and regional value chains, while addressing gender-specific barriers and risks that may arise. This is done by examining macro-economic frameworks, trade dynamics, potential risks, opportunities, and barriers. National monitoring and evaluation frameworks as well as communication and visibility plans must also be gender-sensitive and aligned with gender inclusivity goals.

Funding and Partnerships for the AfCFTA Strategies

7

7.1. Development phase

Support for the development of the AfCFTA strategies facilitated by the UNECA was made possible with funding from two key development partners, namely the European Union (EU) and Global Affairs Canada (GAC). In 2019, the EU pledged to support African countries with the task of implementing the AfCFTA and therefore funded the technical assistance project that aimed to '*deepen Africa's trade integration through effective implementation of the AfCFTA*'.

The EU project supported the development of AfCFTA strategies for 27 countries and three RECs, and supported the initial development phase for several other countries.

GAC, which has supported the ECA's trade policy work through funding for the African Trade Policy Center (ATPC) since 2003, has also funded the development of AfCFTA implementation strategies, including with capacity building and related activities. Beneficiary countries under GAC include *Namibia*, *Eswatini*, *South Sudan*, *Somalia*, while the development of AfCFTA implementation strategies is currently underway for *Angola*, *Botswana*, *Ethiopia*, *Equatorial Guinea* and the *East African Community*. Work is in its initial phase to support Morocco in developing its strategy. UNDP is leading the process of strategy development in Lesotho with support from ECA.

Other development partners have also funded the development of AfCFTA Strategies on the continent. UNDP has supported one country and is currently supporting the development of AfCFTA implementation strategies for Uganda and the United Republic of Tanzania.

7.2. Implementation phase

The linchpin for achieving objectives, actions, and action plans lies in the financing of national strategies. National strategy documents identify several sources of funding, such as the government budget, the establishment of public-private partnerships, and budgetary support from development partners and organizations. Therefore, indicating cost implications in the action plan helps stakeholders especially the donor community to identify areas of potential support. However, an analysis of the adopted AfCFTA implementation strategies shows that only two countries – Malawi and Kenya – have detailed cost estimates for implementing their AfCFTA strategies.

Certain countries opt for a phased funding approach for their strategies. Cameroon and Sao Tomé & Principe, for instance, plan to implement less costly recommendations in the first year of implementation (2020 and 2023, respectively) and organize round tables with partners to secure funding for activities aligning with their missions. For subsequent years, these strategies specify alternative funding sources.

On the other hand, some countries rely exclusively on the development of resource mobilization plans, which are integral parts of national AfCFTA implementation strategies. Burkina Faso and Sao Tomé & Principe exemplify this approach. However, a drawback of this method is that the financing plan, meant to guide how and where to mobilize funds, may itself require funds not indicated in the strategies, potentially causing delays in AfCFTA implementation.

An effective means of ensuring the implementation of national AfCFTA strategies is to incorporate related costs into the government budget. Many implementation strategies, including those of Côte d'Ivoire, Guinea, Zimbabwe, Guinea, and Mauritania, have favored this approach. Côte d'Ivoire, for instance, has allocated one million US dollars to both the national implementation strategy and the institutional set-up of AfCFTA.

It is noteworthy that most member states are contemplating external funding for their strategies, either through public-private partnerships or by seeking support from international agencies and other donors. For instance, support for implementing some of the priority objectives and actions has been provided by the United Nations Conference on Trade and Development (UNCTAD), TradeMark Africa (TMA), the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and the International Trade Center (ITC).

However, caution, as highlighted in Nigeria's strategy, is urged to prevent a substitution effect between Aid for Trade or regional integration programs and AfCFTA.

On the other hand, and regrettably, some AfCFTA implementation strategies, e.g. those of Chad, Togo, and Sierra Leone, do not outline any financing plans for their implementation.

7.3. Partnership for AfCFTA Implementation

While support for development of implementation strategies is ongoing, the AfCFTA is in its operational phase. This phase was launched on 7 July 2019 while actual preferential trade at continental level took off on 1st January 2021. This phase has brought on board a number of development partners that are supporting implementing of the AfCFTA. The ECA support in this area has included activities geared towards supporting consensus-building to advocate for and secure ratification of the Agreement, sensitization and capacity building on the AfCFTA, as well as support for policy reforms that are aimed at implementing the Agreement.

Upon the completion and adoption of the strategies, a select set of activities agreed upon together with the national focal persons have been implemented with both technical and financial support of the ECA.

Below are some areas of support towards implementation provided by the ECA.

IMPLEMENTATION SUPPORT	COUNTRIES
SECTORAL STRATEGIES AND IMPACT STUDIES	Cote d'Ivoire, Egypt, Mozambique, Namibia and Sierra Leone
SENSITIZATION AND AWARENESS CAMPAIGNS	Ethiopia, Kenya, Nigeria, Namibia, Republic of Congo, Senegal, Seychelles, Somalia and South Sudan
SET UP OF AFCFTA IMPLEMENTATION COMMITTEE -	Cameroon
TARGETED INTERVENTION FOR WOMEN AND YOUTH	Senegal and Togo
DOMESTICATION OF AFCFTA	Nigeria, Sierra Leone and Senegal

8 Role of the private sector in the national AfCFTA implementation strategies

The significance of the private sector for the AfCFTA and its implementation is emphasized in all the strategies. Notably, many strategies have been developed in consultation with the private sector. The strategic pathways, including the identification of priority export sectors, have been done collaboratively with private sector entities. Consequently, the strategic objectives and actions identified involve the active participation of this sector.

To mention an example, the Kenyan strategy clearly illustrates the pivotal role of the private sector in achieving its strategic objectives. The private sector is integral to the execution of all planned actions and, in some instances, assumes a leading role, particularly in conducting a survey of export products and markets — an essential key performance indicator for Kenya's second strategic objective.

In contrast to Kenya, other national action plans have two approaches to private sector involvement. Firstly, actions related to communication around the AfCFTA and capacity building target the private sector as both implementing partners and recipients. Secondly, the role is underscored in terms of the private sector's contribution to financing the implementation of strategies.

This is surprising considering that all the drafted and validated national strategies involved consultations with stakeholders, including the private sector. Therefore, the private sector should be at the core of each strategy's action plan, as it is one of the major drivers.

It is important to note that the protocols on investment and competition policy were still being negotiated when the national strategies were formulated. Therefore, this may have limited the opportunity and capacity of State Parties to delve more deeply into these critical issues for the private sector in their AfCFTA implementation strategies.

9 Emerging initiatives to support an inclusive/effective implementation of the AfCFTA

9.1. Guided Trade Initiative

The previous sections have shown that the AfCFTA expected benefits may not be realized if the State Parties do not implement the Continental-wide reform effectively through their AfCFTA national strategies. Indeed, Key action points, such as establishing national trade legal frameworks, establishing dedicated national coordination centers/committees, and enhancing logistical arrangements and capacities, need to be considered, among others, through the instruments and initiatives aimed at supporting the implementation of the Agreement.

One such initiative is the Guided Trade Initiative (GTI). Launched on October 7, 2022, the GTI serves as an institutional framework for expediting trade under AfCFTA preferences, particularly because most of the States parties have not yet published or transmitted their provisional schedules of tariff concessions. The primary objectives of the GTI are to demonstrate the effectiveness of the legal framework of AfCFTA instruments, obtain feedback on the effectiveness of national legal and institutional systems in participating State Parties, assess the willingness of the private sector to engage in AfCFTA trade, and identify potential future interventions to boost intra-African trade and maximize the benefits of AfCFTA.

To achieve these goals, the initiative initially began with seven member states[6] and few tradable products but has since expanded to a total of 31 countries, involving over 35 companies, and encompassing a wider range of products[7] with the aim to trade 96 products under the GTI (AfCFTA Secretariat, 2023).

Trade experience under the pilot phase of GTI highlighted the necessity for member states to engage export/import and logistics companies to streamline the trading process (AfCFTA Secretariat, 2023). Examining the experiences of Cameroonian companies participating in GTI, the Trade Law Centre (TRALAC) notes that firms already engaged in exporting face significant challenges, including high trade costs and complex export procedures, among others (Bama, 2023).

UNECA and the Konrad Adenauer Stiftung (KAS) undertook a study to assess the actual conduct of trade under the GTI in 6 of the 7 State Parties i.e., Cameroon, Egypt, Ghana,

[6] The phase 1 of the initiative covered Cameroon, Egypt, Ghana, Kenya, Mauritius, Rwanda and Tanzania

[7] The products include mushrooms, flowers, bio pesticides, powdered milk, fish oil, frozen tuna, mineral and chemical fertilizers, essential oils, packaged moringa, fortified maize porridge, honey, nut butters, fruit jams, tea, coffee, meat products, beverages, milling (flour and maize meal), pasta, and fabric(material)

Kenya, Rwanda and Mauritius. Preliminary findings of the study exposed the multiplicity of logistical, connectivity and related challenges that were encountered in both exporting and importing countries. In particular, it highlighted the limited understanding of the import/export procedures and regulatory requirements in the destination market. For instance, companies thought that once trade is liberalized under the AfCFTA, it implied zero tariffs upon entry in the importing country and no application of domestic taxes.

There were also delays in acquiring the AfCFTA certificates of origin from the exporting country, and transport, logistics and connectivity issues in both the importing and the exporting country. The small and medium enterprises (SMEs) that participated faced high entry and market costs in the exporting country, there were issues of costs related to standards and quality certification, storage and distribution and challenges in securing capital/funds to clear their consignments through customs.

For State Parties like Kenya, Mauritius and Rwanda that had already developed their AfCFTA Implementation Strategy, the Strategy acted as a blueprint for the conduct of trade under the GTI. It guided their choice of products of focus and implementation activities and processes by private companies were supported and coordinated by their National Implementation Committee. The Strategies have therefore proven critical in guiding trading by the AfCFTA State Parties.

The lessons being learnt from the GTI will contribute to the development or informed review of the strategies and to successful implementation of the AfCFTA Agreement.

9.2. Key operational instruments

To support the implementation of AfCFTA, six different instruments are at the disposal of stakeholders. Four of these are already operational – the AfCFTA e-tariff book, the Pan-African Payment and Settlement System (PAPSS), the AfCFTA Adjustment Fund, and the Non-Tariff Barriers (NTBs) Mechanism.

All these instruments align with the vision and strategic axes articulated by member states in their strategies, serving to facilitate the involvement of the private sector in the process of implementing the continental agreement. For instance, AFREXIM bank has secured USD 10 billion under the AfCFTA Adjustment Fund to assist countries in AfCFTA implementation. The e-tariff book is effective, providing firms with easy and accessible information about the tariffs applicable to their products when exporting to African markets.

The NTB Mechanism holds particular relevance for companies, functioning as an online platform enabling them to raise complaints on specific trade barriers encountered during the goods shipment process and facilitating their resolution. As of the end of November 2023, two complaints had been resolved, and 17 were still pending, addressing issues related to conformity assessment, technical regulations, formalities and documentation, transport, and customs procedures.

Initiated by AFREXIM bank and launched on January 13, 2023, the PAPSS platform serves as an intermediary between correspondent banks to facilitate trade and other economic activities between African countries. PAPSS was piloted in the six countries[8] of the West African Monetary Zone (WAMZ) and has currently expanded beyond this monetary zone, involving more than 75 commercial and 10 central banks.

[8] PAPSS operate in Gambia, Ghana, Guinea, Liberia, Nigeria, and Sierra Leone

10 Challenges and Lessons Learnt

The strategy development process was facilitated by consultants under the supervision of the ministry focal person in each country. Several challenges were encountered that constitute valuable lessons for countries that are still developing their strategies or those that may wish to revise their existing strategies in order to reflect the new AfCFTA protocols, changing priorities or other emerging issues. These lessons include the following:

(i) Lack of Comprehensive and Accurate Data on Macroeconomic & Trade History

A major obstacle in the research on macro-economic and trade history for some countries was the scarcity of timely, comprehensive and accurate data, especially for the service sectors. This has made it particularly hard to assess the services sector performance in many countries. For some countries, the consultants had to use mirror data[9] for merchandise trade, which reduced the accuracy level in justifying the prioritized strategic pathways.

(ii) Designing Strategies that are Responsive to New and Future Protocols

The majority of todays AfCFTA implementation strategies were developed at a time when only the framework AfCFTA Agreement and its Phase I protocols (of trade in goods, the trade in services, and dispute settlement) were in place. Even then, some Phase I issues, such as the rules of origin, remain incomplete even today. Then we have the Phase II protocols on competition policy, intellectual property frights, investment, digital trade, and women and youth in trade are either completed but not ratified or still under negotiation. The AfCFTA implementation strategies will need to address these new instruments.

(iii) Sequencing of national and regional AfCFTA strategies

There has been no coordination in sequencing the development of regional and national strategies. The two regional strategies – for the East African Community (EAC) and for the Economic Community of West African States (ECOWAS) – were completed sometime ago but they have yet to be commissioned. On the other hand, many member states in these RECs had their national strategies validated and it remains unclear on the extent to which they are consistent with the mandates and goals identified in the regional strategies. In fact, the EAC strategy is now being revised to incorporate the new developments at the AfCFTA. State Parties may therefore consider involving their RECs in the development and validation of their national strategies.

[9] Mirroring trade data is the fact to use information from the partner when a country does not report its trade.

(iv) Inadequate Institutional Arrangements for implementing the AfCFTA

This report, in section 5, has drawn attention to the challenges faced by many countries in forming or reactivating their National Implementation Committees (NICs) to oversee the implementation of the AfCFTA strategies due to multiple factors, including insufficient human and financial resources to establish and maintain new or additional committees on the AfCFTA. A solution that could be considered is the approach adopted by some countries of reconstituting their WTO National Trade Facilitation Committees and providing them with the mandate to also coordinate the AfCFTA implementation.

(v) Delays in the AfCFTA strategy development process

The development of AfCFTA strategies has faced delays in many countries and for many reasons. The process should normally take between six to 12 months, including the scoping mission, the hiring of consultants, conduct of literature review, organization of consultations and sensitization workshops, validation of the draft strategy document, and official launch of the approved strategy. However, these steps have taken longer than this in most cases. But, in countries that have already undertaken robust studies on their trade and/or industrial policies, for example, the development of their national strategies took much shorter period.

(vi) Challenges in finding local consultants for drafting AfCFTA Strategies

Both ECA and the national focal persons usually prefer to hire local consultants who understand and can articulate the national context into drafting the strategy. However, the expertise has proven hard to find in many countries. In a few cases, the calls for consultants have been put out several times, attracting very few applications, while sometimes the poor quality of consultants has resulted in poor quality work, necessitating either ECA technical intervention and or hiring other consultants to complete the work at extra cost.

11 Way Forward

This report has analyzed and highlighted outcomes of the adopted AfCFTA implementation strategies, including strategic pathways and priority actions identified by countries. Throughout the synthesis, the objective has been to illustrate how the actions and strategic objectives identified by State Parties, along with their implications, can foster a favourable ecosystem for maximizing the benefits of the continental agreement.

To achieve this, the strategies were developed inclusively, typically involving all stakeholders—state actors, the private sector, civil society organizations, women, and youth through national consultations.

The strategies and their implementation have brought forth numerous economic issues and challenges that must be addressed for the successful execution of AfCFTA. Based on these findings, it is recommended that:

- Countries invest in data collection at the national level for all trade; data-based policy and decision making increases the level of success of any intervention including the implementation of the AfCFTA.
- Countries that have drafted their national strategies should revise them to take into account and align them with AfCFTA protocols that were signed after their validation.
- The environment is introduced as a cross-cutting issue in national strategies. A revision of strategies to take account of emerging developments in environment policy (e.g. carbon market, border carbon adjustments, etc.) should be considered by States Parties in order to address more deeply the nexus between AfCFTA and the environment.

Annex A

Table 1 : Status of AfCFTA Implementation Strategies and implementation led by ECA

Validated / Adopted Strategies	Currently Drafting Strategies	Strategy at Inception Phase
§ Benin §Burkina Faso § Burundi § Cameroon § Chad § Comoros § Cote d'Ivoire § Central African Republic § Democratic Rep. of Congo Republic of the Congo § Djibouti § Eswatini § Gabon § Guinea § Guinea-Bissau § Kenya § Malawi §Mali § Mauritania § Mauritius § Mozambique § Namibia § Niger § Nigeria § Rwanda § Sao Tome & Principe § Senegal § Sierra Leone § Somalia § South Sudan § The Gambia § Togo § Tunisia § Zambia § Zimbabwe *RECs: IGAD and ECOWAS*	§ Algeria § Botswana § Liberia RECs: EAC, UMA, ECCAS	§ Angola § Ethiopia § Equatorial Guinea § Morocco § Lesotho § Libya