United Nations E/ECA/COE/43/6–E/ECA/CM/57/4

Economic and Social Council

Distr.: General
2 January 2025

Original: English

Economic Commission for Africa
Committee of Experts of the
Conference of African Ministers of Finance, Planning and Economic Development
Forty-third meeting
Addis Ababa, 12–14 Mar 2025

Item 5 of the provisional agenda*
Presentation on the theme of the fifty-seventh session of the Economic Commission for Africa

Economic Commission for Africa
Conference of African Ministers of Finance, Planning and Economic Development
Fifty-seventh session
Addis Ababa, 17 and 18 March 2025

Item 3 of the provisional agenda**
Dialogue on the theme of the fifty-seventh session of the Economic Commission for Africa

Issues paper

Advancing the implementation of the Agreement Establishing the African Continental Free Trade Area: proposing transformative strategic actions

I. Importance of the Agreement Establishing the African Continental Free Trade Area in the global context

1. Africa is at a critical point in its development journey. Possessing some crucial assets that are lacked elsewhere in the world, the continent is poised to chart a new development path. With its young and growing population, abundant natural resources, opportunities to leapfrog stages in the technological advancement process, a growing consumer market and, in the case of most countries, middle-income status, Africa is playing an increasing role in the global economy. The continent is well positioned as a critical strategic region amid the global move towards geographically diversified supply chains and it can capitalize on its position to boost its trade, integrate itself more closely into global value chains and foster sustainable growth.

2. Despite its significant rebound in 2021 and 2022 from the economic effects of the coronavirus disease (COVID-19) pandemic, the continent's trade fell in 2023 and its share of global trade has been stagnating at below 3 per cent.[1] Trade continues to be adversely affected by subdued global and domestic demand, limited fiscal space, supply chain disruptions, geopolitical tensions, tight global financial conditions, elevated food and energy prices, exchange rate risk and other economic shocks. These challenges are limiting African countries' capacity for consumption and, consequently, imports.

3. While growth is recovering, it remains below pre-pandemic levels and far below the level needed to achieve the Sustainable Development Goals. Substantial differences have emerged among African countries and subregions, however. In the

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[1] Economic Commission for Africa (ECA), *Economic Report on Africa, 2025* (Addis Ababa, forthcoming).

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October 2024 *World Economic Outlook*, the International Monetary Fund forecast that 9 of the 20 countries with the fastest economic growth in the world in 2024 will be in Africa.[2] At the continental level, countries' growth paths have continued to diverge, with resource-intensive countries, in particular those that are dependent on fossil fuel exports, on a notably slower path than non-resource-intensive countries. The divergence reflects, in part, ineffective natural resource management in resource-intensive economies, which, in turn, prevents the State in question from deploying countercyclical fiscal policies when needed. Furthermore, the weak governance and unfriendly business environments prevailing in resource-exporting countries discourage high-quality investment and the transfer of technology and skills.

4. African exports remain dominated by primary commodities: fuels account for almost 40 per cent, and ores and metals for another 15 per cent; manufacturing, meanwhile, represents only 24 per cent.[3] Owing to this export composition, African involvement in global value chains comes chiefly at the start of those chains, rendering the continent vulnerable to commodity price volatility and climate shocks. The recent increase in trade restrictions and supply chain disruptions, in particular since the financial and economic crises of 2008 and 2009, have highlighted the continent's vulnerabilities and exacerbated its food and energy shortages, worsened external imbalances and increased its financing needs. On the positive side, the trend towards strengthened regionalism and the move towards nearshoring and friendshoring, with firms recalibrating their supply chains, makes Africa better placed to benefit from the new era of global trade.

5. It is more important than ever to seize the untapped opportunities for deeper trade integration within the African Continental Free Trade Area, in particular in the current global context of heightened geopolitical tensions and uncertainties, intensified repercussions of climate change and rapid technological development. With the increasingly fragmented global trade system and sustained low levels of global growth, the Agreement can, through trade, investment and growth linkages, catalyse African competitiveness. The Agreement also has the potential to improve the lives of Africans by addressing such major societal challenges as poverty, food insecurity, unemployment and limited social cohesion. As the world's largest regional free trade area by membership, population and geographical area, the Agreement could, if successful, also have a meaningful impact on global trade and growth.

II. Realizing the transformative potential of the Agreement Establishing the African Continental Free Trade Area

6. Implementation of the Agreement is expected to boost African trade and reposition the continent in the global trade arena. The Agreement can drive intra-African trade, along with the continent's industrialization, development of regional value chains and diversification. It can also be instrumental in improving people's lives by helping to address major societal challenges. The Agreement has huge potential to reduce African dependence on primary commodities, as it can transform African economies by diversifying their exports and sources of growth. These transformative changes go hand in hand with the development of robust regional value chains, in particular in the agrifood and industrial sectors, which will bring direct benefits and will position Africa to move upstream in global value chains. The Economic Commission for Africa (ECA) estimates that full implementation of the Agreement would boost intra-African formal trade by $276 billion by 2045, mostly in

[2] International Monetary Fund, *World Economic Outlook, October 2024: Policy Pivot, Rising Threats* (Washington, D.C., 2024).

[3] ECA, *Economic Report on Africa, 2025*.

agroprocessing and manufacturing.[4] In addition to stimulating African trade, full implementation of the Agreement will create an opportunity for States to increase growth, to create jobs, to broaden economic inclusion and to lift millions out of extreme poverty, while boosting the incomes of many others.

7. The Agreement can increase, not only the volume, but also the diversity and quality of trade and growth. High value added goods and services account for a greater share of intraregional trade than of extraregional trade. ECA estimates that the Agreement could increase African gross domestic product by 1.2 per cent, exports by 7.3 per cent, imports by 6.9 per cent and welfare (measured as consumer surplus due to cheaper consumer goods and greater variety) by 0.9 per cent in 2045. ECA also estimates that overall intra-African trade would rise by about 45 per cent by 2045, with manufactured goods accounting for two thirds of the increase. Since intra-African trade is forecast to grow by markedly less in energy and mining than in other main sectors, the Agreement clearly has great potential for fostering diversification away from the production and export of commodities towards industry, agroprocessing and services.[5] Moreover, industry would account for the majority of the gains from trade for nearly all African countries.[6] Nonetheless, for such outcomes to be realized, it will be critical to quickly redouble efforts to develop the required new industrial workforce through the provision of targeted education and training.

8. By promoting quality trade and investment, the Agreement can thus be instrumental in the continent's escape from poverty and path to prosperity. Despite the significant progress made in the twenty-first century, with more than half of its countries attaining middle-income status, Africa remains the world's poorest continent. In 2023, 32.6 per cent of its population was living below the international poverty line of $2.15 per day. Alarmingly, 55 per cent of the world's poorest people were in Africa and so were 23 of the 28 countries worldwide with more than 30 per cent of their populations living in poverty.[7] Beyond boosting income, the Agreement can help to foster prosperity in such ways as strengthening institutions, opening up the economy, and rendering people more connected, more empowered, healthier and better educated.

9. The Agreement has the potential to address persistent structural bottlenecks in the energy supply by closing energy gaps and accelerating the transition to renewables through cross-border trade in energy products, technologies and services. Capitalizing on the comparative advantages that countries and subregions already enjoy, the Agreement can encourage African States to build core competitive knowledge and skills pertaining to energy transition technologies and increase the share of renewables from its current 9 per cent of the continent's total energy consumption. For the African transition to renewables to materialize, it is crucial to address the infrastructure gap in energy generation, transmission and distribution. A conducive business environment and de-risking mechanisms for investment are prerequisites for attracting the energy infrastructure financing needed to meet the energy demand generated by the implementation of the Agreement.

10. The Agreement also offers Africa an opportunity to achieve food security by increasing food market integration, enhancing agricultural productivity and boosting intra-African food trade. With its abundant agricultural resources, Africa has the potential to fully meet its own food needs. ECA estimates that the implementation of

[4] ECA and Centre d'études prospectives et d'informations internationales, "Implementing the AfCFTA Agreement and implications for Africa's regional value chains" (Addis Ababa, forthcoming).

[5] ECA, *Economic Report on Africa, 2025*.

[6] Only in Cameroon, Ethiopia, Mozambique, Namibia and Zimbabwe would industry not account for the largest share of the benefits. Even in those countries, however, the growth of industry would still be substantial in percentage terms.

[7] World Bank, Poverty and Inequality Platform database. Available at https://pip.worldbank.org/home (accessed in April 2024).

the Agreement could, by 2045, increase total trade in finished agricultural goods by $42.3 billion.[8] This could also help to mitigate the effects of extreme climate events on production and prices, since production and rainfall are often weakly correlated, even within regions. The implementation of the Agreement would open new markets for farmers and agri-businesses and would contribute to the development of production networks and value chains across Africa. The resulting knowledge transfers, for both climate change adaptation and competition, could boost productivity.

11. The Agreement can help Africa to capitalize on and manage such megatrends as the growing role of emerging markets in the global economy, digitalization, demographic transition, urbanization and climate change. The Agreement could form the basis of comprehensive strategies for African States and private companies to enhance their readiness for digital trade and maximize their participation in e-commerce. If successful, such strategies would further boost intraregional trade and increase the continent's integration into the global economy. The Area could also encourage cross-border investment in technology and enable start-ups to form partnerships with universities, research institutions and established technology companies across the continent. This would generate a culture of innovation and knowledge-sharing, as well as the development of new solutions tailored to the African market.

12. The Agreement will also position Africa to intensify its trade with other fast-growing regions, allowing it to benefit from the megatrend of shifting wealth, characterized by the growing role of emerging markets in the global economy. In relation to Brazil, the Russian Federation, India and China, the Agreement provides an opportunity for Africa to strengthen its trade relations with China and India, moving beyond exporting raw materials and importing manufactured goods. Both countries are already major sources of investment in the continent's infrastructure, and in its manufacturing and energy sectors. Similarly, implementation of the Agreement's Protocol on Digital Trade could encourage both the public and private sectors to enhance their readiness for and maximize their participation in e-commerce and digital trade, thus opening up new markets.

13. The Area's single market can attract further investment, in particular in industrialization and technology transfer. The Agreement will also help African countries to attract additional foreign direct investment from investors who may otherwise be deterred by the continent's geographical fragmentation. Beyond China and India, closer economic ties have, since the early 2000s, been forged with other emerging markets, such as Türkiye:[9] in 2023, the total value of its trade with African countries reached $35 billion and its direct investments on the continent amounted to some $7 billion.[10]

14. Given how large a proportion of the African population comprises young people, involving them in the implementation of the Agreement will be central to its success. Africa is the region with the youngest labour force and almost 72 million young Africans are not in employment, education or training.[11] The large number of young Africans who are among the ranks of the unemployed, discouraged workers or the working poor underscores the need for inclusive trade and growth. By reducing trade and other barriers, implementation of the Agreement can make it easier for companies to operate across borders, thus facilitating the entry of young Africans into higher-skilled and more productive and innovative sectors, such as agrifoods and

[8] ECA, *Economic Report on Africa, 2025*.

[9] Peter Fabricius, "Deciphering Türkiye's Africa policy", Institute for Security Studies, 1 November 2024.

[10] Garowe Online, "Turkey deepens ties with Africa, aims for economic and diplomatic growth", 5 November 2024.

[11] International Labour Organization (ILO), "African youth face pressing challenges in the transition from school to work", 10 August 2023.

climate-smart agriculture. The Agreement opens up new export opportunities for young Africans, provided that they possess the requisite knowledge and skills.

15. Likewise, the implementation of the Agreement cannot succeed without a major contribution from African women. In Africa, companies led by men are currently more involved in formal, higher value trade than those led by women, owing to a combination of sectoral distribution of activities, social norms and inadequate childcare services. Moreover, women are overrepresented in informal cross-border trade. In Africa, over 65 per cent of workers are in vulnerable employment, more than double the proportion in regular employment, and women are considerably more exposed to vulnerable employment.[12] To spur economic progress and increase the level of attainment of the Sustainable Development Goals in Africa, the critical mass of women, most of whom currently trade informally, need to be the main anchor of the Agreement. Recognition of this takes the form of the Agreement's Protocol on Women and Youth.

16. More broadly, for the Agreement to have an impact, it needs to reach the informal sector and its chief participants. This is especially important in Central, East and West Africa, where the informal sector can account for as much as 70 per cent of the economy. By integrating informal cross-border traders into the formal economy, the Agreement can broaden inclusiveness and address the principal constraints that such traders face in Africa. The Agreement needs to be tailored towards primary producers and agricultural firms as much as it is towards manufacturers and service providers. Ensuring the effective application of the Agreement to such traders will grant them access to a larger and more diverse market of goods and services, remove barriers to trade and promote the free movement of labour. The implementation of the Agreement at the national level encompasses the tailoring of domestic trade, industrial, sectoral and economic policies to promote employment, enhance productivity and facilitate structural transformation. Such measures expand the formal sector and create job opportunities. The Agreement should eliminate impediments to formal cross-border trade, in order to enlarge its relatively small market base. Informal cross-border trade largely involves women, who will need support to be integrated into the formal economy if they are to benefit from the Agreement.

III. Maximizing the benefits and containing the risks of the African Continental Free Trade Area

17. Crucial enablers of accelerating and deepening the implementation of the Agreement include initiatives to reduce transaction costs, enhance transparency, facilitate trade and strengthen connectivity. The first is to facilitate support for small and medium-sized enterprises, in particular those managed by women and young people. The second is to launch an African trade gateway, which will be a one-stop digital platform with details of the rules applicable to thousands of products; of customs procedures; of market information and trends; and of payment transfers. The third is to establish an African Continental Free Trade Area adjustment fund, which is intended to mitigate the fiscal effects of tariff losses and to support particular value chains in specific productive sectors of the economy. The fourth is to roll out the Pan-African Payment and Settlement System.

18. Enhancing intra-African digital trade is one of the chief objectives of the Agreement, which is also in line with the digitalization megatrend. Achieving that will hinge on eliminating barriers to digital trade, creating a secure digital trade environment, building the infrastructure needed to facilitate digital trade, and establishing harmonized rules, common principles and shared standards for digital trade. For instance, empirical evidence confirms the importance of addressing

[12] Rosina Gammarano, "Paid employment vs vulnerable employment: a brief study of employment patterns by status in employment", ILOStat Spotlight on Work Statistics, No. 3 (Geneva, ILO, 2018).

regulations relating to online sales and transactions. Tackling regulations in other areas of digital trade, such as public procurement of goods related to information and communications technology (ICT) and of online services, domestic data protection and privacy, standards and cross-border data policies, could also prove effective at enhancing intra-African digital trade. For digital trade, the restrictiveness of related regulations matters more than the quantity of such regulations. Specifically, it is estimated that a 1 per cent reduction in the restrictiveness of the regulations would lead to a 21.5 per cent (or $508 million) increase in intra-African digital trade, while a 1 per cent reduction in the number of regulations would result in a 0.25 per cent (or $6 million) increase.[13]

19. The Pan-African Payment and Settlement System, a platform that facilitates cross-border payments in local African currencies, plays a critical role in advancing both trade and other forms of regional integration, such as monetary integration. Officially launched on 13 January 2022, the System is, as of September 2024, supported by 14 central banks, 5 switches and over 50 commercial banks. In addition, 12 partner organizations have pledged their support, demonstrating a strong commitment to the initiative's success. The System simplifies and expedites cross-border payments within Africa, reducing reliance on international correspondent banks and lowering transaction costs. By so doing, the System enables faster and more efficient payments, stimulates intra-African trade, enhances liquidity and expands market access for firms on the continent. Currently, the System is expected to save African traders about $5 billion per year in currency convertibility; the savings would be even higher if currency volatility on major international markets were to rise. The central issue is how to support the System to increase its uptake.

20. The attainment of African integration objectives – including, in the longer term, monetary integration – hinges on the pursuit of convergent macroeconomic policies by States parties to the Agreement. Misalignments between the main macroeconomic variables of States can disrupt ongoing integration efforts. Macroeconomic and exchange rate stability will encourage the integration of the capital and goods markets, as well as the utilization of economies of scale. A stable macroeconomic climate will encourage financial development, private sector activity and investment, thus boosting the growth prospects of States parties. It is therefore imperative for States parties to properly endorse the guidelines and criteria for the convergence of macroeconomic and trade policies to accelerate the implementation of the Agreement. The effective convergence of macroeconomic policies is the cornerstone of cross-border financial and monetary integration, which promotes international trade.

21. The strengthening and deepening of African financial markets and institutions are essential for mobilizing the resources needed to finance integration projects, thus improving capital allocation, promoting secure payment systems and facilitating trade both within and outside the continent. In addition, financial integration provides a platform for the proliferation of financial instruments, leading to greater risk-sharing, production specialization and portfolio diversification. Consequently, national policies, frameworks and procedures governing financial markets need to be harmonized across all States parties to the Agreement.

22. Underdeveloped infrastructure, non-tariff barriers and finance constraints constitute additional major obstacles to full implementation of the Agreement. About 60 per cent of African countries still have weak World Bank infrastructure scores, while the annual infrastructure gap is estimated at $170 billion per year.[14] Rigid and

[13] Geoffroy Guepié, Simon Mevel and Moukaila Takpara, "Enhancing intra-African trade through digitalization from a regulatory perspective", paper presented at the Africa Trade Development Forum, Kigali, December 2024.

[14] World Bank, "Quality of overall infrastructure, 1-7 (best)", Prosperity Data360 database. Available at https://prosperitydata360.worldbank.org/en/indicator/WEF+GCIHH+EOSQ056 (accessed on 13 January 2025).

inefficient labour markets, and unfriendly business environments represent additional supply-side constraints. Together with a trade finance gap estimated at $120 billion in 2023[15] and other non-tariff barriers, these structural impediments will continue to derail the development of intraregional trade and prevent the Agreement's full potential from being reached. In recognition of the significance of non-tariff barriers, States parties to the Agreement have adopted the Protocol on Trade in Goods, annex 5 of which is specifically dedicated to their elimination.

23. Closing the infrastructure deficit, which has been a major constraint on both economic growth and intra-African trade expansion, is critical. This must encompass both physical and digital infrastructure, the lack of both of which has been a major obstacle to economic transformation, industrial production and the distribution of goods. More than 97 per cent of the African infrastructure deficit is in energy, transport, logistics, ICT and other trade-enabling infrastructure. Closing the deficit in those areas would be especially crucial for the smooth flow of intra-Africa trade in goods and services. In addition, it would not only increase industrial productivity, but also ensure that efficient and cost-effective distribution channels are in place to facilitate the flow of goods and services across the continent.

24. For the full benefits of the Agreement to be enjoyed, efforts must be made to mitigate relevant risks. One potential risk is that the reduction of tariffs will cause a loss of revenue. Given the relatively low share of intra-African trade and of revenues currently derived from tariffs, however, the loss would be gradual and limited. Moreover, the loss can be mitigated by compensating mechanisms. States parties to the Agreement will be afforded time to potentially implement mitigating measures, in line with the agreed liberalization schedules under the Protocol on Trade in Goods. The African least developed countries would be granted longer time frames for gradual tariff liberalization, with tariff revenues estimated to decline by 3.0 per cent in 2025, reaching a 10.7 per cent reduction in 2045. Governments have other revenue streams at their disposal that can offset the forecast losses. Furthermore, even with the decline in customs duty revenue, the substantial growth of intra-African trade would still contribute to increased living standards.[16] The establishment of an African Continental Free Trade Area adjustment fund would also serve as a vehicle for helping vulnerable States to minimize their tariff income losses. In order to mitigate the impact on government budgets, it would be important to put in place tailored support mechanisms for those States that may be losing out in the early stages of implementation of the Agreement.

IV. Proposed transformative actions

25. Governments across Africa should continue to demonstrate the same high degree of political will to implement the Agreement and ownership of its implementation as has been the case since the process started. While ratification has been swift in most States parties, accelerated implementation will require, in equal measure, greater collective efforts to carry out reforms – both those required under the Agreement and complementary ones – and increased political commitment to integration. Enforcement mechanisms should be established to deal with States parties that do not adhere to the Agreement and its protocols. Trade integration needs to be supported with trade facilitation measures, in parallel with other bilateral, multilateral and regional trade agreements. The integrity and credibility of African leaders with regard to the integration process could be called into question if the various elements of the process are not implemented in the correct order. To advance continental economic integration, States need to support a common philosophy that places shared economic gain ahead of historical rivalries and relative economic gain.

[15] African Export-Import Bank, *Annual Trade Development Effectiveness Report, 2023* (Cairo, 2023).

[16] ECA, *Economic Report on Africa, 2025*.

26. The full implementation of the Agreement requires major and synchronized structural reforms at the national, subregional and continental levels. States parties must take proactive measures to ensure the Agreement's effectiveness and foster an environment that supports trade, growth, development and the inclusive enjoyment of its benefits by all. National level reforms to modernize customs procedures, align legal frameworks with the protocols to the Agreement and improve the business environment to attract investment and foster trade would play a central role. At the subregional level, focus should be on harmonizing trade policies across all regional economic communities and developing cross-border infrastructure to facilitate trade. At the continental level, the standardization of goods and services, the creation of effective dispute resolution mechanisms and the continuous strengthening of the capacity of the African Continental Free Trade Area secretariat are crucial for smooth trade integration.

27. The success of the Agreement cannot rely solely on trade-related policies, such as tariff reduction protocols; complementary measures are needed. Chief among them is well-designed and implemented industrial policy at both the national and the continental levels, which would prioritize strategic sectors in which Africa enjoys a comparative advantage, such as financial technology (fintech), the green economy, renewable energy (for instance, electric vehicles), pharmaceuticals and the processing of strategic minerals. Africa will need to balance progress with continental trade liberalization, on the one hand, with the protection of infant strategic industries, on the other, while avoiding the pitfalls of earlier attempts to pursue industrial policy. At the same time, States must ensure that their industrial policies support the convergence of national trade policies, rather than reversing the gains from trade openness derived from the Agreement and impeding the attainment of the trade enhancement objectives underlying it.

28. In order for States to progress with diversification and industrialization, and to capitalize fully on the Agreement's potential, they will need to address climate change risks in their industrial policies. Specifically, new industrial policies will have to incorporate climate policies, including renewable energy use and low-carbon strategies, to amplify their positive effects and mitigate their negative consequences. The continent is already experiencing the effects of climate change, with climate-related damage costing African countries, on average, between 2 and 5 per cent of their gross domestic product per year.[17] By integrating climate and trade policies, African Governments could encourage trade in renewable energy products, such as solar panels, wind turbines and battery storage technologies. The implementation of the Agreement can thus drive growth in the African renewable energy market. Likewise, climate-friendly reforms and the incentivization of green industries are essential to ensure that the growth driven by the Agreement is sustainable and resilient to climate change.

29. Africa will need to invest in human capital and equip its workforce with skills for the future, in order to make the Agreement a success. With the fourth industrial revolution under way, the comparative advantages of countries and regions are shifting, creating new opportunities for Africa. At the same time, since automation and robotization could hinder the creation of manufacturing jobs, a skilled workforce will become even more necessary. Despite overall strong political support for the Agreement, it faces resistance from some States and groups, which is due to insufficient understanding of its benefits and distrust rooted in historical colonialism. Accordingly, continuous education and campaigns to raise awareness of the Agreement are needed to counter negative perceptions and advance implementation. To rebuild trust, African leaders need to make concerted and steadfast efforts to implement collaborative initiatives and share economic benefits.

30. The Agreement can also help to address the skills shortages and mismatches from which the continent is suffering. Currently, firms across Africa emphasize the

[17] World Meteorological Organization, *State of the Climate in Africa, 2023* (Geneva, 2024).

inadequately skilled workforce as a major constraint on their activities. Starting from relatively low levels of literacy and other foundation skills, Africa is already lagging behind other regions in the development of human capital and digital skills; reducing the continent's skills deficit is, therefore, a huge task. Through freedom of movement, including the free movement of labour, the Agreement can help to create jobs, improve living standards and facilitate the mobilization of the continent's human and material resources to achieve self-reliance and development. African States need to establish education and training facilities, and ensure that their policies and their hard and soft infrastructure enable skills shortages and mismatches to be addressed, in the process developing the associated economic sectors.

31. The successful implementation of the Agreement will require significant financing and investment in critical areas. The development of infrastructure, including transport and telecommunications, will be funded from national budgets, public-private partnerships and development finance institutions. A significant scale-up is needed to close the vast infrastructure financing gap, however. Funding raised from development finance institutions and from tax reforms could be used to offset the transitional State revenue losses due to the harmonization of trade policies and the reduction of tariff and non-tariff barriers. Digital transformation requires investments in ICT infrastructure, supported by telecommunication companies, development banks and international organizations. Private sector investment will be crucial for expanding industrialization and digitalization, while green bonds, climate funds and other forms of green finance will support sustainable trade initiatives.

32. The Agreement's success will thus require efforts by all stakeholders, in particular private companies, including financial institutions. Such private companies have great capacity for innovation, with both large firms, and small and medium-sized enterprises playing a central role in the successful integration of individual countries into regional and global value chains. The role of business associations and federations in advocating conducive business environments and trade-friendly policies cannot be overstated. Civil society organizations can also play a major role in making the case for broader social objectives, such as reducing inequality and environmental damage. Financial institutions, meanwhile, can provide trade financing, longer-term project loans and risk management solutions to support intra-African trade.

V. Policy issues for discussion

33. The following policy issues and important questions may be raised for discussion:

(a) What institutional frameworks should African States devise to accelerate the implementation of the Agreement, with a view to supporting intraregional trade and to promoting smart industrialization and diversification?

(b) In the implementation policies that have already been developed, what main challenges and priority strategic pathways have already been identified and must be addressed if States parties are to benefit fully from the Agreement?

(c) What role can the Agreement play in addressing critical social challenges, such as food security?

(d) What complementary measures will be required at the national level to fully maximize the potential of the Agreement's implementation to address food insecurity and boost intra-African food trade?

(e) What form should industrial policy take to support the successful implementation of the Agreement, amid the challenges posed by climate change, the energy transformation and the fourth industrial revolution?

(f) What role should the private sector play in driving the implementation of the Agreement and how can it be effectively complemented and supported by new industrial policies?

(g) In what type of human capital and skills should African States invest to equip their workforces with the skills of the future, without emerging technologies hindering job creation?

(h) To what extent has the political economy of the Agreement's implementation affected its enhanced implementation and how could those effects be addressed?

(i) Taking into consideration lessons learned from the Guided Trade Initiative, what are the expected implications of the Agreement's full-fledged implementation for economic, social and climate issues in Africa?

(j) Given that many young Africans are unemployed or among the working poor and that many African women are employed in the informal sector, what concrete measures can be taken, in the context of implementing the Agreement, to support businesses led by women and youth employment initiatives?

(k) Given that the success of the Agreement largely depends on an inclusive and broad-based approach to implementation, how should public awareness campaigns that emphasize the benefits and opportunities derived from regional integration and free trade be conducted to ensure broad acceptance of the Agreement by the public in all States parties?

(l) What strategies, enforcement mechanisms and governance structures can be used to ensure transparency and accountability in relation to implementation of the Agreement and to sustain the political commitment to integration?

(m) In the light of the centrality of digital transformation, the fourth industrial revolution, artificial intelligence, the energy transition and decarbonization, and geopolitical tensions to the current global development trajectory, how can the Agreement drive sustainable development in Africa and what specific climate-resilient, green technologies and renewable energy initiatives should be prioritized?

(n) What monitoring and evaluation mechanisms should be established to track progress in the implementation of the Agreement and how can members of ECA ensure accountability and measure success?

(o) Against the backdrop of the recently established dedicated online mechanism for reporting, monitoring and eliminating non-tariff barriers, what specific measures can States parties take, individually and collectively, to ensure the effective elimination of such barriers?