

Committee: ECOSOC

Issue: Exploring strategies to ensure AfCFTA (African Continental Free Trade Area) grows sustainably on a global stage.

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INTRODUCTION

The African Continental Free Trade Area (AfCFTA) is a landmark trade agreement that seeks to integrate all 55 African Union member states into a single market of approximately 1.4 billion people with a combined GDP of about US\$3.4 trillion. As a flagship initiative under the African Union's Agenda 2063, the AfCFTA aims to progressively eliminate tariffs and harmonise trade regulations in order to increase intra-African trade and investment. It works alongside existing regional economic communities such as Southern African Development Community (SADC), Southern African Customs Unit (SACU), and the East African Community (EAC).

Beyond tariff reduction, the AfCFTA addresses the complex challenge of aligning Africa's diverse legal systems, including common law and civil law traditions, under a unified continental trade framework. The agreement has significant implications for businesses, particularly in areas such as investment rules, local ownership requirements, and regulatory compliance.

Built on a development-oriented integration model, the AfCFTA promotes industrialisation, infrastructure development, and inclusive economic growth. If fully implemented, it is expected to create a stable and transparent business environment through harmonised trade, investment, and intellectual property

rules, thereby strengthening investor confidence and attracting greater regional and foreign direct investment.

DEFINITION OF KEY TERMS

Intra-African Trade: Trade in goods and services between African countries.

E-Tariff Book: A digital tool developed to provide traders and officials with easy access to information on tariffs and rules of origin under the AfCFTA.

Tariff Liberalisation: The progressive process of eliminating or reducing customs duties (tariffs) on goods traded between AfCFTA member states to make them cheaper and more competitive.

Non-Tariff Barriers (NTBs): Obstacles to trade that are not taxes on imports/exports, such as complex regulations, cumbersome customs procedures, and licensing requirements.

BACKGROUND INFORMATION

The AfCFTA was first proposed at the 18th Session of the African Union Assembly in Addis Ababa, Ethiopia, in January 2012. During this session, African leaders adopted the decision to establish the AfCFTA alongside the Action Plan for Boosting Intra-African Trade. The Agreement establishing the AfCFTA was formally signed on 21 March 2018 in Kigali, Rwanda, by 44 Heads of State and Government, with additional countries signing thereafter. In accordance with Article 23 of the Agreement, the AfCFTA entered into force on 30 May 2019, 30 days after the required 22 countries had ratified it.

As one of the flagship projects of the African Union's Agenda 2063 development framework, the AfCFTA seeks to accelerate intra-African trade,

promote socio-economic growth, and strengthen Africa’s collective voice in global trade negotiations. By enhancing regional integration and expanding Africa’s policy space in international trade discussions, the AfCFTA aims to improve the continent’s competitiveness and position in the global market.



“The objectives of the AfCFTA are to:

- Create a single market for goods, services, facilitated by movement of persons in order to deepen the economic integration of the African continent and in accordance with the Pan African Vision of “An integrated, prosperous and peaceful Africa” enshrined in Agenda 2063;
- Create a liberalised market for goods and services through successive rounds of negotiations;
- Contribute to the movement of capital and natural resources and facilitate investments building on the initiatives and developments being undertaken by the State Parties and RECs;
- Lay the foundation for the establishment of a Continental Customs Union at a later stage;

- Promote and attain sustainable and inclusive socio-economic development, gender equality and structural transformation of the State Parties;
- Enhance the competitiveness of the economies of State Parties within the continent and the global market;
- Promote industrial development through diversification and regional value chain development, agricultural development and food security;
- Resolve the challenges of multiple and overlapping memberships and expedite the regional and continental integration processes

Protocols to the Agreement Establishing the AfCFTA include:

- The Protocol on Trade in Goods
- The Protocol on Trade in Services
- The Protocol on Rules & Procedure on the settlement of disputes
- The Protocol Investment.
- The Protocol on Intellectual Property Rights
- The Protocol Competition Policy. ” (au.int)

The African Continental Free Trade Agreement (AfCFTA) presents a significant opportunity for African countries to stimulate economic growth, reduce poverty levels, and promote broader economic participation. Successful implementation of AfCFTA is expected to:

- Lift approximately 30 million people out of extreme poverty and increase the incomes of nearly 68 million others who currently survive on less than \$5.50 per day.
- Raise Africa’s total income by about \$450 billion by 2035 (an increase of 7 percent), while also contributing an additional \$76 billion to global income.
- Expand Africa’s exports by \$560 billion, with the majority of growth coming from the manufacturing sector.
- Generate greater wage increases for women (10.5 percent) compared to men (9.9 percent).

- Increase wages for both skilled and unskilled workers—by 9.8 percent for skilled workers and 10.3 percent for unskilled workers.

AfCFTA is projected to reduce extreme poverty across all regions of the continent, with the largest improvements occurring in countries that currently have high poverty levels.

- West Africa is expected to experience the greatest reduction, with 12 million fewer people living in extreme poverty—accounting for more than one-third of the continent’s total reduction.
- Central Africa could see a decrease of 9.3 million people.
- Eastern Africa is projected to reduce extreme poverty by 4.8 million people.
- Southern Africa may experience a decline of 3.9 million people.

Countries with higher initial poverty rates are anticipated to record the most significant reductions in poverty levels:

- In Guinea-Bissau, the poverty rate is projected to fall from 37.9 percent to 27.7 percent.
- In Mali, the rate is expected to decline from 14.4 percent to 6.8 percent.
- In Togo, poverty is projected to decrease from 24.1 percent to 16.9 percent.

CURRENT CONTEXT

The AfCFTA has made notable progress in recent years, although intra-African trade remains relatively low compared to other regions. In 2022, intra-African trade accounted for only 14.4% of Africa's total trade, far below Europe (68%), Asia (59%), and even South America (20%). However, trade is gradually increasing, reaching \$192.2 billion in 2023, a 3.2% rise. Politically, commitment is strong, with 48 countries having ratified the agreement, while Eritrea, Benin, Libya, Somalia, Sudan, and South Sudan have not yet ratified. Implementation has advanced through the Guided Trade Initiative (GTI), which expanded from 7 to 39 participating countries to test AfCFTA systems, and as of September 2025, 11 countries are officially trading under AfCFTA preferences. A major milestone was in July 2024 when Nigeria, Africa's largest economy, began trading under the GTI, exporting goods to countries such as Cameroon, Kenya, Algeria, Uganda, and Egypt. Supporting infrastructure has also been developed, including the E-Tariff Book for tariff and rules-of-origin information, and the Pan-African Payment and Settlement System (PAPSS), which enables cross-border payments in local currencies. Overall, AfCFTA is moving from agreement to action, but further implementation and reduction of trade barriers are still needed to unlock its full potential.

In 2023, the African Union (AU) declared the year as the "Year of AfCFTA: Acceleration of AfCFTA Implementation." This reflects the importance of the AfCFTA as a flagship AU project aimed at deepening economic integration across the continent.

AfCFTA also works alongside other major AU integration initiatives, including:

- The Protocol on the Free Movement of Persons, Right of Residence and Right of Establishment, which promotes mobility across African countries.

- The Programme for Infrastructure Development in Africa (PIDA), which focuses on continental infrastructure development.
- The Accelerated Industrial Development for Africa (AIDA) initiative, aimed at boosting industrial growth.
- The Comprehensive African Agricultural Development Programme (CAADP), which supports agricultural transformation and food security.
- The Single African Air Transport Market (SAATM), which promotes liberalized air transport across Africa.

Together, these initiatives complement AfCFTA by strengthening trade, mobility, industrialization, agriculture, and infrastructure—creating the foundation for a more integrated and economically competitive Africa.

On 15 September 2025 in Lusaka, Zambia, the United Nations Economic Commission for Africa (ECA), through its Sub-regional Offices for Eastern and Southern Africa, launched a three-day regional workshop focused on accelerating the implementation of the AfCFTA.

The workshop, themed “Towards an Accelerated Implementation of AfCFTA Agreement in Africa,” brought together public and private sector stakeholders to assess progress and improve understanding of AfCFTA implementation tools.

The initiative forms part of a United Nations Development Account project implemented by ECA in partnership with United Nations Conference on Trade and Development (UNCTAD). The project aims to support Comoros, Djibouti, Senegal, and Zambia in transitioning beyond Least Developed Country (LDC) status by using AfCFTA as a driver of economic growth and structural transformation.

MAJOR COUNTRIES AND ORGANISATIONS INVOLVED

The AfCFTA is driven by the African Union, but several bodies manage its implementation:

- The African Union (AU): The architect and owner of the AfCFTA initiative.
- AfCFTA Secretariat: Located in Accra, Ghana, it is the autonomous body responsible for coordinating the implementation of the agreement.
- Regional Economic Communities (RECs): The AU recognizes eight RECs that act as the building blocks for the AfCFTA, including:
 - ECOWAS (Economic Community of West African States)
 - EAC (East African Community)
 - SADC (Southern African Development Community)
 - COMESA (Common Market for Eastern and Southern Africa)
 - ECCAS (Economic Community of Central African States)
 - AMU (Arab Maghreb Union)
 - CEN-SAD (Community of Sahel-Saharan States)
 - IGAD (Intergovernmental Authority on Development).
- Pan African Payment and Settlement System (PAPSS): Developed to enable cross-border payments in local African currencies rather than third-party currencies, essential for facilitating trade under AfCFTA.
- UNECA (United Nations Economic Commission for Africa): Provides technical assistance and advisory services for the implementation of the agreement.

TIMELINE OF KEY EVENTS

- **2012:** AU decides to fast-track a continental free trade area.
- **2015:** Negotiations for AfCFTA begin at AU Summit in Johannesburg.

- **21 March 2018** : AfCFTA Agreement signed by 44 AU member states in Kigali, Rwanda.
- **29 April 2019** : 22-country ratification threshold reached → agreement can enter into force.
- **30 May 2019** : AfCFTA officially enters into force.
- **7 July 2019** : Operational phase launched at AU Summit in Niamey, Niger.
- **August 2020** : AfCFTA Secretariat formally established in Accra, Ghana.
- **1 January 2021**: Trading under AfCFTA officially begins.
- **October 2022**: Guided Trade Initiative (GTI) launched to pilot AfCFTA systems.
- **July 2024** : Nigeria joins GTI, begins trading under AfCFTA rules.
- **September 2025**: Regional workshops held to review progress and accelerate implementation; 11 countries actively trading under AfCFTA.

RELEVANT UN RESOLUTIONS, TREATIES AND EVENTS

UN General Assembly Resolution 70/1 (2015)

“Transforming our world: the 2030 Agenda for Sustainable Development”

- Establishes the Sustainable Development Goals (SDGs).
- Supports trade-led growth, industrialization (SDG 9), decent work (SDG 8), and partnerships (SDG 17).
- AfCFTA contributes directly to achieving these goals through increased intra-African trade and economic integration.

UN General Assembly Resolution 69/313 (2015)

Addis Ababa Action Agenda (AAAA)

- Focuses on financing for development.
- Encourages regional integration and trade as tools for sustainable development.

- Strengthens the financial foundation necessary for AfCFTA implementation

UN General Assembly Resolution 71/313 (2017)

Global indicator framework for SDGs

- Provides monitoring mechanisms for sustainable development.
- Helps track trade growth and economic transformation linked to AfCFTA

UN General Assembly Resolution 75/233 (2020)

Quadrennial Comprehensive Policy Review (QCPR)

- Calls for stronger UN system support to Africa's development priorities.
- Reinforces technical assistance for regional integration and trade facilitation, benefiting AfCFTA.

PREVIOUS ATTEMPTS TO SOLVE THE ISSUE

Strengthening Regional Economic Communities (RECs)

Before and alongside AfCFTA, the African Union (AU) strengthened Regional Economic Communities such as:

- Economic Community of West African States (ECOWAS)
- Southern African Development Community (SADC)
- East African Community (EAC)
- Common Market for Eastern and Southern Africa (COMESA)

These blocs tested tariff reductions, customs cooperation, and trade facilitation systems that later became building blocks for AfCFTA sustainability.

Establishment of the AfCFTA Secretariat (2020)

The creation of the AfCFTA Secretariat in Accra, Ghana ensured that the agreement would have a permanent, autonomous body responsible for coordination, monitoring compliance, and resolving disputes—critical for long-term sustainability.

Guided Trade Initiative (GTI) (2022)

The GTI was launched to:

- Test customs systems
- Pilot tariff concessions
- Identify implementation gaps

By starting with selected countries and goods, it reduced risk and allowed gradual expansion, helping ensure practical sustainability

Adoption of Phase II & III Protocols

To prevent AfCFTA from being limited to tariff reductions only, additional protocols were adopted on:

- Investment
- Competition policy
- Intellectual property
- Digital trade

These broaden the framework, making it more comprehensive and economically resilient.

Pan-African Payment and Settlement System (PAPSS)

The Pan-African Payment and Settlement System (PAPSS) was introduced to:

- Enable payments in local currencies
- Reduce dependence on foreign currencies
- Lower transaction costs

This strengthens the financial sustainability of cross-border trade.

POSSIBLE SOLUTIONS

1. To ensure the long-term sustainability of the AfCFTA, member states should promote renewable energy investments to power industry sustainably, develop climate-friendly transport systems to reduce

emissions in cross-border trade, and align AfCFTA implementation with the Sustainable Development Goals under United Nations General Assembly Resolution 70/1, ensuring that economic integration supports inclusive and environmentally responsible growth.

2. To strengthen the sustainability of the AfCFTA, member states should expand transport corridors such as roads, rail networks, and ports to ease cross-border movement of goods, improve energy supply to support reliable industrial production, and strengthen digital infrastructure to facilitate e-commerce and modern trade systems. Coordinated implementation through infrastructure initiatives led by the African Union can help close major logistical gaps and enhance continental integration.
3. To reinforce the long-term effectiveness of the AfCFTA, member states should encourage the remaining countries to ratify the agreement, align national trade policies with AfCFTA commitments to ensure consistency and compliance, and strengthen coordination between Regional Economic Communities and continental frameworks under the leadership of the African Union to promote harmonized and efficient implementation across Africa.

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