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# The AfCFTA Imperative: From Vision to Impact

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# Contents

# Executive Summary

In February, our report *"Africa First": A New Vision for Africa's Growth and US Engagement* highlighted the opportunity African leaders have to reimagine the continent's global posture with unity, confidence and strategic agency. Next, we aim to offer a practical perspective on how to accelerate the implementation of the African Continental Free Trade Area (AfCFTA) in the face of global economic uncertainty. Rather than proposing new frameworks, this report focuses on scaling existing momentum and spotlighting interventions that can deliver faster results.

Across the continent, leaders are navigating rising debt, a rollback of global cooperation and a decline in traditional aid flows. Countries in Africa must find a way to safeguard their development aspirations in a world turning increasingly inwards.

The AfCFTA is intended to be that solution: a bold, ambitious, homegrown response to accelerate industrialisation, build resilience and drive inclusive growth. Progress towards fulfilling AfCFTA's promise risks stalling amid the continent's political and institutional complexity – but with bold leadership and a strong focus on implementation, it can become the engine of Africa's economic transformation. Countries are committed, but implementation has been uneven and often constrained by institutional and political challenges. The economic case is compelling but translating it into delivery requires navigating a far more complex political and operational landscape.

African leaders are grappling with valid questions:

- How do we navigate this moment of global fragmentation?
- How can we operationalise the AfCFTA without overwhelming institutional capacity?
- Where do we begin, and what can we deliver now?

Our answer is simple: the AfCFTA remains Africa's most strategic lever for inclusive growth, particularly as global aid and trade norms shift. But its success depends on leaders' ability to move from high-level commitments to coordinated, sequenced delivery, backed by political will and practical delivery mechanisms.

This report highlights four strategic interventions that will help translate the Agreement into a functioning, continent-wide reality:

1. Improve trade facilitation by reducing friction across key borders and investing in the systems that allow goods to move more efficiently within and across borders.
2. Build a digital backbone for the continent by introducing shared, interoperable infrastructure, as envisaged in the new AfCFTA initiative for digital public infrastructure for trade, which will connect siloed national systems in real time to enable faster and more cost-effective cross-border trade.
3. Align investment and planning around transport and energy infrastructure so that ports, roads, railways and power grids are designed to support regional goals, rather than national goals alone.
4. Pursue regional industrial strategies that unlock shared value chains like battery manufacturing, food processing and green industry.

01

# Africa's Place in a Shifting Global Order

For decades, African nations were encouraged to integrate into a global system premised on the ideals of trade liberalism, fiscal restraint and multilateral cooperation. In many ways, that engagement has yielded important benefits, from preferential access to global markets – such as through the African Growth and Opportunity Act (AGOA) – to foreign investment in infrastructure and telecommunications, to debt relief programmes such as the Heavily Indebted Poor Countries (HIPC) initiative and Multilateral Debt Relief Initiative (MDRI).[1] Trade liberalisation expanded access to global markets, enabling countries like Kenya and Ethiopia to grow export sectors in textiles and apparel, and agribusiness under AGOA.

Multilateral cooperation has also facilitated institutional reforms, technology transfer and global public benefits, particularly in health and education. Meanwhile, remittances from the African diaspora became a lifeline for many economies, surpassing aid and foreign direct investment (FDI) in several countries.[2]

Yet that system is increasingly fracturing. Major powers are turning inwards, using trade as a tool of competition rather than cooperation. Tariffs, industrial policy and strategic resource control are reshaping the rules of international engagement for many countries.

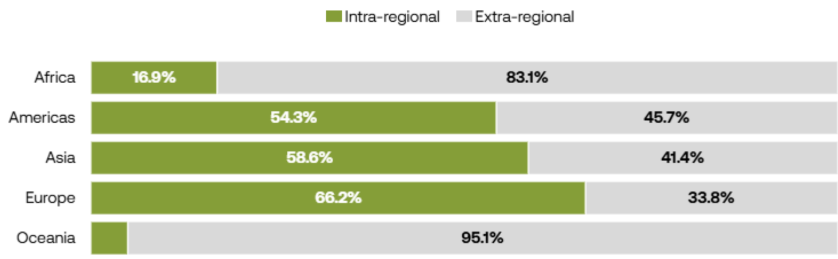
The consequences for Africa are significant. Under the United States' AGOA programme, for example, Lesotho and a significant number of other countries across the continent have long benefited from duty-free access for their textile exports. However, recently announced new tariffs and the non-renewal of AGOA will jeopardise these benefits, putting many jobs at risk. This presents a challenge to the export sectors of many African countries, which must now adapt. Meanwhile, aid flows are declining, debt is more expensive and global appetite for concessional finance is shrinking fast.

African governments have not been passive. Many are seeking to diversify partners, pursue debt swaps or reform tax systems. But the challenge now goes beyond national fixes. The strategic takeaway is clear: relying on global benevolence is no longer viable.

The AfCFTA's implementation must now be treated with the real urgency it deserves as the continent's central strategy for navigating a more volatile world – one that enables countries to generate growth from within Africa, reduce reliance on aid and build economic resilience through deeper regional integration.

FIGURE 1

# Intra-regional trade as a percentage of total trade




Source: UNCTAD

## Implementation Is Key to Impact

The AfCFTA is one of the most ambitious economic-integration projects ever attempted, uniting 55 countries into a single market of 1.4 billion people, harmonising regulations, and aligning trade and industrial policies across a vast and diverse continent. If successful, it will unlock Africa's full market potential, accelerate industrialisation and reduce dependence on external markets.

According to the World Bank, its full implementation could boost regional income by more than $450 billion by 2035[3] and lift tens of millions out of poverty. The potential benefits are huge, but effective delivery is needed to realise them.

While high-level political support is strong, execution to date remains uneven. Customs systems remain largely manual, in many cases coupled with misaligned standards. Weak national statistical systems hinder trade-data tracking: only about 20 African countries regularly submit trade data to the African Union (AU).[4] There are real constraints – from infrastructure gaps, to fragile bureaucracies, to short-term political pressures. There is also strategic hesitation: some countries fear premature liberalisation and are wary of exposing nascent industries to regional competition given that many African countries produce similar raw materials, limiting the scope for traditional trade complementarities. Others lack fiscal space to invest in implementation or upgrade border systems. This has led to a preference in some cases for nationally focused strategies over regional coordination, missing opportunities to tap into a wider African market. So while pilot shipments are moving and protocols are advancing, intra-African trade still accounts for less than 17 per cent of the continent's total formal trade, compared with more than 65 per cent in Europe. The focus now needs to shift to the implementation of the AfCFTA Strategies that more than 40 countries have formulated to grow trade across the continent.

The question is no longer about political will alone, but about institutional and financial bandwidth. Trade integration must be approached like any major reform – that is, it needs to be sequenced, costed and grounded in realistic timelines.

Not everything needs to happen at once, but prioritisation is key. Policymakers can focus on early wins that generate momentum, such as digitising customs procedures at high-traffic borders, aligning product standards in key trade sectors, or supporting transport and trade routes like the North–South, Northern, Central or Abidjan–Lagos trade corridors, where high trade volumes already exist. These efforts can demonstrate proof of concept, build public and political confidence, and attract follow-on investment.

At the regional level, institutions like the AfCFTA Secretariat and Regional Economic Communities (RECs) can help coordinate implementation and reduce duplication, especially through shared tools – including digital platforms like the Pan-African Payment and Settlement System (PAPSS) – and digital public infrastructure, as well as e-certification and model regulatory templates.

In short, implementation must be designed to match the bandwidth of its implementers. Trade reform should not become another burden for already stretched institutions. Instead, it should serve as a practical roadmap that strengthens capacity over time by delivering visible benefits from the outset.

## From Vision to Action: Four Strategic Interventions

The AfCFTA offers a compelling vision for economic transformation, but now implementation needs to match that vision to increase goods moving across borders. What is needed now is a pragmatic focus on scaling areas where momentum already exists, and where implementation can be accelerated to unlock near- and medium-term gains.

Rather than launching new pilot schemes, leaders can back what is already underway by amplifying growth of regional trade corridors, scaling digital systems and coordinating infrastructure investments. The Guided Trade Initiative (GTI), though limited in scope, offered early insights on what phased implementation might look like, demonstrating the value of coalition-based delivery models. The opportunity now is to go even further. We highlight four stand-out areas critical for turning the AfCFTA from a high-potential trade agreement into a functioning, continent-wide commercial reality.

### 1. REMOVE FRICTION BEYOND BORDERS: PRIORITISE PRACTICAL TRADE FACILITATION

Trade will not rapidly scale up without smoother movement of goods across and between borders. Today, high transaction costs, often paper-based systems and inconsistent standards classifications continue to erode trust in cross-border commerce, particularly for small and informal traders.

While many countries have introduced reforms at border posts, improving efficiency, this effort alone is not enough. A broader, corridor-based approach is required for trade facilitation: one that tackles both at-the-border bottlenecks and behind-the-border barriers such as poor infrastructure, fragmented regulations, lack of digital systems and weak connectivity.

Some notable progress is already underway. For instance, countries like Rwanda, Kenya, Uganda and Ghana have introduced single-window systems and digitised clearance procedures. At the regional level, RECs such as the Economic Community of West African States (ECOWAS), East African Community (EAC), Common Market for Eastern and Southern Africa (COMESA) and Southern African Development Community (SADC) are developing corridor-wide strategies that aim to harmonise procedures across borders and improve inter-governmental coordination. These regional efforts mark an important shift from country-level interventions to joint, cross-border trade ecosystems, and should be strengthened and scaled up at a continental level.

Trade facilitation also needs to be inclusive. The AfCFTA's success depends on whether it works for the people who trade the most – that is, owners of small- and medium-sized enterprises (SMEs), informal traders, and women and youth entrepreneurs. Expanding simplified trade regimes, providing basic infrastructure at borders and fast-tracking low-value shipments can help integrate these groups into formal supply chains.

Ports and maritime routes are also critical, particularly for island states and landlocked countries. As corridor approaches evolve, they must extend to key maritime entry and exit points, ensuring they are efficient, affordable and protected from exploitative public-private arrangements that raise costs without improving service.

A priority should be to scale what is already working. Focus should be on high-volume trade corridors such as the North–South, Central, Northern and Abidjan–Lagos corridors. Strategic investments in data platforms, joint infrastructure and harmonised standards along these corridors can unlock rapid gains.

These reforms may not be glamorous, but they are high-impact, revenue-generating and critical to the AfCFTA's success.

FIGURE 2

# Map of Africa with selected trade corridors


Source: Amended from UNECE

**2. BUILD AFRICA'S DIGITAL BACKBONE: FOR A CONNECTED CONTINENT**

A functioning digital backbone is essential for Africa to be able to trade at scale. While progress has been made through efforts like the new AfCFTA Digital Trade Protocol, which is a progressive and impressive digital agreement, and others such as the AfCFTA Hub, AfCFTA e-Tariff Book and

PAPSS (developed by Afreximbank with backing from the AfCFTA Secretariat), much of Africa's trade infrastructure remains fragmented, paper based and inaccessible to many smaller businesses.

In response, the AfCFTA Secretariat is working with partners to develop Africa's digital public infrastructure for trade. The initiative is a pan-African project that aims to create open, interoperable digital public infrastructure and ecosystems for trade. It is designed to integrate core digital elements such as identity, payments, trade documentation and logistics-tracking into a shared digital public infrastructure that serves as a public good, connecting and transforming Africa's trade corridors into sustainable and inclusive digital trade corridors.

The project[5] is driven by the 2024 AfCFTA Protocol on Digital Trade and seeks to operationalise key provisions through practical applications: real-time document exchange, automated compliance tools and cross-border payment interoperability. Its open-access, public-good architecture is intended to build trust across member states, avoid vendor lock-in and ensure data sovereignty.

Implementation will begin with a smaller-scale proof-of-concept in selected countries before scaling up. But the success of this transformational intervention will depend on more than just technical design. Delivering on the project's promise will require political backing, sustained investment, and coordinated action across ministries, private-sector actors and regional institutions.

The AfCFTA Secretariat's leadership will be critical, the necessity of countries aligning around shared rules, adopting digital standards, implementing the AfCFTA Digital Trade Protocol and investing in institutional readiness cannot be overemphasised. Otherwise, even the most sophisticated infrastructure risks sitting idle.

With the right political and operational support, digital platforms like those envisaged under this initiative can help to increase trade and create jobs by lowering costs, increasing SME participation and reducing friction across borders. But it is time to move beyond the architecture stage and towards execution.

### 3. CONNECT THE CONTINENT: INFRASTRUCTURE FOR TRADE

Trade cannot happen without roads, power and ports. Yet infrastructure remains a constraint across much of the continent, especially for the smaller businesses the AfCFTA aims to empower. Infrastructure deficits raise freight and logistics costs, often to as much as 40 to 70 per cent of the value of goods, and continue to erode competitiveness, choking off trade between countries.

Some governments are intervening directly. Rwanda's government, for example, has subsidised air freight for high-value agricultural exports.[6] But most trade still moves over land, and too often over unpaved roads, through poorly coordinated corridors and across disconnected border systems. More trade should happen by sea between countries, but high port tariffs and costs have left this mode of transport underdeveloped.

True integration of the continent's trade routes and infrastructure will require coordinated investment in cross-border transport and energy systems, including rail links, harmonised road corridors and interconnected power grids. And this goes beyond just capital expenditure. Regional planning, legal harmonisation and shared incentives must drive building progress across national borders.

Success stories like the Northern Corridor, which between 2013 and 2020 experienced rapid trade growth thanks to transformative soft and hard infrastructure interventions, show that when infrastructure and high-level political will align, trade volumes increase quickly. These existing routes should be prioritised for upgrades, as well as regulatory coordination and value-chain development.

Energy is just as critical. Industrialisation will not scale without stable, affordable power, and regional power pools offer a game-changing solution. By connecting countries with energy surpluses to those with deficits, power pools enable cross-border electricity trade, reduce reliance on sovereign guarantees and unlock private capital without adding to public debt. A recent Tony Blair Institute for Global Change study estimated that such trading could deliver $32 billion in financial benefits for ECOWAS countries alone over the course of a decade. As South Africa's G20 presidency has rightly highlighted, investing in power pools is essential to building resilient, investible infrastructure across the continent.

Africa can learn from elsewhere. After the second world war, Europe made its cross-border energy and transport links part of a shared economic strategy. The AfCFTA provides a similar platform, but its success will require renewed efforts towards project timelines, regional co-financing and political champions.

Without physical interconnection, even the best trade reforms will stall. The task ahead is to align infrastructure investment with the AfCFTA's priorities in a way that brings countries together, rather than pushing them further apart.

## 4. ADDING VALUE TO TRADE: ALIGNING INDUSTRIAL POLICY ACROSS BORDERS

The AfCFTA provides a key opportunity for African countries to accelerate industrialisation by developing regional value chains, especially amid global shifts driven by the green transition, geopolitical manoeuvring and the reemergence of industrial-policy tools such as the US Inflation Reduction Act and the EU's Carbon Border Adjustment Mechanism. These shifts, which are reshaping global supply chains, present not only new risks but also new openings for African industries.

One clear example lies in the push to develop regional battery value chains, where no single African country has all the minerals or processing capacity needed to manufacture batteries, but several together do. Southern Africa, for instance, is rich in critical minerals such as cobalt, found in the Democratic Republic of Congo (DRC), graphite in Mozambique and lithium in

Zimbabwe. Combined, these countries have the potential to anchor regional battery-processing hubs and boost downstream industries including the production of chemicals, refined metals and battery components.

But regional value chains are not built automatically. Too often, national industrial strategies are developed in isolation. They tend to prioritise the same sectors, target external markets and overlook opportunities within the African market itself. This lack of coordination leads to duplication, under-investment and missed opportunities to create shared value.

A coordinated regional strategy could make a significant impact by allowing countries to leverage their strengths, specialise in different stages of production and attract more targeted investment. For instance, the joint development of trade corridors and Special Economic Zones, harmonisation of standards and alignment of incentives could foster trust and facilitate scaling. Initiatives like the Zambia–DRC Battery Council are good examples of this approach. They help align interests, attract investment and convert policy into action.

The AfCFTA has the potential to act as a catalyst in the creation of shared industries, not only by reducing tariffs but also by encouraging policy harmonisation, and the development of regional delivery platforms and collective industrial strategies. This would lead to a more unified, competitive and interconnected African production sector.

# Conclusion: From Ambition to Delivery

The current global economic climate poses substantial risks for countries across Africa, particularly given the ongoing challenges of rising debt, trade imbalances and the decline in international aid.

The AfCFTA remains one of Africa's most important levers for building economic resilience and industrial transformation. Its promise will be realised through sustained political commitment, coordinated implementation and a focus on delivery.

The challenge now is execution. Africa's regional market can be built through practical, sequenced steps: scaling trade facilitation, investing in digital and physical infrastructure, and aligning industrial policy across borders.

Future progress depends not just on frameworks, but on platforms that bring countries together around shared, investible opportunities. With the right focus and leadership, the AfCFTA can move from aspiration to action, delivering the kind of growth and integration the continent needs now more than ever.

# Endnotes

1 Both HIPC and MDRI are debt-relief programmes for highly distressed developing economies led by the World Bank and International Monetary Fund.

2 https://africabriefing.com/diaspora-remittances-africas-economic-powerhouse/

3 https://www.worldbank.org/en/topic/trade/publication/the-african-continental-free-trade-area

4 AfCFTA Secretariat (2024). ***Status of Ratification and Implementation***. African Union. Retrieved from https://au-afcfta.org

5 The project has been given the provisional name of “AfCFTA Digital Access and Public Infrastructure for Trade (ADAPT)”.

6 https://www.naeb.gov.rw/rwanda-fresh/about-rwanda-fresh

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