LEGAL FRAMEWORK, INSTITUTIONAL MECHANISM AND POLICY TRAJECTORY FOR THE PROMOTION OF MULTILATERAL TRADE DIPLOMACY AND INTEGRATED ECONOMIC DEVELOPMENT OF AFRICA: AN APPRAISAL*

Abstract

The strategic significance of regional economic synergy and multilateral trade collaboration to the socio-economic prosperity and regional integration of Africa has been accentuated by African leaders. This has inspired the enactment of regional trade promotion instruments, formation of economic development institutions and trade enabling policies, as well as the formation of sub-regional economic blocs in Africa. The vision of African Continental Free Trade Area (AfCFTA) was driven by the imperative of transforming Africa's economic landscape and remodeling the continent into a frontline industrial hub. The legal, institutional and policy framework for realizing this robust vision has been setup. The ensuing question now is: to what extent has these established enabling structures galvanized the realization of the AfCFTA's vision? The objective here is inter alia to access the impact of the legal instruments, institutional framework and policy mechanism of AfCFTA and their effects on African economic acceleration, regional trade diplomacy and integrated continental development. This work will be relevant to African government institutions, agencies, political and economic leaders, decision makers, economic policy molders, business regulators, captains of industries, investors, business operators, global and regional economic stakeholders, scholars and researchers, etc. The work will also prescribe pragmatic roadmap for the effective realization of the AfCFTA agenda. With doctrinal research approach adopted, this work relies on primary and secondary sources of data including legal instruments, textbooks, journal articles and internet sourced materials. It is recommended that to actualize the AfCFTA dream, African leaders must deploy radical and resolute political Will that is devoid of retrogressive parochial sentiments, towards the implementation of the AfCFTA Agreement.

Keywords: Legal Framework, Institutional Mechanism, Policy Trajectory, Promotion of Multilateral Trade Diplomacy, Integrated Economic Development, Africa

1. Introduction

African leaders have made efforts to facilitate economic development, multilateral trade and regional industrialization. This is in recognition of the indispensability of commerce, trade and industry to socio-economic acceleration and regional cohesion. Measures have been introduced to achieve substantial degree of trade liberalization and partial deregulation. The concept of regional economic integration inspired the establishment of sub-regional economic blocs like the Economic Community of West African States (ECOWAS), the East African Community (EAC), Economic Community of Central African States (ECCAS), South African Development Community (SADC), the Common Market for Eastern and Southern Africa (COMESA) and the Arab Maghreb Union (AMU). Although these economic blocs are yielding some positive results, they are also grappling with various dimensions of debilitating challenges including issues of national economic sovereignty of States which substantially undermines the realization of sub-regional economic integration. The need to establish a structured regional industrial framework and continental trade promotion mechanism became imperative. This culminated in the designing of an African trade development arrangement and the subsequent signing of the (AfCFTA) Agreement in Kagali, Rwanda on March 21, 2018. The Agreement became enforceable in April 1, 2019 when the threshold of ratification by 22 countries for the agreement to become enforceable was reached.

AfCFTA represents the World's largest Free Trade Area besides the World Trade Organization (WTO) with 50 countries as member states.[1] The World Bank's analytical forecast predicts that the full realization of the AfCFTA will increase the continent's GDP by 7%, create more than 18million new jobs and lift 30million Africans out of extreme poverty by 2035. Growth in GDP is expected to boost national budgetary revenue for investment in healthcare, education, infrastructure and digital services while unemployment is predicted to decline by at least 2% for countries in effective economic integration. Agro-processing, trade, logistics and service sectors are expected to generate more jobs.[2]

The concept of regional integration under the auspices of the AfCFTA is designed to enable African countries collaborate to demolish business and trade undermining barriers in order to precipitate monetary, economic, infrastructural, energy, capital, goods and services integration across Africa. Regional inclusivity here encapsulates progressive economic and political synergy between neighboring states.[3] Regional economic collaboration can precipitate the simplification and

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[1] H. Chitimira & F. Hamadziripi. *An Analysis of the Legal Implication of the AfCFTA Rules of Origin on Economic Integration & Constitutionalism in Africa.* 3/10/2022 *www.ideas.respec.org*

[2] G. Rakhimzhanova, *Impact of Economic Integration in Africa n Regional Politics: Analysis of the AfCFTA*. *(*assessed *30/7/2026) www.uaforeignaffairs.com* p.93

[3]W. Ebiobowei. *The AfCFTA: Legal Challenges in Promoting Integration and Trade Facilitation. (*assessed *30/7/2026) www.papers.ssrn.com* p.3

modernization of trade thereby accelerating import/export processes.[4] Economic corporation is a catalyst for international trade, regional development and multilateral relations. The AfCFTA was inspired by the vision of transforming Africa into a framework of regional industrial network, economic synergy, collaborative trade, inclusive development and a strategic contributor to Global Value Chain (GVC).

2. Motivations for the AfCFTA Vision

As one of African Union's (AU) Agenda 2063 flagship projects, AfCFTA was initiated to promote markets integration through elimination of tariffs and non-tariff barriers to trade, liberalization of trade in goods and services and cooperation in customs matters, etc. Inflated tariffs imposed by some African counties has presented monumental impasse to trade integration and regional economic diplomacy. These include exorbitant taxes imposed on import goods like raw materials, agricultural produce, machineries and finished products that are essential for commercial operations. Contrariwise, non-tariff barriers are imposed as government trade policies, imports procedures and regulations.

The World Trade Organization (WTO) has identified non-trade barriers to include pre-shipment inspection, import licensing, customs valuation of goods, rules of origin policy and trade related investment policies. These standards inhibit trade as they are usually difficult to satisfy.[5] The World Integrated Trade Solution (WITS) database reports that Africa is facing a prevalence of Non-Tariff Measures (NTMs).[6] The database identifies the frequency ratio index of Non-Tariff Barriers (NTBs) as applied by various entities. The index suggests that about 30% of products are impacted by at least one NTM. These NTMs also include Technical Barriers to Trade (TBT) which has significantly affected agricultural products, beverages and other sectors.[7] AfCFTA's goal is to eliminate or minimize these barriers to the barest minimum. AfCFTA's target is also to address the challenges presented by multiple and overlapping membership of several sub-regional economic blocs to accelerate continental integration.[8] AfCFTA is designed to facilitate sustainable continental economic self-sufficiency through collective initiatives and collaborative efforts.

The United Nations Conference on Trade and Development (UNCTAD) reported in 2012 that economic integration in Africa is a key strategy to foster sustainable and inclusive development. The promotion of African economic integration is an imperative strategy for economic transformation and for leveraging on regional development and resilience building against globalization originated challenges.[9] As a pivotal initiative of AU's agenda 2063, the AfCFTA agreement is projected to culminate in an African Economic Community (AEC), based on the 1991Abuja Treaty[10] as it emphasizes African solidarity, self-reliance and an endogenous development strategy driven by industrialization. The AU trade liberalization agenda will afford participation opportunity for more African countries in Regional Value Chain (RVC) addition. This will ultimately contribute to Global Value Chain (GVC) which entails the manufacture and distribution of goods and finished products whose component parts are produced in different geographical locations and assembled as consumer goods.

3. Legal Framework

Relevant legislative instruments have made provisions for the promotion of African economic acceleration and trade diplomacy. The vision of transforming Africa into a significant economic hub, industrial ecosystem, trade environment and investment community is captured in these instruments.

The AfCFTA Agreement

The Agreement outlines the objectives of the AfCFTA, which are: to create a single market for goods and services facilitated by free movement of persons to deepen the economic integration of African countries in accordance with the Pan-African vision of 'An Integrated, Prosperous and Peaceful Africa' as enshrined in Agenda 2063; to create a liberalized market for goods and services through successive rounds of negotiations; to contribute to the movement of capital and natural persons and facilitate investments building on the initiatives and developments of the state parties and Regional Economic Communities (RECs); to lay the foundation for the establishment of a Continental Customs Union at a later stage; to promote and attain sustainable and inclusive socio-economic development, gender equality and structural transformation of the state parties; to enhance the competitiveness of the economies of state parties within the continent and the global market; to promote industrial development through diversification and regional value chain development, agricultural development and food security; and to resolve the challenges of multiple and overlapping memberships and expedite the regional and continental integration processes.[11]

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[4] *ibid*
[5] W. Ebiobowei, *op.cit* p.2
[6] WITS database: data from 2012 to 2016. (Assessed 25/7/2026) *https://wits.worldbank.org*
[7] W. Ebiobowei, *op.cit* p. 6
[8] *Ibid* p.8
[9] D. Nare & A. Alhassan. *Regional Trade Integration & Regional Value Chains in Africa: Implications for the AfCFTA Agreement.* (Afreximbank Policy Research Working Paper Series). March 224. *www.media.afreximbank.com* p.4
[10] *Ibid* p.4
[11] AfCFTA Agreement, Article 3.

Under the AfCFTA specific objectives, state parties are enjoined to: progressively eliminate tariffs and non-tariff barriers to trade in goods; progressively liberalize trade in services; cooperate on investment, intellectual property rights and competition policy; cooperate on all trade-related areas; cooperate on customs matters and the implementation of trade facilitation measures; establish a mechanism for the settlement of disputes concerning their rights, establish and maintain an institutional framework for the implementation and administration of the AfCFTA.[12]

Constitutive Act of the African Union

The AU's economic development agenda here are: to accelerate political and socio-economic integration; to establish the necessary conditions which enable the continent to play its rightful role in the global economy and in international negotiations; to promote sustainable development at the economic, social, cultural levels as well as the integration of African economies; to cooperate and harmonize policies between existing and future Regional Economic Communities (REC) for the gradual attainment of the objectives of the Union.[13] In furtherance of its economic agenda, the AU adopts the following principles: promotion of self-reliance within the framework of the Union; promotion of social justice to ensure balanced economic development.[14]

Treaty Establishing the African Economic Community (AEC)

The major industrial development and economic integration objectives of the treaty are: to promote economic, social and cultural development and integration of African economies in order to increase economic self-reliance and promote an endogenous and self-sustained development; to establish a framework for the development, mobilization and utilization of the human and material resources of Africa to achieve self-reliant development; to promote co-operation in all fields of human endeavor in order to raise the standard of living of African peoples and maintain and enhance economic stability, foster close and peaceful relations among member states and contribute to the progress, development and the economic integration of the continent, and to cooperate and harmonize policies among existing and future economic communities in order to foster the gradual establishment of the Community.[15]

To foster the attainment of these objectives, the AEC is *inter alia,* enjoined to: strengthen existing RECs; conclude agreements aimed at co-coordinating and harmonizing polices among RECs; promote joint investment in production and trade in products and inputs; ensure trade liberalization through abolition of custom duties levied on imports and exports among member states; abolish Non-Tariff Barriers in order to establish a free trade area at the level of RECs among member states; harmonize national policies in order to promote community activities particularly in the field of agriculture, industry, transport and communications, energy, natural resources, trade, money, finance, human resources, education, culture, science and technology; maintain common external tariffs; establish common market; gradually remove obstacles to free movement of persons, goods, services and capital and the right of residence; establish appropriate organs for trade in agriculture, cultural products, minerals, metals, manufactured and semi-manufactured goods.[16]

In furtherance of the foregoing objectives, the AEC adopts certain economic principles which includes*:* solidarity and collective self-reliance; inter-state co-operation, harmonization of policies and integration of programmes; promotion of harmonious development of economic activities by member-states; peaceful disputes settlement among member-states, active cooperation between neighboring countries and promotion of peaceful environment as a pre-requisite for economic development; recognition, promotion and protection of human and peoples' rights in accordance with the African Charter on Human and Peoples' Rights; accountability, economic justice and popular participation in development.[17]

4. Some Major Institutions Created to Promote African Economic Development and Regional Integration

The African Export-Import Bank (Afreximbank)

Afreximbank is a Pan-African Multilateral Financial Institution established in 1993 by African governments, African private and institutional investors, non-African financial institutions and private investors. Its aim is to promote, expand and finance intra and extra African trade through three broad services, which areas: credit financing for trade and project funding; risk bearing through guarantee and credit insurance; trade information and advisory services.[18] The Bank was established under a twin Constitutive Instruments: an Agreement signed by member states and multilateral organizations, and a Charter which was signed by all stakeholders to govern its corporate structure and operations. With headquarters in Cairo, Egypt, the bank commenced operations on 30th September 1994 following the signature of a Headquarters Agreement with the host Government in August 1994. The Bank has branches in Abidjan, Abuja, Harare, Kampala and

[12] *Ibid.* Article 4
[13] AU Constitutive Act, Article 3,
[14] *Ibid,* Article 4
[15] AEC Treaty 1991, Article 4
[16] *Ibid*
[17] Article 3
[18] African Import-Export Bank (Afrximbank) Devex. 8/9/2026. *www.devex.com*

Yaounde. [19] The Agreement Establishing the Bank was signed on 8th May 1993. The purpose and function of the Bank is provided for under Article II of the Agreement which also constitutes the Objectives and Powers of the Bank as captured under Article 5 of the Charter of the Bank, which is: to facilitate, provide and expand Intra-African and Extra-African trade. The Charter of the Bank was adopted in Abuja, Nigeria in October 1993.

In order to serve its purpose, the same provisions of the Agreement and Charter provides that the bank is empowered to carry out certain activities including the following: extend direct credit to eligible African exporters; extend indirect credit to African exporters and importers of African goods through banks and other African financial institutions; promote and finance inter-African trade; promote and finance the export of non-traditional African goods and services; provide finance to export-generative African imports with preference given to imports of African origin; promote and finance South-South trade between Africa and other Countries; act as intermediary between African exporters and African and non-African importers through the issuance of letters of credit, guarantees and other trade documents in support of export-import transactions; promote the development within Africa, of a market for bankers' acceptance and other trade documents; promote and provide insurance and guarantee services covering commercial and non-commercial risks associated with African exports; provide support to payment arrangements aimed at expanding the international trade of African states; carryout market research and provide any auxiliary services aimed at expanding the international trade of African countries and boosting African exports; carry on banking operations and borrow funds.

The Bank's Vision is to transform Africa's trade and consolidate the Bank's position as the 'Trade Finance Bank for Africa.' Its Mission statement and strategy is to stimulate a consistent expansion, diversification and development of African trade to rapidly increase Africa's share of global trade, while operating as a first class profit-oriented, socially responsible financial institution and a center of excellence in African trade matters.[20] Its Four Strategic Pillars are: Intra-African Trade and AfCFTA; Industrialization and Export Development; Leadership in International Trade Financing in Africa, and Financial Sustainability and Consolidation.[21]

The Bank's shareholders are categorized into four: (a) CLASS 'A'- African Governments, Central Banks, African Regional and Sub-regional Institutions, (b) CLASS 'B'- African Private Sectors and Financial Institutions, (c) CLASS 'C'- Non-African Financial Institutions, Export Credit Agencies and Private Investors, (d) CLASS 'D'- New Category Created in December 2012 under which any person or entity can be allotted shares.[22]

The Bank's clients are: (1) Large Corporations: comprising of both private and publicly quoted corporations that have attained significant level of scale in their operations and balance sheet size may apply for support of sustainable and relevant products or services. (2) Governments: African national, subnational governments and certain agencies, (3) Financial Institutions: the Bank supports trade across the continent through various instruments delivered through commercial banks in various countries, and (4) Other Clients: where their underlying transaction or project fits the Bank's mandate and meets the Bank's lending requirements and policies.[23]

The African Development Bank (AfDB)

The AfDB was established in August 4, 1963 in Khartoum, Sudan. The purpose of the bank is to contribute to the sustainable economic development and social progress of its regional members individually and jointly.[24] The function of the bank is *inter alia* to use resources at its disposal for the financing of investment projects and programmes relating to the economic and social development of its regional members, giving special priorities to projects or programmes designed to make the economies of its members increasingly complementary and to bring about orderly expansion of their foreign trade; generally to promote investment in Africa, of public and private capital in projects or programmes designed to contribute to the economic development or social progress of its regional members.[25]

The United Nations Economic Community for Africa (UNECA)

UNECA was established in 1958 by the United Nations Economic and Social Council. The UNECA is the only UN's agency mandated to mobilize resources and deploy same to meet Africa's priorities. The agency is headed by an Executive Secretary who is assisted by two Deputy Executive Secretaries. UNECA is mandated to promote the economic and social development of its 54 member states; foster inter-regional integration and promote international cooperation for Africa's development.[26] For enhanced impact, the UNECA prioritizes the following areas: (i) macro-economic

[19] Global Network of Export-Import Banks and Development Finance Institutions. G-NEXID. African Export-Import Bank. 8/9/2026. *www.gnexid.com*
[20] About Us-African Export-Import Bank (Afrexmbank). 8/9/2026 *www.afreximbank.com*
[21] G-NEXID, *op. cit*
[22] *Ibid*
[23] About Us-African Export-Import Bank, *op. cit*
[24] Agreement Establishing the AfDB, Article 1.
[25] *Ibid* Article 2
[26] Global Partnership for Sustainable Development Data. UNECA. (Assessed 13/7/26) *www.dada45dgs.org*

policy; (ii) regional integration and trade; (iii) social development; (iv) natural resources; (v) innovation and technology; (vi) gender; (vii) government, and (viii) statistics. The agency provides technical advisory services to African governments, intergovernmental organizations and institutions; formulates and promotes development assistance programmes; provides services for relevant operational projects; provides specialized regional advisory services and valuable capacity development support to member-states. These services are achieved through: promotion of industrialization, design and promotion of macro-economic policies, design and articulation of development planning, support for mineral resources, contract negotiations and the promotion and proper management of natural resources for Africa's development.[27] Knowledge generation and knowledge delivery services of the UNECA are achieved in strategic partnership with the AU Commission and the AfDB.[28]

5. Some Trade Records of African Sub-regional Economic Communities

According to macroeconomic analysis, the SADC and the ECOWAS are the largest trading communities in Africa contributing beyond 50% of the continent's GDP with services representing higher value addition as against agriculture and industry. These two economic blocs also attract substantial Foreign Direct Investment (FDI). SADC is the highest trading economic community with the rest of Africa. Trade in goods is higher in the continent than trade in services as the latter accounts for less than 4% of trade between Africa and the rest of the globe. While global services exports increased by 2% between 2018 and 2019, exports in Africa decreased by 3%.[29] Financial services, information and communications are the most exported services by SADC and ECOWAS.[30]

The SADC and the EAC integration plans are good examples for the region. The SADC adopted an explicit market integration agenda which is a good model for continental integration. The SADC Treaty's plan for integration was captured in the Regional Initiative Strategy Development Plan of 2003, which articulates the roadmap for SADC's integration. It provides for the establishment of a Free Trade Area by 2008, Customs Union in 2010, a Common Market in 2015, Monetary Union in 2016 and introduction of Single Currency in 2018. This model was adopted by the EAC and ECOWAS. However, ECOWAS' effort to establish a Free Trade Area and Customs Union is yet unfruitful.[31]

Africa has an impressive sub-regional economic integration record. She relies on few export commodities. Primary commodities account for more than 80% of her total exports. These export commodities are susceptible to price volatility which is a factor that is independent of domestic economic forces and policies. This results in growth constraint.[32] Continental trade has been slow in Africa compared to its intercontinental trade as over 80% of her exports are destined for foreign markets with EU and US receiving over 50%. Asia and China are also strategic markets for African trade and African RECs. Africa imports over 90% of her goods from foreign markets despite significant resource endowment with potentials for the production and supply of her consumer goods and commodities.[33]

Between years 2000 and 2009 intra-RECs exports within sub-Saharan Africa accounted for an average of 9.7% of total exports in SADC; 5.3% in COMESA; 19.8% in the EAC; 8.8% in ECOWAS and 0.8% in ECCAS. In 2009 alone, intra-RECs exports accounted for 10.8% of total exports in SADC; 7.1% in COMESA; 18.9% in the EAC; 9.9% in ECOWAS and 0.6% in ECCAS.[34] For intra-RECs imports between 2000 and 2009, its average was 9.5% in SADC; 5.4% in COMESA; 8% in EAC; 9.6% in ECOWAS and 1.8% in ECCAS. In 2009, intra-RECs imports accounted for 10% in SADC; 5.8% in COMESA; 7.6% in EAC; 8.1% in ECOWAS and 1.2% in ECCAS. Between 2000 and 2007, intra-RECs exports in Africa recorded an average growth rate of 15% while intra-RECs imports registered an average growth rate of 18%.[35]

6. African Regional Economic Development Policies

The AfCFTA economic policies are encapsulated in its principles and objectives to include market liberalization propelled by progressive elimination of tariffs and non-tariff barriers to movement of persons, services and capital within the region, and the harmonization of customs union. To promote inclusive growth and undermine social disparities among member states, social integration is adopted by AfCFTA through state and inter-state initiatives targeted at improving access to education, healthcare, vocational training and skill acquisition.[36] Ghana has adopted the national AfCFTA strategy which covers vetting of legislative actions, simplification of business registration process, Customs Code updating and elimination of barriers to cross-border trades. In Nigeria, legislative adaptation is designed to capture the

[27] *Ibid*
[28] *Ibid*
[29] W. Ebiobowei, *op. cit* p.6
[30] *Ibid*
[31] T. Hartzenbury, *Regional Integration in Africa.* 14/10/2011 *www.wto.org* pp.5-6
[32] *Ibid* p. 8-9
[33] *Ibid* p.10
[34] *Ibid* p.11
[35] *Ibid* p.12
[36] G. Rakhimzhanova, *op. cit* p.93

simplification of investment procedures, customs reforms and fresh certification regulations. Also, a barrier assessment mechanism coordinated by the Ministry of Trade and Industry has been introduced.[37]

Kenya has established e-Citizens (electronic) business registration system with the effect of minimizing business start-up time. Ghana, Nigeria and South Africa have established one stop shop services that provide access to administrative services through single digit channel.[38] Some sub-regional blocs have adopted certain economic promotion polices that, if adopted by other economic communities, will facilitate the realization of AfCFTA economic blueprint. For instance, ECOWAS' objective to promote cooperation and economic stability is to be achieved through: national policies harmonization in trade, industry and finance; economic reforms; trade liberalization through the abolition of customs duties, non-tariff barriers, barriers to free movement of persons, goods, services and capital across the sub-region.[39]

Policies designed to catalyze intra-regional trade, economic synergy and business efficiency include: ECOWAS Common Market Initiative, West African Monetary Zone and the proposed single currency - the 'ECO'.[40] Trade liberalization and ECOWAS Common External Tariff Schemes were adopted to accelerate free movement of goods and eliminate tax barriers[41] and to facilitate trade integration.[42] The concept of Common ECOWAS Passport, ECOWAS Brown Card, abolition of VISA as entry requirement and the right of residence were conceived to promote seamless human and vehicular movement across the sub-region.[43] The ECCAS' economic acceleration objectives includes the promotion and consolidation of harmonious cooperation and balanced self-sustained development through the elimination of customs duties, abolition of trade barriers, maintenance of common external customs tariff, progressive abolition of obstacles to free movement of persons, goods, services and capital, and the harmonization of national policies to promote community activities, etc.[44]

The strategies for economic growth proposed by the EAC includes the establishment of a common customs union, common market, monetary union and ultimately a political federation to strengthen industrial, commercial and other relations among member-states.[45] Similarly, the SADC's economic development roadmap includes the harmonization of socio-economic policies across the sub-region and the development of policies designed to progressively eliminate obstacles to the free movement of capital, labour, goods and services among member-states, etc.[46] For the COMESA, its economic integration blueprint includes the establishment of customs union, abolition of non-tariff barriers to trade among member-states, establishment of common external tariff, co-operation in customs procedures and activities, establishment of rules of origin for products originating from member-states, removal of obstacles to free movement of services and capital within the common market, etc.[47]

7. Some Effects of the AfCFTA on Economic Development, Trade Diplomacy and Regional Integration

The World Bank's estimate indicates that the full implementation of AfCFTA Agreement could boost intra-African trade by more than 80% by 2035 and lift 30million people out of poverty.[48] AfCFTA has established the platform for a single continental economic community with limited barriers and enhanced regional cooperation. Trade barriers reduction has facilitated access to goods and services, thereby stimulating investment in critical sectors like healthcare and education, etc. The regulatory framework harmonization initiative that is encouraged in member-states by AfCFTA has been adopted by some countries like Ghana and Nigeria to promote simplification of business registration and investment procedures, support seamless trade barriers assessment process and updating of Customs Code, etc.[49] Economic integration within the AfCFTA is stimulating innovation and effective use of market analysis that promotes the development of small and medium-sized enterprises (SMEs). This is because the significance of SMEs in regional economic development and policy formulation for the harmonization of customs rules, systems digitalization and regional infrastructural development for trade acceleration is enormous.[50]

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[37] *Ibid*
[38] *ibid*
[39] ECOWAS Revised Treaty (1993) Article 3(1)(2)
[40] R. Omeni, *West Africa Watchdog: ECOWAS' Effectiveness in Question* 8/8/2024 *https://africanleadershipmagazine.com*
[41] A. Bassey. *Appraising the Legal and Policy Framework of ECOWAS for the Economic Development and Socio-political Integration of West Africa.* International Journal of Comparative Law and Legal Philosophy. Vol.7 (1) January 2025. P.60
[42] P. Kazahchiang. *ECOWAS @ 50: Promise, Pitfalls and the Future.* 30/5/2025 *https://www.cddwestafrica.org*
[43] M. Chambers, *The Role of ECOWAS in Achieving the Economic Integration of West Africa.* 19/10/2007 *https://www.wilsoncenter.org* p.2
[44] Treaty Establishing the ECCAS, Article 4(1)(2)
[45] Treaty Establishing the EAC, Article 5(2)
[46] Consolidated Text of the Treaty of the SADC, Article 5
[47] Treaty Establishing the COMESA, Article 4
[48] G. Rakhimzhanova, *op. cit* pp.88-92
[49] *Ibid* p.93
[50] *Ibid*

GDP growth rate analysis in countries with active participation in integration process like Ghana reveals higher growth rates than other countries. However, other factors like structural economic reforms, agricultural exports, educational investment and infrastructural development have contributed to such growth.[51] AfCFTA also encourages healthy competition among member-states to propel infrastructural modernization and regulatory reforms. AfCFTA's trade liberalization scheme is intensifying competition between regional leaders of Kenya, South Africa, Nigeria and Ghana who are competing for the position of leadership in logistics and investment by improving business environments, developing infrastructure and supporting critical sectors. South Africa, Kenya and Ghana are said to be attractive to Foreign Direct Investment (FDI) due to their relatively stable environment and priority sectors development.[52] Kenya is implementing the Konza Technopolis project with an investment of over 1.2billion USD which positions her as East Africa's digital hub.

The modernization of the Port of Durban in Cape Town and Mombasa in South Africa has reduced container handling time from 7 to 3 days and reduced transport costs by 11% which strengthens South Africa's logistics role in the SADC region. Both countries are actively implementing policies to develop value-added exports.[53] Counties in EAC region reduced customs duties leading to 40% percent increase in intra-regional trade from 2010-2024, especially in agriculture and industry. According to the African Regional Integration Index Platform, intra-regional trade in the region accounted for 32% of total trade in 2024 while border-crossing cost decreased by 11% on average, indicating some progress in procedure simplification. This was achieved through duties reduction, introduction of e-declarations and coordination improvement at border-crossing which resulted in reduced consumer goods price.[54] Undoubtedly, regional trade integration will promote the elimination of limitations to free flow of goods, services, capital, people and ideas.[55]

8. Challenges of the AfCFTA

The African Regional Integration Index (ARII) 1X has reported that AfCFTA faces regional challenges in services, energy, infrastructure, economic and monetary integration. The ARII stresses that African countries are the least integrated in production and infrastructure with trade integration recording higher than production and infrastructure. On the macro-economic scale and free movement of people, the continent performs at average level.[56] African Regional Integration Arrangement (RIA) appears as an ambitious scheme with unrealistic timeframe for concrete integration. Border barriers, scanty railway network, epileptic road infrastructure and poorly developed cross-country connections adversely impact African regional integration. It has been observed that transportation cost in Africa is among the highest globally. For instance, shipping a vehicle from Japan to Abidjan costs 1500 USD with insurance, while shipping it from Addis Ababa to Abidjan would cost 5,000 USD.[57]

Cost efficiency, lack of adequate capital investment and competition in air transportation partially resulting from regressive regulatory policies and bureaucratic bottleneck has culminated in sumptuous cost of air travels. Unreliability and inflated cost of transport services has inflated the cost of commercial operations. Lack of capital and technical infrastructure to establish and operate sophisticated and modern communications gadgets is frustrating regional dissemination of business news and information required for strategic policy formulation.[58] Continental fragmentation along colonial affiliation and historic heritage is posing integration challenges.

Also, African countries are characterized by micro domestic markets with low *per capita* income levels. In 2008, 12 sub-Saharan Africa (SSA) countries had less than 2million population while 19 had a GDP of less than 1billion USD.[59] In addition to being economically minute, about 15 of SSA countries are landlocked, which is a significant contributory factor to astronomic trade cost and general ease of doing business challenge in Africa. Majority of the SSA states are small and less developed. As indicated by its share in global production and trade value chain, Africa's impact in global economy remains peripheral.[60] Over 80% of Africa's total exports are primary commodities (raw materials) which are susceptible to price volatility that is not influenced by the domestic market policies of African economies. Lack of investment capital, industrial facilities and critical infrastructure for the manufacture of goods undermines Africa's trade balance. Consequent upon the slow implementation of the African RIA designed to eliminate tariffs and non-tariff barriers, only about 10 to 12% of Africa's trade takes place within the continent.[61]

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[51] *Ibid* p.92
[52] *Ibid*
[53] *Ibid*
[54] *Ibid* p.90
[55] *World Bank Group: Regional Integration* 18/7/2024 *https://www.worldbank.com*
[56] W. Ebiobowei, *op. cit* pp. 4-5
[57] T. Hartzenbury, *op. cit* p.3
[58] *Ibid* p.4
[59] *Ibid* p.3
[60] *Ibid*
[61] *Ibid* pp. 8-10

Other factors undermining the realization of the AfCFTA agenda include: low technological foundation, ineffective administrative bureaucracy, low access to financial capital, corruption, high tax rates, macro-economic instability, clumsy border crossing procedures, cumbersome customs regulations, inefficient ports operations, lack of political Will for adherence to regulatory framework and negotiated policy programmes implementation, fragile institutional framework, delay in the ratification and domestication of regional legal instrument by state-members, unreasonable national solidarity and perceived apprehension of loss of sovereignty supposedly arising from loyalty to regional integration agenda, culture of impunity, ineffective enforcement of sanctions for breach of negotiated agreements and judicial frailty. For instance, following the SADC tribunal's decision that Zimbabwe was in breach of Article 6 of the SADC Treaty, Zimbabwe expressed dissatisfaction with the decision, consequent upon which the SADC Tribunal was suspended at the August 2010 summit.[62]

The contemporary security threats in the biggest economies of Africa, is a menace to the success of AfCFTA agenda. The prevalent terrorist operations in Nigeria and endemic xenophobic aggressions in South Africa are in perspective. Terrorists capitalize on the porous borders in Nigeria to constitute impediment to safe and free movement of goods, people and investments in Nigeria. Xenophobic attacks on aliens, their businesses and properties have constituted a menace to FDI and GDP growth in South Africa. Being the largest markets in the region as well as a critical and strategic link to other continents with some of the busiest regional ports, interrupted economic activities in Nigeria and South Africa has become acute opposition to the AfCFTA's vision.[63]

The AfCFTA's dream is equally undermined by: failure to implement enabling domestic economic policies to support productivity in agriculture, manufacturing and trade; epileptic power supply and poor energy infrastructure; dilapidated road and railway network and the lack of investment in these critical sectors of the economy; adverse effects of climate change on agriculture and energy dependency; poverty, political instability, bad governance, violation of the rule of law, uneven development, socio-economic injustice, failure to harmonize and implement common trade regulatory measures especially in relation to customs and tariffs, lack of formidable trade disputes resolution mechanism and the membership of sub-regional economic blocs which undermines unalloyed loyalty to the AfCFTA Agreement.[64]

9. Conclusion and Recommendations

Multilateral economic integration will catalyze commercial and industrial growth within the African economic ecosystem as well as stimulate inclusive and collective development. It will also promote investments, support industrialization, enhance manufacturing and production, galvanize trade, boost employment and job creation, mitigate poverty, address the challenges of regional economic disparity and produce continental development, wealth creation and economic prosperity. The legal, institutional and policy configuration of the AfCFTA arrangement is quite robust. In spite of challenges, the prospects of actualizing the AfCFTA vision remain optimistic.

Robust multilateral economic synergy and trade collaboration will require structured and calculated adherence to the legal framework, institutional network and negotiated economic policy blueprint designed for regional trade acceleration and economic development. The potentials presented by Regional Value Chains are critical for African economic acceleration. As a critical transformational strategy, the AfCFTA Agreement is a revolutionary instrument for African economic development. However, dogged political Will and resolute tenacity is required by African leaders for its effective implementation. Consequently, visionary leadership and progressive disposition towards continental development must be demonstrated through the prioritization of critical sectors of both national and regional economy.

This commitment must reflect in radical investment in strategic infrastructures including reliable and sustainable energy, viable road networks and railway channels, technology acquisition and sharing, industrialization, mechanized farming, human capital development, modern communication and information technology. Commitment to the implementation of harmonized multilateral trade liberalization policies and elimination of impediments to free movement of goods, persons and other trade barriers must be prioritized. Customs procedure must be simplified across African states with automated and digital amenities to promote speed, accuracy and efficiency. Functional modalities for promoting ease of doing business must be adopted as a matter of policy. The consumption of locally manufactured goods within the region must be encouraged to boost continental trade in such goods while building capacity for the production and manufacture of technology based products that can compete with their foreign counterparts. Investors and other stakeholders must be encouraged to establish industries comprising of a network of productive enterprises in different locations across the continent to promote Regional Value Chain addition, inclusive industrialization and trade integration.

The AfDB must enhance access to capital for increased investment in these strategic infrastructures for accelerated Regional Value Chain expansion and Value Addition capabilities. National governments and other regional economic investors and stakeholders must leverage on credit facilities from the AFREXIMBANK for greater deployment in critical

[62] *Ibid* pp. 13-18
[63] H. Chitimira & F. Hamadziripi, *op.cit* p.369
[64] G. Rakhimzhanova, *op.cit* pp.88-92

economic promotion infrastructures to boost their Value Addition propensities. These development financial institutions (AfDB and AFREXIMBANK) must equally minimize or eliminate any conditions for access to capital that may constitute a bottleneck to governments, institutions, private sector investors or other stakeholders requiring capital for economic investment in the region. Institutional framework for disputes settlement must be empowered to operate as a formidable, reliable and independent body whose verdicts must be respected and enforced. The parochial sentiment of potential loss of national sovereignty, allegiance to sub-regional blocs, foreign economic alliances and colonial affiliations with detrimental effects on the AfCFTA's vision must be jettisoned by African leaders who must demonstrate maturity and loyalty to the vision.

The AfCFTA vision cannot be realized with the prevalence of systemic and institutional corruption, alarming degree of insecurity, preponderance of economic injustice, social disparity, political instability, bad governance, endemic unemployment, multidimensional poverty, contempt for the rule of law and violation of human rights which are ubiquitous in Africa and constitute formidable constrain to regional economic development. African leaders must be decisive in taking necessary actions to address the causes of these menaces to the actualization of the AfCFTA's dream and ensure the eradication of these vices. The actualization of AfCFTA's agenda will facilitate African economic aggrandizement and establish the region as a frontline force to reckon with in the global economic order.