

**Economic Commission for Africa
Committee of Experts of the Conference of African
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Assessment of progress on regional integration in Africa**Assessment of progress on regional integration in
Africa****I. Introduction**

1. The economic outlook in Africa is slowly improving, with growth projected to rise from 3.4 per cent in 2023 to 3.8 per cent in 2024.¹ Despite the positive trend, numerous countries are facing debt distress, high inflation, a widening income gap and heightened vulnerability to global shocks. As at 31 October 2024, nine African countries were in debt distress, and 11 were at high risk of external debt distress.² One in three countries in sub-Saharan Africa still experiences double-digit inflation, largely caused by significant currency depreciations.³ The coronavirus disease (COVID-19) pandemic, together with conflicts and climate-related disasters, has significantly reversed many of the gains achieved in the preceding decades. The Economic Commission for Africa (ECA) estimates that 476 million people in Africa – about one third of the population, and 50 million more than in 2019 – were living in poverty as of 2024, and the poverty rate in Africa was nearly seven times higher than the global average.⁴

2. The present report contains an update on the progress of regional integration in Africa and includes strategic policy recommendations to advance continental integration. It covers important developments in trade and macroeconomic integration, infrastructure and energy, social integration, governance, peace and security, and migration and free movement of people.

*E/ECA/COE/43/1.

¹ International Monetary Fund, *Regional Economic Outlook: Sub-Saharan Africa: A Tepid and Pricey Recovery* (Washington, D.C., 2024).

² The Congo, Djibouti, Ethiopia, Ghana, Malawi, Sao Tome and Principe, the Sudan, Zambia and Zimbabwe were in debt distress; Burundi, Cameroon, the Central African Republic, Chad, the Comoros, the Gambia, Guinea-Bissau, Kenya, Mozambique, Sierra Leone and South Sudan were at high risk of external debt distress. See International Monetary Fund, “List of LIC DSAs for PRGT-Eligible Countries”, 31 October 2024.

³ International Monetary Fund, *Regional Economic Outlook*.

⁴ Economic Commission for Africa (ECA), *Economic Report on Africa 2024: Investing in a Just and Sustainable Transition in Africa* (Addis Ababa, 2024). Available at <https://adfi-ci.org/wp-content/uploads/2024/09/b12042717.pdf>.



II. Trade integration

3. Since the region has more than 50 countries, with vastly different population sizes, and about 40 currencies, it is a challenge for Africa to unify its fragmented markets. The African Continental Free Trade Area is a powerful solution, since it promotes regional integration. By fostering economies of scale, the Area will strengthen the position of Africa in regional and global value chains. Implementing the Agreement Establishing the African Continental Free Trade Area is therefore a priority for the continent. As of October 2024, the Agreement had received 48 ratifications. There is clear political will among countries to implement the Agreement, as evidenced by the 46 provisional schedules of tariff concessions adopted to facilitate trade in goods.⁵ Furthermore, 22 schedules of specific commitments covering five priority sectors – business, communication, financial services, tourism and transport – are currently in effect, while negotiations are continuing on 26 offers.⁶

4. A crucial step in the effective implementation of the Agreement was the launch of the Guided Trade Initiative in February 2022, initially involving eight participating countries. By 2024, the Initiative had been expanded to involve 39 countries and a broader range of products, with agricultural products continuing to dominate trade.⁷ In an ECA report on initial trading experiences under the Agreement⁸ it was revealed that, while market opportunities in Africa were being exploited, several obstacles continued to hinder the full realization of the Agreement's potential, including a limited understanding of trade procedures, misconceptions about tariffs and taxes, logistical difficulties, and the high cost of market entry, compliance, storage and distribution for small and medium-sized enterprises. The need for improved transport and logistics, stronger national institutional frameworks and an enhanced diplomatic commercial presence to facilitate market penetration was highlighted. In addition, the importance of digitalizing the certificate of origin process, increasing awareness of the tariff regime under the Agreement, and providing continental-level support for business matchmaking and market intelligence were underscored. The next steps would involve moving beyond the Initiative to fully fledged implementation of the Agreement by all States parties.

5. Despite the ongoing implementation of the Agreement, the anticipated surge in intra-African trade has yet to fully materialize. As shown in the figure, intra-African merchandise exports increased slightly between 2022 and 2023, both in terms of dollar value and as a share of total African exports. Conversely, while intra-African merchandise imports declined slightly in terms of dollar value between 2022 and 2023, they increased as a share of total African imports. Total exports from Africa and imports to Africa both decreased.

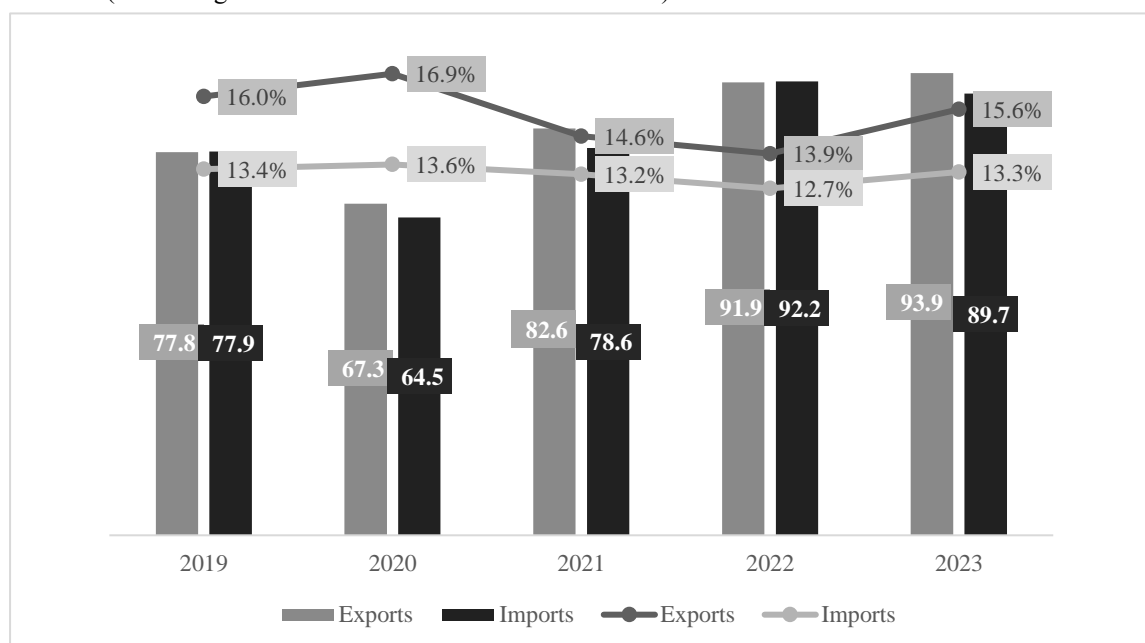
⁵ African Continental Free Trade Area Secretariat, "15th meeting of the AfCFTA Council of Ministers Responsible for Trade: Report of the Secretary-General", AfCFTA/COM/15/SGREPORT/DRAFT.

⁶ African Continental Free Trade Area Secretariat, "Report of the Secretary-General of the AfCFTA on the AU theme of the year 2023: 'Accelerating the implementation of the African Continental Free Trade Area': February 2023 to February 2024". Available at www.investinegypt.gov.eg/Agreements/AgreementAttachments/AFCFTA-Creating%20on%20%20african%20market-e03a778d-d5eb-45ae-b142-be4e44b5014c.pdf.

⁷ African Continental Free Trade Area Secretariat, "15th meeting of the AfCFTA Council of Ministers".

⁸ ECA, "The guided trade initiative: documenting and assessing the early experiences of trading under the AfCFTA", 23 May 2024.

Figure
Intra-African merchandise, exports and imports, 2019–2023
 (Percentage and billions of United States dollars)



Source: ECA calculations, based on United Nations Conference on Trade and Development, “Merchandise: total trade and share, annual”, UNCTADStat database. Available at <https://unctadstat.unctad.org/datacentre/dataviewer/US.TradeMerchTotal> (accessed on 10 January 2025).

6. In 2023, exports of services from Africa grew rapidly, by 8.7 per cent, while imports grew more modestly, by only 0.8 per cent.⁹ Total exports of services from Africa reached \$150 billion. Long-distance international travel, transport and related services constitute a significant portion of such exports, highlighting their importance to the continent’s service sector.

7. The Tripartite Free Trade Area Agreement signed by the Common Market for Eastern and Southern Africa, the East African Community and the Southern African Development Community (SADC) entered into force on 25 July 2024, marking another important milestone in regional integration in Africa.¹⁰ Through the Tripartite Free Trade Area Agreement, the three parties are seeking to enhance market access, streamline overlapping memberships and advance the goals of cooperation, harmonization and coordinated policymaking among their members.

8. ECA has been supporting its members and the regional economic communities through the development of implementation strategies for the Agreement Establishing the African Continental Free Trade Area. By October 2024, 37 countries had developed a national implementation strategy¹¹ and eight were in the process of doing so.¹² In addition, the Economic Community of Central African States (ECCAS), the Economic Community of West African

⁹ UNCTAD/STAT/INF/2024/4.

¹⁰ Willis Osemo, “COMESA-EAC-SADC Tripartite Free Trade Area comes into force”, Common Market for Eastern and Southern Africa, 25 July 2024.

¹¹ Algeria, Benin, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Comoros, Congo, Côte d’Ivoire, Democratic Republic of the Congo, Djibouti, Equatorial Guinea, Eswatini, Gabon, Gambia, Guinea, Guinea-Bissau, Kenya, Liberia, Malawi, Mauritania, Mauritius, Mozambique, Namibia, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, Somalia, South Sudan, Togo, Tunisia, Zambia and Zimbabwe.

¹² Angola, Botswana, Cabo Verde, Equatorial Guinea, Ethiopia, Lesotho, Morocco and Seychelles.

States (ECOWAS) and the Intergovernmental Authority on Development had developed a strategy for the Area, the Arab Maghreb Union was formulating such a strategy and SADC was developing a coordination plan.

9. Recognizing the importance of the successful implementation of the Agreement, ECA and its partners continue to prioritize related issues in research and knowledge generation, including in four forthcoming publications: *Economic Report on Africa 2025*, which will be focused on advancing the implementation of the Agreement through transformative strategic action; the eleventh edition of *Assessing Regional Integration in Africa*, which will be jointly published by ECA, the African Union Commission and the African Development Bank, the theme of which will be “Delivering on the African Economic Community: Towards a continental customs union and common market”; a review of the implementation of the Action Plan for Boosting Intra-African Trade, which was adopted in 2012; and a synthesized regional integration index for Africa that is being compiled jointly by the African Union Commission, ECA and the African Development Bank.

III. Monetary and financial integration

10. The macroeconomic convergence criteria of the African Monetary Cooperation Programme, which the Assembly of Governors of the Association of African Central Banks adopted at its fortieth ordinary meeting, held in Pretoria in August 2017, and amended at its forty-third ordinary meeting, held online in 2021, consist of five primary and three secondary indicators. The primary criteria stipulate an inflation rate not exceeding 7 per cent; a budget deficit to gross domestic product (GDP) ratio not exceeding 5 per cent; central bank financing of the budget deficit not exceeding 5 per cent of the previous year’s tax revenue; external reserves equal to at least three months of imports; and a general government debt-to-GDP ratio below 65 per cent. The secondary criteria require a total tax revenue-to-GDP ratio of at least 20 per cent, nominal exchange rate variability not exceeding ± 10 per cent, and government capital investment of at least 30 per cent of tax revenue.

11. In 2023, 10 countries met the five primary criteria, a significant increase from three countries in 2022. Some 39 countries complied with the criteria related to import coverage by external reserves and central bank financing. The inflation criterion was met by only 28 countries, fewer than any other criterion. Only two countries met all three secondary criteria. Only 12 countries met the tax revenue criterion and none met all eight convergence criteria. Four countries in North Africa, three in Central Africa and only one each in East, Southern and West Africa met seven criteria.¹³

12. The subregions of the Association of African Central Banks have struggled to meet the convergence criteria owing to significant uncertainties in the global economy, which have led to high debt burdens and substantial interest payments for many African countries. In recent years, African countries have experienced high inflation and weak economic growth, which has further complicated tax revenue collection efforts across the continent.¹⁴

¹³ Association of African Central Banks, “Summary progress report on the implementation of the 2023 African monetary cooperation program (AMCP)”, 46th annual meetings of the Association of African Central Banks, Port Louis, August 30–September 4 2024.

¹⁴ African Union, African Tax Administration Forum and OECD Development Centre, Revenue Statistics in Africa 2024: Facilitation and Trust as Drivers of Voluntary Tax Compliance in Selected African Tax Administrations (Paris, OECD Publishing, 2024).

13. In North Africa, ECA conducted capacity-building workshops in Egypt and Mauritania to enhance tax revenue through improved tax policy and administration.

14. The Pan-African Payment and Settlement System was developed to enhance intra-African trade and strengthen commerce under the Agreement Establishing the African Continental Free Trade Area. By alleviating pressure on current accounts and reducing demand for foreign exchange liquidity, the System should provide significant benefits. As of January 2025, the System encompassed 15 central banks, 12 payment switches and more than 50 commercial banks.

15. Mobile money has become a driver of financial inclusion across Africa. ECA collaborated with the AfricaNenda foundation and the World Bank on a report in which they revealed that 32 regional and domestic instant payment systems had been used to process nearly 32 billion transactions worth approximately \$1.2 trillion in 2022.¹⁵ Over the past five years, transaction volumes had grown by 47 per cent annually, with a 39 per cent increase in total transaction value. As of 2024, however, 27 countries still did not have an instant payment system, leaving nearly half of Africans without access to a domestic system. Establishing such a system is crucial, as it can serve as the foundation for digital public infrastructure to foster inclusivity in the digital economy.

IV. Developments in the infrastructure and energy sectors

16. Although infrastructure is crucial for development, since it fosters economic growth, poverty alleviation and regional integration, Africa has a substantial infrastructure investment deficit. The region invests only 4 per cent of its GDP in infrastructure.¹⁶ To implement infrastructure projects under the Programme for Infrastructure Development in Africa, an estimated \$360 billion will be needed by 2040. More urgently, under Priority Action Plan Phase 2 of the Programme, covering the period from 2021 to 2030, \$160.7 billion will be required to finance 69 important projects: 24 in transport, 18 in energy, 16 in transboundary water resources and 11 in information and communications technology.¹⁷

A. Road infrastructure

17. Although 80 per cent of goods and 90 per cent of passengers travel by road,¹⁸ the density of roads in sub-Saharan Africa remains significantly lower than in other parts of the world. The Association of Southeast Asian Nations (ASEAN) countries boast an average road density of 29.5 km per 100 km²; the average in the countries of sub-Saharan Africa is only 2.3 km per 100 km².¹⁹ In the Travel and Tourism Development Index 2024, Mauritius had the highest road density in Africa, and was ranked 25th globally, with 139.96 km per 100 km², while Chad ranked lowest in Africa and 116th globally, with 61.59 km per

¹⁵ Sabine Mensah and Jacqueline Jumah, “The state of inclusive instant payment systems in Africa: SIIPS 2024”, (AfricaNenda Foundation, Economic Commission for Africa and World Bank, 2024).

¹⁶ African Development Bank, “Infrastructure”. Available at: www.afdb.org/en/topics-and-sectors/sectors/infrastructure (accessed on 27 December 2024).

¹⁷ African Union Development Agency. Programme for Infrastructure Development in Africa (PIDA): First 10-Year Implementation Report (Midrand, 2023).

¹⁸ African Development Bank, “Cross-border road corridors: expanding market access in Africa and nurturing continental integration”, 9 November 2024.

¹⁹ Africa Finance Corporation, State of Africa’s Infrastructure Report 2024: the Infrastructure Imperative: Igniting Africa’s Industrial Renaissance.

100 km².²⁰ The International Monetary Fund, using a new metric to assess road quality by measuring average travel speed between major cities based on data from an online route planning service, determined that, among the 49 African countries analysed, South Africa had the highest mean speed, at 100 km/h, while Rwanda had the lowest mean speed, at 47 km/h.²¹

18. The 1,028 km Abidjan-Lagos Corridor Highway will connect the main ports and cities of West Africa, including Lagos, Nigeria; Abidjan, Côte d'Ivoire; Accra; Cotonou, Benin; and Lomé. It will also provide Burkina Faso, Chad, Mali and the Niger – all landlocked countries – with access to seaports by connecting them to north-south corridors. The transport facilitation components of the project were being finalized in July 2024 and the physical implementation was expected to commence in 2025.²² In the Arab Maghreb Union countries, it is crucial to extend the A3 highway, which runs from Tunis to Bou Salem in Tunisia, to the border with Algeria. Following a financial feasibility study, it was decided that public procurement would be used for the construction contract, with funding contributions made by international donors, and that a public-private partnership would no longer be used.²³

19. In ECCAS, feasibility studies began in 2023 for constructing a bridge over the Ubangi River and for developing the missing links in the road corridor from Bangui to Kampala via Kisangani, Democratic Republic of the Congo and in the road corridor from Kisangani to Bujumbura, Burundi commenced in 2023.²⁴ Another significant project in ECCAS, in its financial close stage, is the construction of a bridge over the Ntem River near Campo, Cameroon on the transnational road between Kribi, Cameroon and Bata, Equatorial Guinea.²⁵

20. The LAPSSET Joint Technical Committee, at its second and third meetings, which were organized by ECA in partnership with the Government of Kenya and held in August 2024, reached a consensus on strengthening the mandate and governance of the LAPSSET Corridor Development Authority.

B. Rail transport

21. Rail transport in Africa is underdeveloped, with a network that extends just 87,000 km across a continent spanning more than 29 million km².²⁶ Although Africa accounts for 22 per cent of the world's land area and is home to 17 per cent of its population, it has only a 7 to 8 per cent share of the global rail market.²⁷ While the African Rail Network is one of the 15 flagship initiatives of Agenda 2063: The Africa We Want, of the African Union, and despite plans to add 30,200 km of new rail lines under Priority Action Plan

²⁰ World Economic Forum, Travel & Tourism Development Index 2024: Insight Report (Cologny, 2024).

²¹ Mariano Moszoro and Mauricio Soto, "Road quality and mean speed score", IMF Working Papers, Vol. 2022, No. 095 (International Monetary Fund, 2024).

²² Single African Market, "Lagos Corridor Highway Development Project materialized", 3 July 2024.

²³ Gnetnews, "Tunisie : Le gouvernement renonce au recours au PPP pour la réalisation de l'autoroute Boussalem – frontières algériennes", GlobalNet, 12 March 2024.

²⁴ African Development Bank, "Multinational: feasibility studies for the construction of a bridge over the Oubangui River, the development of missing links in the Bangui-Kisangani-Kampala and Kisangani-Bujumbura road corridors, and transport, trade and transit facilitation along the two corridors". Available at <https://mapafrica.afdb.org/en/projects/46002-P-Z1-DZ0-019> (accessed on 30 December 2024).

²⁵ African Union, "Project for the construction of the bridge over the Ntem River located on the Kribi-Campo-Bata transnational road linking the Republic of Cameroon and the Republic of Equatorial Guinea", Programme for infrastructure development in Africa.

²⁶ Africa Finance Corporation, State of Africa's Infrastructure Report 2024.

²⁷ International Union of Railways, "Dakar declaration on the financing of rail projects in Africa".

Phase 1, only 4,000 km have been completed.²⁸ A major hurdle for the advancement of these projects is limited private sector interest.

22. Of the 69 Priority Action Plan Phase 2 projects, only six focus on railway infrastructure, predominantly in East Africa. The LAPSSET railway, which spans approximately 2,500 km, is at various stages of development: the Kenyan segment is undergoing feasibility studies, the Ethiopian segment is in the prefeasibility phase, and the South Sudanese segment is at the enabling environment stage.²⁹ In addition, for the standard gauge railway from Kenya to Rwanda via Uganda, Uganda appointed a contractor in August 2024 to develop the Malaba-Kampala segment. Subject to approval of the contract by the Attorney General of Uganda, construction was expected to commence at the end of 2024.³⁰ On the Central Corridor, five sections of the standard gauge railway connecting Burundi, Democratic Republic of the Congo, Rwanda and the United Republic of Tanzania, are under construction. In mid-2024, the project directly employed 40,246 people and had indirectly benefited a further 150,880 people. The contracts awarded totalled \$1.45 billion.³¹ The United Republic of Tanzania inaugurated two sections of the standard gauge railway in 2024. Once the connection to Burundi is operational, the two countries are projected to transport three million tons of minerals per year to the port of Dar es Salaam.³²

C. Air transport

23. The Single African Air Transport Market, a cornerstone project of Agenda 2063, was launched to unify the air transport market in Africa. By improving connectivity, the Single Market will enhance social, economic and political integration, stimulate intra-African trade and tourism, and accelerate the implementation of the Yamoussoukro Decision. As of January 2025, 37 countries had subscribed to the solemn commitment towards advancing concrete and unconditional implementation of the Yamoussoukro Decision.³³

24. The aviation sector has substantial growth potential in Africa. The region currently accounts for only 2.1 per cent of global air transport activity.³⁴ According to the International Air Transport Association, opening markets and improving connectivity in 12 key African countries could create 155,000 jobs and add \$1.3 billion to their annual GDP.³⁵

25. In 2023, it was reported that open skies throughout Africa would increase passenger levels from 31.2 million to 47.1 million and reduce average fares by 26 per cent, resulting in annual fare savings of approximately \$1.46 billion. It is expected that such liberalization would create more than 96,440 direct and indirect jobs in the aviation sector and stimulate 4 million additional tourism visits, generating \$1.65 billion in tourism spending and creating 267,530 jobs in the sector. Overall, enhanced aviation activity could create 588,750 jobs and

²⁸ African Union Development Agency. Programme for Infrastructure Development in Africa.

²⁹ LAPSSET Corridor Development Authority, "Railway". Available at <https://lapsset.go.ke/railway/> (accessed on 27 December 2024).

³⁰ The East African, "Uganda selects Turkish firm for Malaba-Kampala SGR", 1 August 2024.

³¹ Business Africa Magazine, "Tanzania's \$1.45 billion standard gauge railway revolutionizes regional connectivity", 4 July 2024.

³² Nuzulack Dausen, "Tanzania launches \$3.1 billion railway in drive to boost infrastructure", Reuters.

³³ African Civil Aviation Commission, "SAATM States". Available at www.afcac.org/saatm_states/ (accessed on 27 December 2024).

³⁴ International Air Transport Association, "IATA's 'Focus Africa' to strengthen aviation's contribution to African development", 3 April 2023.

³⁵ International Air Transport Association, "The Single African Air Transport Market (SAATM)". Available at www.iata.org/en/about/worldwide/ame/saatm/ (accessed on 30 December 2024).

add \$4.0 billion to GDP. The economic impact would vary by country, depending on its level of air service liberalization and market size, with GDP increases ranging from 0.06 per cent to 2.21 per cent above 2019 levels.³⁶

D. Information and communications technology

26. According to data for 2023, Africa was the region with the lowest Internet usage rates, with only 37.1 per cent of its population having used the Internet in the three months before taking the survey, an increase from 33.9 per cent in 2022.³⁷ This contrasts with the Asia-Pacific region, where the figure was 65.9 per cent, only just below the global average of 67.4 per cent.³⁸ In rural areas in Africa, the figure is only 22.7 per cent, compared with 56.6 per cent in urban areas.³⁹ Significant disparities in Internet access persist among African countries. Data for 2022 show that, while 89.9 per cent of people in Morocco and 88.4 per cent in Libya reported having used the Internet in the previous three months, the rates were much lower in South Sudan (12.1 per cent) and Burundi (11.3 per cent).⁴⁰

27. The Internet economy is projected to constitute 5.2 per cent of GDP in Africa by 2025, contributing approximately \$180 billion to its economic output; by 2050, the contribution is expected to soar to \$712 billion.⁴¹ The execution of 11 information and communications technology projects under Priority Action Plan Phase 2 is poised to significantly enhance Internet access, quality and affordability across Africa. Seven projects are geared towards intercountry connectivity through fibre-optic cables, including two towards constructing regional data centres for SADC and ECCAS countries, one towards establishing a high-capacity fibre-optic cable from Eldoret, Kenya to Juba, and one towards establishing a regional Internet exchange point in Côte d'Ivoire to serve West Africa.⁴² The March 2024 submarine cable outage affecting 13 West African countries exposed the urgent need for improved Internet resilience,⁴³ emphasizing the importance of additional infrastructure, including terrestrial fibre cables, to maintain connectivity during international disruptions.

28. At the 2024 Africa Business Forum, ECA and Google signed a memorandum of understanding to foster and accelerate digital transformation in Africa.⁴⁴ The agreement is focused on enhancing digital skills among young people, fostering start-up ecosystems, improving financial inclusion, bolstering cybersecurity and promoting policy research on artificial intelligence to guide policymakers.

³⁶ International Air Transport Association, *Continental Study on the Benefits of the Single African Air Transport Market (SAATM) and Communication Strategy for SAATM Advocacy (2023)*. Available at https://www.afcac.org/wp-content/uploads/bsk-pdf-manager/2023/09/Continental_Study.pdf.

³⁷ International Telecommunication Union, "Connectivity, use", DataHub. Available at <https://datahub.itu.int/data/?e=1&i=11624> (accessed on 30 December 2024).

³⁸ Ibid.

³⁹ Ibid.

⁴⁰ Ibid.

⁴¹ International Finance Corporation, "E-conomy Africa 2020: Africa's \$180 billion Internet economy future".

⁴² <https://pp2.au-pida.org/approved-projects/>

⁴³ Internet Society, "2024 West Africa Submarine Cable Outage Report", April 2024.

⁴⁴ ECA, "ECA and Google sign agreement to foster and accelerate digital transformation in Africa", 19 February 2024.

E. Energy

29. In 2021, approximately 600 million people in Africa, or 43 per cent of the population, lacked access to electricity, making affordable energy a priority.⁴⁵ For sub-Saharan Africa to achieve universal access to affordable electricity by 2030, 90 million people need to be connected every year. Ghana, Kenya and Rwanda are making significant progress towards attaining Sustainable Development Goal 7 by achieving full electricity access by 2030.⁴⁶ In 2022, the rates were 85.1 per cent in Ghana, 76.0 per cent in Kenya and 50.6 per cent in Rwanda.⁴⁷ Conversely, Burundi (10.3 per cent) and South Sudan (8.4 per cent) had the lowest rates of access to electricity in 2022.⁴⁸ In addition, 970 million people in Africa lacked clean cooking facilities in 2021.⁴⁹ Liquefied petroleum gas is the preferred cooking fuel in urban areas, but recent price increases have made it unaffordable for 30 million people across the continent, forcing many to return to traditional biomass.⁵⁰

30. Energy demand in Africa is growing at twice the global rate of growth. The continent therefore has an opportunity to be a pioneer in driving economic development through renewable energy sources.⁵¹ Hydropower provides 40 per cent of electricity in sub-Saharan Africa, but 90 per cent of its potential remains untapped. In 2023, an additional 2 GW of hydropower capacity was installed, increasing the total to 42 GW.⁵² However, to meet rising energy needs in Africa, the implementation of the energy projects under Priority Action Plan Phase 2 is crucial. The 18 projects include nine hydropower generation projects (six in the ECCAS region), seven transmission line projects, a photovoltaic power station in Mali, and the LAPSSET crude oil pipeline connecting Lamu, Kenya to South Sudan.

31. ECA and its partners organized a high-level policy and regulatory training session on electricity market design, held from 5 to 7 June 2024 in Nairobi. The training represented a significant step towards advancing the electricity reform agenda of Africa and increasing private sector participation in clean energy infrastructure.⁵³

F. Infrastructure financing

32. The African Union Development Agency estimated that \$160.7 billion would be needed to implement Priority Action Plan Phase 2 by 2030, with an investment distribution of 27 per cent for continent-wide projects, 25 per cent for West Africa, 24 per cent for East Africa, 10 per cent for North Africa, 9 per cent for Southern Africa and 5 per cent for Central Africa.⁵⁴ The African Development Bank, however, estimated that Africa faced an annual

⁴⁵ International Energy Agency, “Key findings”, 2022. Available at www.iea.org/reports/africa-energy-outlook-2022/key-findings.

⁴⁶ Ibid.

⁴⁷ World Bank, “Access to electricity (% of population)”, World Development Indicators. Available at <https://data.worldbank.org/indicator/EG.ELC.ACCS.ZS> (accessed on 27 December 2024).

⁴⁸ Ibid.

⁴⁹ International Energy Agency, “Key findings”.

⁵⁰ Ibid.

⁵¹ International Hydropower Association, “Region profile: Africa”. Available at www.hydropower.org/region-profiles/africa (accessed on 27 December 2024).

⁵² Ibid.

⁵³ Economic Commission for Africa, “ECA and partners conclude training on electricity market design in Nairobi”, 7 June 2024.

⁵⁴ African Union Development Agency. Programme for Infrastructure Development.

infrastructure financing gap of between \$68 billion and \$108 billion.⁵⁵ Historically, African Governments and international partners such as China have been the main drivers of infrastructure investment in Africa. Financial limitations, however, have exposed the need for public-private partnerships to attract private capital, technology and expertise for more efficient and more cost-effective service delivery.

33. The private sector plays a crucial role in developing infrastructure in Africa, in particular in power generation, where approximately 40 per cent of public-private partnership-related investments in developing countries are made.⁵⁶ The success that Africa has had with independent power producers, which represent 70 per cent of public-private partnership investments in low-income and lower-middle-income countries, contrasts with the minimal private investment in transport and water sanitation. Information and communications technology (ICT) has transitioned mainly to the privately owned commercial sector. Barriers to increasing private sector involvement include a lack of bankable projects, insufficient funding for project preparation, a technical skills shortage and weak regulatory frameworks. To address these challenges, ECA is formulating action plans to improve public-private partnership readiness and implementation in these countries. The development of a vibrant public-private partnership market is crucial to attracting private sector capital in infrastructure development in the region.

34. The overwhelming debt burden of Africa diverts crucial resources away from such essential sectors as infrastructure, education and healthcare. Improving debt sustainability is critical to ensure financial stability and free up fiscal space for vital investment. Deeper financial integration in Africa is essential to break the cycle of debt distress and liquidity crises. Regional bond markets offer a powerful tool for mobilizing savings, pooling risk and funding critical infrastructure projects.⁵⁷

V. Social integration

35. The African Union designated education as the central theme for 2024, underscoring the urgent need to position Africa on a path towards achieving the targets outlined in Sustainable Development Goal 4. Sub-Saharan Africa has a larger proportion of children out of school than any other global region or subregion, with approximately one in every five primary school-age children not attending school.⁵⁸ In addition, in 2023, 30.1 per cent of Africans were illiterate.⁵⁹ Despite a modest, real increase in education funding of 2 per cent in 2021, driven primarily by government contributions (69 per cent of total spending on education), average GDP allocated to education by African countries in 2021 remained at 3.7 per cent.⁶⁰ This was below the internationally recommended benchmarks of 4 per cent of GDP and 15 per cent of total public

⁵⁵ ECA, “Public-private partnerships needed to bridge infrastructure development gap in Africa”, 16 November 2023.

⁵⁶ ECA, Scoping Study on Infrastructure Public-Private Partnerships in Africa with a Focus on Cameroon, Côte d’Ivoire, Kenya, Malawi, Uganda and Zambia (2023).

⁵⁷ ECA, Economic Report on Africa 2023: Building Africa’s Resilience to Global Economic Shocks (Addis Ababa, 2023).

⁵⁸ United Nations Educational, Scientific and Cultural Organization and African Union Commission, *Education in Africa: Placing Equity at the Heart of Policy* (Paris, Dakar and Addis Ababa, 2023).

⁵⁹ World Bank, “Literacy rate, adult total (% of people ages 15 and above)”, UIS Database. Available at <https://data.worldbank.org/indicator/SE.ADT.LITR.ZS> (accessed on 14 January 2025).

⁶⁰ World Bank and United Nations Educational, Scientific and Cultural Organization, “Education finance watch 2023: special edition for the African Union Year of Education 2024” (Washington D.C. and Paris, 2023).

expenditure. SADC and the Arab Maghreb Union were the only regional economic communities that met the 4 per cent GDP benchmark.⁶¹

36. Health systems in Africa will come under pressure as a result of demographic, urban and epidemiological changes. Furthermore, the region relies heavily on pharmaceutical imports, which totalled \$15.9 billion in 2022, compared with exports of only \$1.4 billion.⁶² The limited pharmaceutical manufacturing capacity that does exist is geared towards lower value added activities, such as repackaging and fill-and-finish operations. This situation offers an opportunity for private sector investment, which could boost pharmaceutical production capabilities.

37. In May 2024, African ministers of health, finance and trade and experts and development partners endorsed a strategy to transition the ECA-led African Continental Free Trade Area-anchored Pharmaceutical Initiative into the start-up phase of a pooled procurement mechanism led by the Africa Centres for Disease Control and Prevention.⁶³ The aim of the move was to maintain progress and momentum in enhancing access to healthcare, initiating industrialization and securing economic and health security across the continent.

VI. Migration and the free movement of people

38. The Protocol to the Treaty Establishing the African Economic Community Relating to the Free Movement of Persons, Right of Residence and Right of Establishment has received only four ratifications – Mali, the Niger, Rwanda and Sao Tome and Principe.⁶⁴ This number is far below the 15 ratifications required for the Protocol to take effect. Promoting the free movement of people is crucial for ensuring that African countries fully benefit from the African Continental Free Trade Area.

39. In terms of the subregions, ECOWAS and the East African Community have made the most progress in facilitating free movement among their citizens, although the announced withdrawal of Burkina Faso, Mali and the Niger from ECOWAS raises uncertainty about the future of free movement within the bloc. At the country level, Benin, the Gambia, Rwanda and Seychelles have introduced visa-free entry for all Africans.⁶⁵ In December 2024, Ghana declared that it would grant visa-free entry to all African citizens starting in 2025.

40. As part of the joint project entitled “International migration in Africa: shaping a positive narrative and removing barriers to mobility”, the African Union Commission and ECA conducted studies on enhancing the free movement of people and pathways for labour mobility and skills portability in Ghana, Kenya and Zambia. Although all three countries have signed the Protocol, they have not yet ratified it, because they are concerned about administrative challenges and the implications of free movement. In the studies, it was noted that the decision taken by Kenya in January 2024 to waive visa requirements for all nationalities had delayed travellers from some countries, since they previously enjoyed visa-free entry but now had to obtain an

⁶¹ Ibid.

⁶² ECA calculations based on World Bank, “Trade statistics by product (HS 6-digit)”, World Integrated Trade Solution. Available at <https://wits.worldbank.org/trade/country-byhs6product.aspx> (accessed on 7 August 2024).

⁶³ Economic Commission for Africa, “Roadmap to operationalize Pharma Initiative into start-up phase of the African Pooled Procurement Mechanism adopted”, 16 May 2024.

⁶⁴ ECA, “Free movement of people, a catalyst for trade”, 29 March 2023.

⁶⁵ African Union and African Development Bank, “Visa Openness Index”, Available at www.visaopenness.org (accessed on 30 December 2024).

electronic travel authorization costing \$34. Zambia had also eased visa restrictions for Africans, offering visa-free entry to citizens of 14 countries for stays of up to 90 days for tourism or 30 days for business per 12-month period and providing visas on arrival for similar durations to citizens of 12 other countries. Ghana had indicated that it planned to implement a visa-on-arrival policy for citizens of all African countries. Promoting the free movement of people is crucial for ensuring that African countries fully benefit from the Area.

41. ECA, the African Union Commission and the International Organization for Migration jointly convened the second regional review of the Global Compact for Safe, Orderly and Regular Migration, held in October 2024 in Addis Ababa, to assess progress in the implementation of the Global Compact since its adoption in 2018. The recommendations that emerged from the meeting will be submitted at the next global review, due to be held during the International Migration Review Forum in 2026.

VII. Governance, peace and security and the regional integration nexus

42. Strong governance, peace and security are crucial for realizing the continent's development goals and aspirations, including deeper regional integration.

43. In North Africa, the conflict in the Sudan displaced more than 12.3 million people between April 2023 and January 2025.⁶⁶ Chad, Egypt and South Sudan were the destinations of most of those who sought refuge in another country. The Intergovernmental Authority on Development tried to mediate between the parties involved in the conflict, albeit with limited results.⁶⁷

44. In West Africa, Burkina Faso, Mali and the Niger announced in January that they wished to withdraw from ECOWAS in response to sanctions imposed on them by the bloc. Under the Revised Treaty of the Economic Community of West African States, a member State's withdrawal becomes effective one year after notification of the withdrawal. Although most of the sanctions were lifted in February 2024, the three countries formed the Alliance of Sahel States in July 2024. As landlocked countries, they depend on trade routes through coastal ECOWAS countries, so their departure from the bloc could lead to economic challenges, such as the reintroduction of tariffs and higher transaction costs, making imports costlier and exports less competitive. While they have not expressed a desire to leave the West African Economic and Monetary Union, their exit from ECOWAS might make economic cooperation more difficult.⁶⁸ The exit could also hinder the management of the West African CFA franc and derail plans for the introduction of the eco across all ECOWAS countries.

45. In Central Africa, in June 2024, the United Nations completed the first phase of the three-phase withdrawal of the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo. This followed the adoption by the Security Council of its resolution 2717 (2023), in which it decided to initiate a gradual, responsible and sustainable withdrawal of the mission and to gradually hand over responsibilities to the Government of the country. In December 2023, SADC deployed the Southern African Development Community Mission in the Democratic Republic of the Congo to support the Government in restoring peace and security in the east of the

⁶⁶ Operational Data Portal, "Sudan situation". Available at <https://data.unhcr.org/en/situations/sudansituation> (accessed on 10 January 2025).

⁶⁷ Al-Jazeera, "Sudan suspends membership in IGAD regional bloc", 20 January 2024.

⁶⁸ Think Tank, "'Sahelxit' in West Africa: implications for ECOWAS and the EU", 26 April 2024.

country. In July 2024, Security Council adopted its resolution 2746 (2024), in which it authorized MONUSCO to support the Mission. If the conflict continues, it may spill over into the Great Lakes countries, with potentially devastating consequences and further undermining the progress of regional integration.⁶⁹

46. In East Africa, it is hoped that regional and global mediation efforts will help to bring about a peaceful resolution to lingering disputes among some countries over the use of water from the Nile River and access to the sea in the Gulf of Aden.⁷⁰

47. SADC announced in July 2024 the withdrawal of the forces of the Southern African Development Community Mission in Mozambique from the Province of Cabo Delgado, in the north of the country, signalling the end of its peacekeeping mission there.⁷¹ The mission had played a significant role in combating terrorism in the province.

48. In 2023, the global epicentre of terrorism shifted from the Middle East to the Sahel region. In Burkina Faso alone, 258 terrorist attacks took the lives of almost 2,000 people – almost a quarter of all terror-related deaths that year. Half of the 10 countries most affected by terrorism in 2023 were in Africa. All five – Burkina Faso, Mali, Somalia, Nigeria and the Niger – experienced some level of conflict, increasing their vulnerability to terrorism.⁷² The tri-border area formed by Burkina Faso, Mali and the Niger remains the most severely affected zone, with 60 per cent of attacks occurring in the area.

49. Many elections occurred in 2024, including in Senegal in March, South Africa in June, Rwanda in July, Algeria in September, Botswana, Mozambique and Tunisia in October, Namibia in November and Ghana in December. Elections were due to be held in South Sudan in December but were postponed for two years.

VIII. Conclusion and recommendations

50. While the signing and ongoing implementation of the Agreement Establishing the African Continental Free Trade Area is a significant achievement, progress on regional integration in Africa has been slow, with formal intra-African trade amounting to only 14.4 per cent of African trade. Infrastructure development is vital for maximizing the benefits of trade driven by the Area, although financing challenges remain a barrier. Similarly, there are considerable obstacles in education and health, which are essential for building human capital. Furthermore, ongoing conflict, violent extremism and restrictions on the free movement of people continue to impede the realization of a fully integrated continent.

51. ECA will continue to support its members and the regional economic communities in their efforts to effectively implement national and regional strategies for the Area.

52. ECA and development partners will continue to support the promotion of public-private partnerships, enhance management tools and strengthen countries' capacity to develop bankable infrastructure projects.

⁶⁹ Office for the Coordination of Humanitarian Affairs, "Military group's expansion in Democratic Republic of Congo 'carries very real risk of provoking wider regional conflict', Mission Head tells Security Council", Reliefweb, 8 July 2024.

⁷⁰ International Crisis Group, "The Stakes in the Ethiopia-Somaliland Deal", 6 March 2024.

⁷¹ James Tasamba, "SADC ends anti-terrorism mission in northern Mozambique", 5 July 2024.

⁷² Institute for Economics and Peace, "Global Terrorism Index 2024: measuring the impact of terrorism" (Sydney, 2024).

53. Members of ECA should accelerate the implementation of the Agreement and the Boost Intra-African Trade Action Plan.
54. Members of ECA should strive to meet the macroeconomic convergence criteria, which are essential for the establishment of an Africa-wide central bank.
55. Members of ECA should collaboratively address regional security challenges that threaten regional integration and, by extension, the development and the prosperity of citizens.
56. Members of ECA should ratify and implement the Protocol to the Treaty Establishing the African Economic Community relating to Free Movement of Persons, Right of Residence and Right of Establishment.