



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

Fifty-seventh session of the Economic Commission for Africa Conference of African Ministers of Finance, Planning and Economic Development

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Bulletin 1

Click on the items below to go to the story / Cliquez ci-dessous pour accéder aux articles

LEAD STORY

Africa stands at a crossroads >



BULLETIN 1
#CoM2025



ECA support for member states >



Morocco takes over CoM Bureau >



Statistics must be funded >



ECA Knowledge Fair >



Let's focus on trade, not aid >



Africa must mobilise its own resources to generate revenues >



Lack of convergence holds back AfCFTA >



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Let's redefine Africa and its future - Morsy

The three-day meeting of the Economic Commission for Africa's Committee of Experts closed with the ECA's Deputy Executive Secretary (Programmes) and Chief Economist Hanan Morsy calling for African countries to make a concerted effort to shape a more prosperous future for the continent.

She emphasized the significance of the gathered delegates, noting the presence of 524 delegates from 40 member states alongside key partners and organizations. "What a

remarkable gathering it has been. We've witnessed a powerful exchange of ideas, diverse perspectives, and bold visions for Africa's economic resurgence."

"We stand at a crossroads," Morsy said, highlighting the structural challenges facing Africa, including low levels of intra-African trade, persistent infrastructure gaps, and limited industrialization. While these obstacles are significant, she argued that they are not insurmountable "because alongside these challenges lie historic opportunities".

In a rapidly evolving global landscape shaped by shifting power dynamics and digital disruption, Africa must take a proactive role in shaping its future, with the African Continental Free Trade Area as a critical instrument.

"It is our chance to redefine Africa's economic standing, to amplify our voice on global issues, and to shape the rules of global trade and economic governance," she said of the historic agreement.

To achieve sustainable economic growth, Africa also must

prioritize investments in local manufacturing and regional value chains, she urged.

"We must invest in local manufacturing, create regional value chains, and process our resources right here at home - in pharmaceuticals, electric mobility, agribusiness, and beyond. That's how we create jobs. That's how we build prosperity that lasts."

Noting that the future of trade is digital, Morsy called for an enabling environment for digital innovation. "We must remove barriers to e-commerce, harmonize digital payment systems, and expedite the implementation of the AfCFTA Protocol on Digital Trade. Investing in digital infrastructure isn't just smart—it's essential," she stressed.

Ahead of her speech, the recommendations and resolutions from the three days of deliberations were presented and accepted by the delegates, some of whom offered some amendments.

In his closing remarks, incoming Bureau Chair Zakaria el Harmiri congratulated the delegates on their insightful deliberations and called for urgent actions to bring the ideas into fruition. "Given the environment of geopolitical instability and uncertainty as well as the new technologies and the challenges that are facing, we are sure that the AfCFTA will boost industrialization and ensure that we do work towards diversifying African economies," he emphasized.



Morocco appointed Bureau chair

Morocco has been appointed to lead the Bureau of the 57th Session of the ECA's Conference of African Ministers of Finance, Planning, and Economic Development.

This decision was made unanimously during the opening day of the Expert's Segment of the conference in Addis Ababa.

Zakaria El Harmiri, Head of the Multilateral African Affairs Division at the Ministry of Economy and Finance of the Kingdom of Morocco, will occupy the post.

The first Vice Chair will be Cameroon, the second Benin and the third Kenya. The rapporteur will be Zimbabwe.

The outgoing chair, Zimbabwe's Andrew Bvumbe, expressed support for Morocco's leadership.

He highlighted Zimbabwe's contribution over the past year, including its active collaboration with the secretariat to amplify Africa's voice in significant global forums, such as the High-level Political Forum on Sustainable Development, the United Nations General Assembly, the High-level Working Group on the Global Financial Architecture, FfD4, and COP29.

The Kingdom of Morocco also agreed to host the next Conference of Ministers (CoM) in March 2026, under the theme "Growth through Innovation: Harnessing Data and Cutting-edge Technologies for Africa's Economic Transformation."

We have to look inward and see what we can do differently



The African Continental Free Trade Area presents Africa with an opportunity to mobilize new investments and drive growth at a time when traditional sources of finance such as aid are drying up.

Africa urged to turn to trade as aid declines

In an interactive session with delegates at the Expert's Segment of the Conference of African Finance Ministers in Addis Ababa, ECA Executive Secretary Claver Gatete said disruptions in global trade policy and the retreat of aid and concessional finance signalled that it was time for Africa to look inward and embrace home-grown solutions.

"The aid is declining and we as Africans may as well forget about it and focus on trade and investment. We have to look inward and see what we can do differently as intra-African trade has remained the same for decades," Gatete said.

He said there are many new players helping to plug the gaps

in infrastructure and other funding, including India and funds from the Middle East nations.

But the playing field is not level, he said citing the fact that the IMF shareholding for the entire continent is equivalent to that Germany. "How can that be fair?"

Gatete emphasized the need for Africa to take a different approach internally even as it fought for a fairer deal with the international community.

He highlighted the shift towards private sector-driven growth, calling on policymakers to de-risk key sectors and improve the business environment.

He called for expanded efforts to boost domestic resource mobilization, noting that African

nations had to reform their tax systems to cut reliance on aid and drive their own development.

"How come we're still at 15.6% of GDP in terms of tax? This is too low. Some of our countries are below 10% of GDP. This is not acceptable by any standards. For you to be competitive, you have to be at 25% at the very minimum. That's when you can sustain your own development," he remarked.

Gatete bemoaned the fact that the whole of Africa only had two investment grade countries.



"We need to work together to find out what has gone wrong."

He added that ratings agencies were a problem for Africa as their work is pushing up the cost of much-needed capital and yet they did not understand the workings of African countries.

Ethiopia's AfCFTA role

African policymakers need to prioritise intra-African trade and economic integration, Semereta Sewasew, State Minister of Finance for Ethiopia, said at the opening of the Expert's Segment of COM2025 in Addis Ababa.

She said that Ethiopia is taking a leading role in implementing the African Continental Free Trade Area (AfCFTA) through significant investments in logistics infrastructure and energy.

She pointed to Ethiopia's strategic investments in road and rail networks aimed at improving connectivity with neighbouring countries, citing the example of the Addis Ababa-Djibouti railway, which has become a crucial trade route and enhanced economic ties within the Horn of Africa.

She also noted that Ethiopia's hydropower resources have positioned the nation as a key player in regional energy trade.

"By facilitating trade within Africa and reducing barriers, Ethiopia is paving the way for a more interconnected and self-sufficient continent," she said.

"We stand ready to work alongside our African brothers and sisters to build a future of shared prosperity, driven by trade, connectivity, and economic collaboration."

She, however, underscored the need for decisiveness and strong political will to ensure the success of the AfCFTA. "Implementation is where the true work lies, and it requires collective effort, collaboration, and commitment."

Building value chains will drive Africa forward

Africa needs to find ways to better leverage its strengths, such as a young and growing population and its wealth of natural resources, to enable it to better offset the challenges presented by global headwinds.

As well as concerns about increasing trade restrictions and supply chain disruptions globally, Africa faces a raft of internal challenges and sluggish growth, said Hanan Morsy, Deputy Executive Secretary (Programmes) and Chief Economist of the ECA at the opening session of CoM2025.

But the continent's strengths, which include the opportunity to leapfrog over legacy challenges with technology, position it well to create sustainable and inclusive development.

Currently, progress in increasing intra-African trade relative to total trade has been limited at about 15.8%, substantially less than other regions.

But on the upside, the profile of trade within the continent is

more positive than global trade, with a higher level of manufactured exports at 46% compared to 24% of value-added goods (2019-2023) as a percentage of trade with the rest of the world.

The latter remains rooted in commodities with just two product segments forming more than 52% of Africa's total trade – fuel as well as ore and metals.

But the profile of intra-African trade “tells us that there are huge opportunities to leverage trade among ourselves to create jobs with higher wages as we move up the value chain and create a better quality of growth”.

Deeper integration, alongside greater industrialisation, could produce many positive outcomes such as increasing intra-African trade by 45%, the continent's GDP by 1.2%, exports by 7.3% and imports by 6.9%.

Simply reducing restrictive regulations could lead to a 21.5% increase in intra-African digital trade, she said.

Another game changer in



African development is the growth of pan-African payment systems, which could potentially save \$5bn in the cost of trade and alleviate foreign exchange issues by enabling trade in local currencies.

African development finance institutions need to be well capitalised to support trade, she added.

Delegates, in question time, called for eradication of non-tariff barriers and illegal trade practices and dumping. The lack of mainstreaming of technology was raised as well as a question about how to strengthen capital markets.



INTRA-AFRICAN EXPORTS AS A % OF TOTAL EXPORTS



RECOMMENDATIONS

National	Fully implement AfCFTA and its protocols
	Modernise customs procedures
	Design effective industrial policies
	Improve business climate & adopt convergent economic policies
	Scale up investment in critical areas of skills & infrastructure
	Ensure support for SMEs
Regional	Build on experiences of Regional Economic Communities
	More cross-border infrastructure to improve connectivity & logistics
	Support industrialisation and food security
Continental	Harmonise standards for trade in goods and services
	Advance implementation of AfCFTA dispute resolution mechanism
	Catalyse operation of AfCFTA Adjustment Fund, PAPSS & African Trade Gateway

Voices from CoM2025



HE Semereta Sewasew
State Minister of Finance, Ethiopia

The AfCFTA is not just a project for our time; it is a legacy for future generations. Let history remember this era as the time when Africa stood united, broke down the barriers that held us back, and embarked on a path of unprecedented growth and cooperation.



Stephen Karingi
Director, Regional Integration and Trade Division, ECA

Unless we allow the free movement of people, we are not going to unlock the full potential of the AfCFTA.



Antonio Pedro
Deputy Executive Secretary (Programme Support), ECA

The AfCFTA is, at one and the same time, a development blueprint as well as a powerful political platform on which Africa can forge a common position on significant global issues of collective interest and assert them speaking in one voice.

While there has been progress in integrating African economies, much more needs to be done to boost trade, says Stephen Karingi, Director of the ECA's Regional Integration and Trade Division.

Regional integration needs a boost

Intra-African trade remains low at about 14.6% of total trade, with the push for closer integration being hampered by the failure of most African nations to meet the convergence criteria. These include keeping inflation below 7%, budget deficits at less than 5% of GDP, and a GDP-to-debt ratio of not more than 64%.

Countries are also expected to have sufficient foreign reserves to cover at least three months of imports, while financing from the central bank should not exceed 5% of tax revenues.

Delivering a report on regional integration, Karingi noted that in 2023, only 10 countries met all the five criteria, even

though 39 countries complied with the guidance on import coverage and central bank financing, while 20 countries achieved the inflation target.

"This limited the states' policy actions that could improve integration," he observed. This factor is also compounded by sluggish growth, conflicts in part of the continent and the continuing impact of the Covid-19 pandemic, he added.

Implementing the Boosting Intra-African Trade Action plan could increase trade volumes, he said, noting that the African Continental Free Trade Area is already addressing some of the challenges.

"A positive story is intra-Afri-

can trade in services. In 2023, this reached about \$27bn and so there might be some scope for acceleration there," he reported.

Karingi said infrastructure development was moving too slowly, with only 4,000km of new rail lines laid under Phase 1 of the Program for Infrastructure Development in Africa, a mere fraction of its 30,000km target. "Road density also remains very low, although there is good progress, especially among the North African countries," he said.

Full implementation of the single air transport market policy will also lead to the creation of 100,000 jobs and a further 267,000 in tourism related industries, Karingi projected.



FREE MOVEMENT OF PEOPLE UNDER THE SPOTLIGHT

The African Continental Free Trade Area cannot reach its potential without allowing the free movement of people, said Stephen Karingi, Director of the ECA's Regional Integration and Trade Division in his presentation to ECA delegates.

His comment followed remarks in the opening about the apparent lack of appetite for ratifying the Protocol on the Movement of Persons and the Right of Residence and Establishment.

Antonio Pedro, Deputy Executive Secretary (Programme Support), said that since the African Union adopted the revised protocol in 2018, only 4 African countries had ratified the agreement – Rwanda, Mali, Sao Tome and Principe and Niger.

The most recent had been Niger, which ratified it in 2019. In the six years since, nothing further had happened. "This is not acceptable," he said.



"The ease with which Africans can move across borders within the continent plays an important role in realizing the benefits of the AfCFTA to the full."

"With compelling evidence-based analysis, we must dispel the fears that are impeding us from acting."

Some believed there needed to be a detailed discussion about why countries were not ratifying the protocol.

QUICK FACTS

- 48 countries have ratified AfCFTA
- Intra-African trade is still low at about 14.6%
- Intra-African services exports were \$26.8bn in 2023
- The COMESA-EAC-SADC Tripartite Agreement entered into force in July 2024
- By Q4 2024, 37 states had developed AfCFTA National Implementation Strategies
- 8 more countries are developing strategies



ECA support boosts member states

The ECA's footprint was visible in almost all member states during the past year, and on the global stage where it helped to amplify Africa's voice in the global arena.

In his update to delegates, Said Adejumobi, Director of the Strategic Planning, Oversight and Results Division, said the organization had chosen to focus on macroeconomic policy and development financing, regional integration, diversification and industrialization, infrastructure and energy, technology, innovation and connectivity, as well as climate action and food security, as it continued to support African countries to grow their economies.

He noted that strategic interventions had been made

through policy-based knowledge, consensus building and technical advisory services.

There had also been policy support to some member countries "to strengthen their capacity to uncover illicit activity in the area of taxation and uncover illicit financial flows, enhancing the fiscal capacity of local governments to promote financial sustainability and advance the modernization of African cities".

It had conducted feasibility studies for guarantee facilities and alternative financing options. "We also supported a

ECA's work included helping some countries to align their national industrialisation policies with sub-regional strategies



number of member states to reform their legal and regulatory frameworks in the financial sector."

The UN agency also continued to support the implementation of the African Continental Free Trade Area. "In 2024, we supported five countries in developing their strategies, making that a total of 37 to date.

"We also supported 14 member states to develop green supplements for their national AfCFTA strategies," Adejumobi reported, adding that UNECA's work included helping some countries to align their national industrialisation policies with sub-regional strategies.

In addition, UNECA developed a regional value chain programme set for implementation from 2025 to 2027. It also helped countries to update national development plans as well as enhanced their capacity to track progress on the SDGs and Agenda 2063 and integrate them into national development plans.

On the global stage, the ECA participated in advocating the reform of the global financial architecture through the Africa High-Level Working Group and at the Summit of the Future. It is also supporting South Africa in its role as chair of the G20.

Quality statistics must drive African policymakers

Adequate and skilled human capital is not always available in African systems for the production of quality statistics for evidence-based policymaking, says Tinfissi-Joseph Ilboudo, Officer in Charge of the African Centre for Statistics.

Relying on international financial support to produce critical information for and about Africa is impeding statistical development, he told delegates of the ECA.

"We need sustainable funding of data systems to ensure we are tackling the right things."

Ilboudo underlined the importance of data governance and quality statistics to drive informed evidence-based policymaking, something that was under threat as a result of a lack of capacity.

Outdated statistical methods often do not reflect African realities, he said, leading to the production of data that may not accurately represent local conditions.

The big question for the future is how African statistical agencies can use artificial

intelligence and new data sources to tackle the new priorities in the national, regional and international development agencies.

The issues of standards is critical, he said, and this should exist at all tiers of governance to ensure coordination between global and regional systems. Providing greater access to quality statistics is also a priority.

"We need sustainable funding of data systems"

He said the key messages going forward were the need to:

- Leverage technology innovation to transform national statistical systems.
- Align national statistics strategies with national development plans and budget processes.
- Mobilise national resources to support the transformation and modernization of national systems in the context of a scarcity of international funding.



DELEGATES AT WORK

Let's use African resources to fund growth

African countries and regions need to focus on mobilizing their own resources to fund the continent's development as aid is reduced and capital costs remain high, said Zuzana Schwidrowski, Director of the Macroeconomics, Finance and Governance Division at the ECA speaking at the opening of the Expert's Segment of the Council of Ministers meeting.

She underscored the potential of the AfCFTA to diversify Africa's economy and reduce reliance on unprocessed commodity exports.

In her address to ECA delegates, Schwidrowski highlighted the fact that intra-African exports are more diversified compared with exports to non-African countries.

Although Africa's economy has remained resilient in the face of multiple shocks – including the pandemic, higher global inflation, and debt distress among others – Schwidrowski warned that the continent needs to grow much faster. This requires effective

implementation of the AfCFTA.

Africa's GDP is expected to expand by 3.8% in 2025 and 4.1% in 2026, a rate of growth she believes is insufficient to advance sustainable development.

Schwidrowski said the major risks currently facing African economies included disruptions to global trade policy, declining aid, and increased economic and political fragmentation at the global level.

While inflation in African countries has decreased, prices remain elevated compared to several years ago.

She expressed concerns over Africa's low tax-to-GDP ratio and called on policymakers to intensify efforts to bolster domestic resource mobilization, particularly as many nations were grappling with significantly high debt service costs. Africa's total repayments had increased threefold from 2010 to 2023.

"Africa's is slightly below 15% of GDP, so it's limited. But the good news is that countries are making

progress to close the loopholes, broaden the tax base, eliminate incentives and, with the help of advanced economies, significantly reduce illicit financial flows," she said.

She noted that efforts to expand alternative sources of revenue generation were especially needed in light of declining official development aid and a sharp reduction in bilateral loans from key partners like China, whose official lending to the continent fell from \$28.8bn in 2018 to \$4.6bn in 2023.



"Africa needs AfCFTA to help drive faster growth"



IDEP to launch School of Thought and Practice

The African Institute for Development and Economic Planning, the ECA's training arm, provided training for 5,000 people across 34 courses in 2024, more than the 3,000 it initially planned to, said its director, Karima Bounemra Ben Soltane.

She said programmes were being designed in response to member states' concerns and aligned to their development needs.

In her report back on the Institute's activities over the last year, she said that based on a needs assessment, IDEP now has courses for both private and public sector actors.

These include courses on digital transformation and free trade.

"A few years ago, we started dealing with trade negotiations and trade policies. We have increasingly adapted our training to the launching of the AfCFTA and its implementation," she said.

She said it was important for countries to share experiences on what has worked and what is not working in terms of policies and in other areas and IDEP could play a role.

"We will launch the ECA School of Thought and Practice to provide a platform to learn from each other's successes and failures, and the African Development Impact Forum to give member states a platform to discuss how to transform strategies into tangible and impactful actions."

RECOMMENDATIONS FROM ALL

1. Accelerate the operationalisation of the AfCFTA.
2. Strengthen national and regional coordination.
3. Enhance awareness and capacity-building.
4. Develop and update AfCFTA strategies.
5. Facilitate intra-regional trade through infrastructure investment.
6. Allocate financing to support AfCFTA strategies.
7. Strengthen regional market linkages and unified supply chains.
8. Invest in digitalisation.
9. Strengthen the policy framework towards promoting industrialisation and trade.
10. Set up institutional framework for security-nexus.

Regional sessions offer quality feedback

The ECA sub-regional offices hosted events for Senior Government officials in each region last year covering a wide range of issues, Adam Elhiraika, Director of the ECA, said in his report back to delegates.



Meetings were held in Morocco for North and West Africa, Cameroon for Central and East Africa and Zambia for Southern Africa with the overarching themes of AfCFTA implementation, fast-tracking economic diversification and addressing energy deficits respectively. The events were well attended by delegates from government, business and civil society. Each region made its own recommendations for both the ECA and Member States and Regional Economic Communities. Recommendations for the ECA from the different regions included:

- Developing the blue economy, particularly in East Africa
- Supporting efforts to accelerate a just energy transition
- Providing technical support for implementing national AfCFTA strategies
- Formulating a framework to track implementation of IC-SOE recommendations

- Supporting capacity building and quality improvements in African statistics
- Improving financial mobilisation and debt management

Recommendations for Member States and RECs included

- Investing in R & D and establishing a regional research hub
- Promoting import substitution for food security
- Improving AfCFTA awareness and investing in regional infrastructure
- Addressing energy deficits and derisking investment in the sector
- Strengthening public-private sector partnerships
- Tackling the digital divide between North and West Africa

Many of the same themes emerged in the report back on preparatory meetings for the CoM, reported Jean Luc Mastaki Namegabe, Director, Sub-Regional Office for Central Africa, ECA.



OPENING OF ECA KNOWLEDGE FAIR



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