

Unlocking the Potential of AfCFTA for Africa's Young Population

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Synopsis

The African Continental Free Trade Area (AfCFTA) represents an unprecedented opportunity to facilitate structural transformation of African economies, and to boost investment, economic growth and poverty reduction across the continent. It aims to create a single, continent-wide market for goods and services across 54 African countries. This represents the world's largest free trade area in terms of population.

**54
countries**

Represents the 54 African nations participating in the African Continental Free Trade Area, united to establish a single market for goods and services across the continent.

**1.3
billion**

The AfCFTA encompasses a population of 1.3 billion, making it the largest free trade area globally by population size, creating significant opportunities for Africa's people.

**\$3.4
trillion**

With a combined GDP of \$3.4 trillion, the AfCFTA aims to improve trade and economic integration across Africa for broad-based economic growth.

The success of the AfCFTA will be measured not only by economic indicators, but also by its transformative impact on Africa's children and youth (the 'young population'). To fully realize the AfCFTA's potential and create a future that benefits all young Africans, implementation must go beyond trade liberalization to encompass a deep economic integration agenda, improvements in transport and connectivity infrastructure and the business environment, as well as strategic investments in human capital development and robust social protection.

Key takeaways from our analysis include:



1. A child-centred approach to AfCFTA implementation is crucial for ensuring equitable and sustainable development across the continent.



2. The AfCFTA offers significant opportunities for improving child well-being, particularly in education, employment, health, nutrition, climate and environment, and poverty reduction. Realizing these opportunities requires strategic investments and targeted policies.



3. The AfCFTA also presents risks that must be carefully managed, including potential job displacement, environmental challenges and child protection concerns.



4. While the successful implementation of the AfCFTA is expected to yield gains for children, these are insufficient on their own to produce transformational impacts on Africa's young population. Investing AfCFTA revenue gains in human capital development will significantly amplify the benefits, promoting more inclusive economic growth as well as improving the health and well-being of the young population.



5. The long-term success of the AfCFTA depends on complementary policies and investments that go beyond trade. By implementing three interconnected policy roadmaps – managing revenue transitions, investing in human capital and strengthening social protection – African nations can create a virtuous cycle of inclusive growth and equitable human development.



CHAPTER 1

Why do we need this paper?



For the purpose of this paper, the 'young population' is defined as those aged 0–24 years, comprising children (0–18) and young people (12–24).

The African Continental Free Trade Area (AfCFTA) represents an unprecedented opportunity to boost economic growth across the continent.¹ The removal of tariffs is not enough. To achieve this growth requires measures that improve trade facilitation, reduce non-tariff barriers (NTBs) and increase foreign direct investment (FDI).²

The AfCFTA also offers opportunities beyond economic development, particularly for Africa's growing young population. Harnessing the considerable potential of Africa's human capital could help the continent to diversify and grow its economy and boost production of high-value-added goods and services – and ultimately tackle the extreme levels of poverty that persist in many African countries. However, if not appropriately managed, the AfCFTA could also pose risks to the well-being of Africa's young generation. Further, realizing the AfCFTA's full potential requires deliberate and sustained policy action.

This paper seeks to: (1) explore the potential impacts of the AfCFTA on children and young people across the continent using different scenarios; and (2) stimulate policy dialogue on how the AfCFTA, in conjunction with other relevant regional frameworks, can help African nations to capitalize on the continent's demographic dividend.

Existing studies simulate the impact of the AfCFTA on economic outcomes.³ This paper offers three unique contributions, by: (1) using foresight analysis to examine the medium- and long-term impacts of the AfCFTA on select human capital outcomes (see Box 1); (2) projecting to an extended time horizon (up to the year 2063, significantly longer than previous studies), thereby providing a long-term perspective; and (3) assessing how catalytic investments can amplify the effects of the AfCFTA on economic and select human capital outcomes.

BOX 1: METHODOLOGY

International Futures model

The International Futures (IFs) model is a forecasting framework developed by the Pardee Center for International Futures that can be used to assess impacts of the AfCFTA on Africa's developmental trajectory under different scenarios. IFs is an open-source, integrated tool that represents 188 countries and 12 core systems: agriculture, demographics, economics, education, energy, environment, finance, governance, health, infrastructure, international politics and technology.⁴ The model draws from a comprehensive database that includes over 5,000 historical data series.

Study methodology

This study conceptualizes and assesses three scenarios pertaining to the AfCFTA transition and its broader impacts on the economy as well as on the well-being of the young population.

- The **Current Path (CP) or the no-AfCFTA scenario** serves as a baseline and simulates a dynamic continuation of policies and priorities in the absence of AfCFTA implementation.

- The **AfCFTA scenario** is a baseline scenario with AfCFTA implementation that envisions a gradual reduction of intra-African tariffs, ultimately reaching full elimination by 2030; constrained NTBs; increased bilateral economic complementarity; and inward FDI.
- The **AfCFTA for Africa's Young Population scenario** builds on the transformative potential of the AfCFTA by allowing strategic investment of revenue gains from full implementation of the AfCFTA towards education, welfare transfers, and research and development (R&D) to leverage these gains for widespread societal benefit.

This analysis is limited by the inherent difficulty and uncertainty in forecasting over long time horizons. Also, patterns of trade and international economic dynamics are intricate and constantly shifting, and this analysis may not fully capture these complexities.

Further details on the methodology can be found in the Online Annex.



CHAPTER 2

The AfCFTA in perspective



The AfCFTA represents the world's largest free trade area in terms of population, encompassing 1.3 billion people and a combined gross domestic product (GDP) of US\$3.4 trillion.⁵

2.1 What is the AfCFTA?

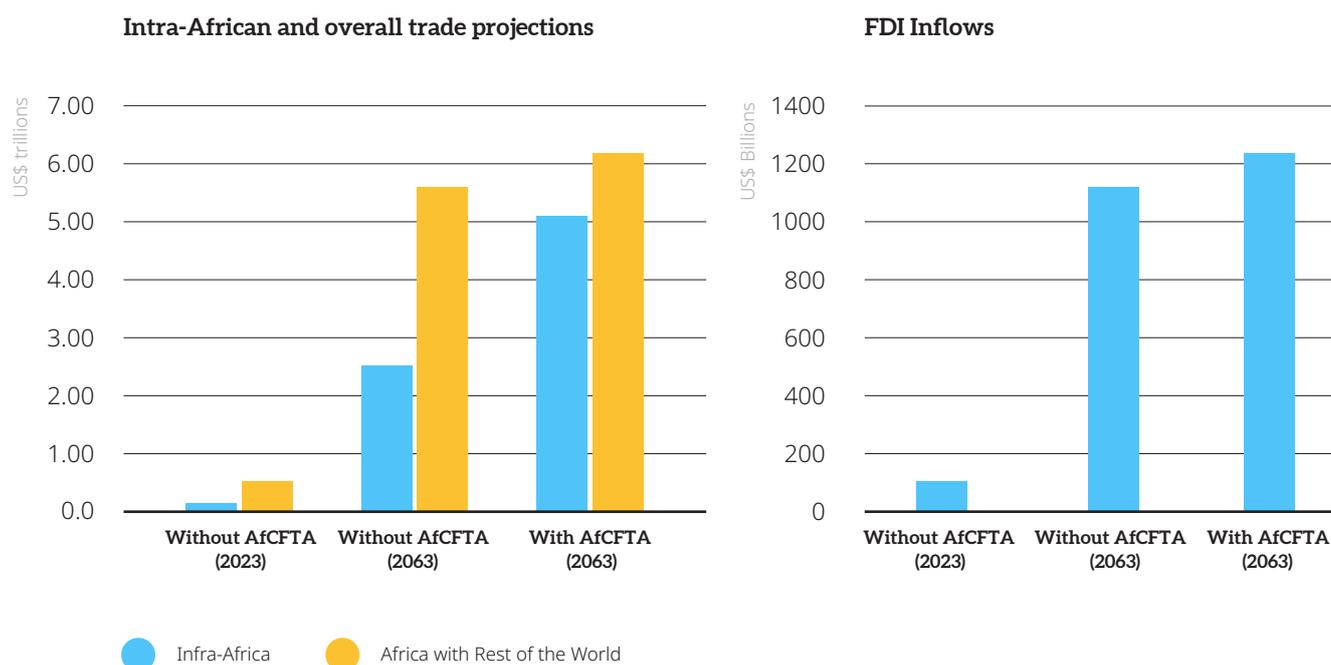
The ambitious AfCFTA agreement aims to create a single, continent-wide market for goods and services across 54 African countries.

The AfCFTA's vision extends beyond tariff reduction to tackle a range of pressing issues, including customs cooperation, trade facilitation, technical barriers to trade, NTBs, trade in services, promotion of investment, competition policy and intellectual property rights. It also includes protocols on Digital Trade and Women and Youth in Trade.

The agreement offers a unique opportunity to address Africa's trade paradox. Africa is home to 16.7 per cent of the world's population, yet currently contributes less than 3 per cent to global trade. Intra-African trade stands at just 15 per cent, compared to 60 per cent in Asia and

70 per cent in Europe.⁶ The AfCFTA could significantly boost intra-African trade and FDI (Figure 1), creating new avenues for growth and development – and potentially transforming the lives of sub-Saharan Africa’s children, 40 per cent of whom currently live in extreme poverty.⁷

Figure 1. Successful implementation of the AfCFTA could increase intra-African trade by 97 per cent and FDI inflows by 28 per cent in 2063, compared to a no-AfCFTA scenario



Source: Pardee Center for International Futures model, version 8.07, accessed 11th October, 2023, <https://korbel.du.edu/pardee/content/download-ifs>

As of July 2024, 47 signatories had ratified the AfCFTA. However, full implementation has been delayed by ongoing negotiations. To accelerate progress, in October 2022 the AfCFTA Secretariat launched the Guided Trade Initiative (GTI), allowing seven countries to begin trading 96 selected goods on a pilot basis. In 2024, the GTI expanded to include an additional 24 countries.⁸

2.2 What are the key challenges to AfCFTA implementation?

The AfCFTA holds great potential – but faces significant challenges. The main issue is that negotiations on crucial issues, including tariff concessions and rules of origin, are incomplete, delaying the full realization of the agreement’s benefits.

Furthermore, there are no binding provisions on the informal sector, which is estimated to be as large as 7–16 per cent of formal intra-African trade flows.⁹ While initiatives like the Pan-African Payments and Settlements System (PAPSS) can facilitate the formalization of informal trade, its success hinges on its accessibility, affordability, security and interoperability for informal traders.¹⁰

Concerns about potential revenue losses and job displacement arising from the AfCFTA are valid. To address these concerns and secure political will for full AfCFTA implementation, it is vital to create robust mechanisms that compensate member states for tariff revenue loss and help mitigate the AfCFTA’s unequal distributional effects.

National-level supply-side constraints are also critical. Inadequate infrastructure, lack of an enabling environment for small and medium-sized enterprise (SME) development, weak governance and limited regulatory capacity can all hinder the effectiveness of the AfCFTA. For example, inadequate road, rail and port facilities can increase the costs of goods by 30–40 per cent.¹¹ Implementation of previous sub-regional trade agreements in Africa, which focused on border measures while neglecting supply-side constraints, has been poor.¹²

Compared to previous initiatives, the AfCFTA has a deeper integration agenda with potential for mitigating these risks, but its success requires a common understanding and willingness to implement it. Other regional policy instruments could also help to address the supply-side barriers to effective AfCFTA implementation, provided they are implemented in conjunction with the AfCFTA.¹³



According to one study, additional investment in transport infrastructure in conjunction with AfCFTA could increase continental trade (by an additional 11.5 per cent for exports) and GDP (by 2 per cent) compared to an AfCFTA-only scenario.¹⁴

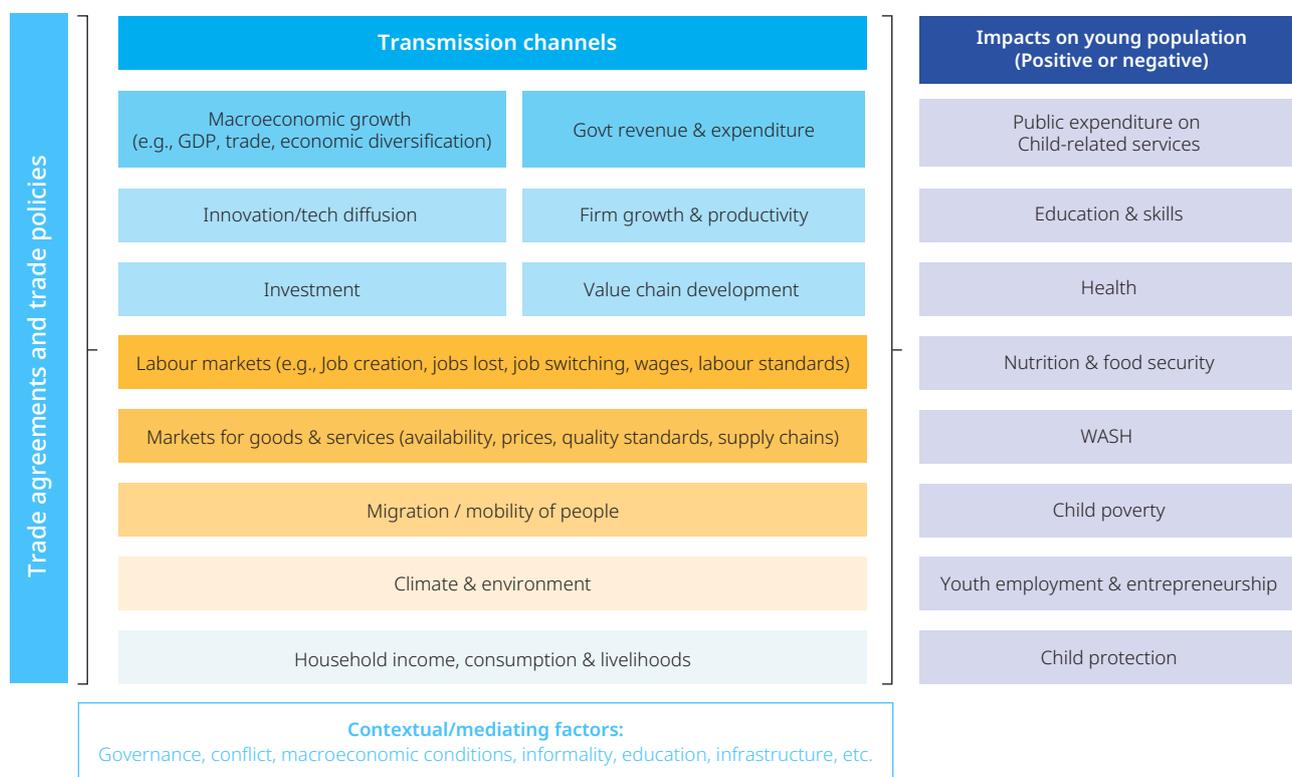


CHAPTER 3

Why does the AfCFTA matter to the young population?

Trade policies that create opportunities to enhance the well-being and future prospects of the young population are often hailed for their potential to drive economic growth and development; however, they also carry inherent risks (*Figure 2*). The impacts of trade policies on children are manifest, not only through the growth-income channel but also through its impact on the supply and pricing of the goods children need and the quality of the environment surrounding them and influencing their health. For example, accelerated economic growth could improve household incomes and reduce child poverty – but job displacement in shrinking sectors could also push families into poverty, increasing the likelihood of food insecurity and child labour.

Figure 2. The impact of trade policies on outcomes for the young population are spread through various transmission channels



Source: UNICEF Innocenti analysis, 2024

Note: Trade policies can have both positive and/or negative impacts on the outcomes for the young population. Several interconnected and mutually reinforcing transmission channels facilitate the spread of trade policy impacts on children and young people. The extent to which trade policies impact young population is also moderated by contextual factors.

The same trade policy can have different impacts on the young population in different contexts. For example, trade liberalization can reduce child mortality in low- and middle-income countries, but outcomes depend on factors such as political regime, income level, agricultural taxation, timing of reform, and policies aimed at improving child health.¹⁶ Further, it is crucial to recognize that the benefits of trade are not always evenly distributed, potentially creating local winners and losers.¹⁷

Realizing the benefits of the AfCFTA for Africa’s young population at a transformative scale requires a strategic approach. Alongside AfCFTA implementation, enacting complementary policies and mobilizing catalytic investments (see section 4) to address potential risks and ensure that benefits reach the entire young population is vital.



The impact of US tariff liberalization under the North American Free Trade Agreement led to a decline in manufacturing, disproportionately affecting low-skilled, female and non-white workers.¹⁵

Failing to do so could leave some of Africa's young people vulnerable to the unintended consequences of trade liberalization.

Drawing from the framework illustrated in Figure 2, the next section provides further analysis of the potential benefits and risks posed by the AfCFTA for the young population in health and nutrition (3.1); climate, environment and water security (3.2); education and skills development (3.3); child protection and rights (3.4); and government revenue (3.5).

3.1 Leveraging the AfCFTA to enhance health and nutrition security while addressing new risks to public health and nutrition

Africa faces a health and nutrition crisis, with millions of children suffering from malnutrition and preventable diseases, jeopardizing their physical and cognitive development. The continent relies heavily on imports of food, diagnostics, medicines, vaccines and other medical supplies that are critical for children's health.¹⁸ As a result, the health and nutrition of millions of children in Africa is highly vulnerable to disruptions in global supply chains for food and medical supplies, as seen during recent crises.¹⁹

The AfCFTA offers significant opportunities to enhance child health and nutrition, reduce import dependence by strengthening regional value chains (for essential medicines, vaccines and nutritious baby foods), and improve food and nutrition security by boosting agricultural trade. However, it is also crucial to consider the challenges of low production capacity, regulatory fragmentation, skill shortages and increased trade of foods that are harmful to children's health, among others. To achieve the AfCFTA's promising potential for child health and nutrition, complementary policies and interventions are necessary.

3.1.1 Key opportunities

BOOSTING HEALTH SECURITY AND SOVEREIGNTY THROUGH REGIONAL COORDINATION



In February 2024, Africa CDC and UNICEF announced a partnership to empower community health workers, strengthen supply chain and procurement systems, advance local manufacturing, and bolster public health emergency response, with a focus on immunization for children across Africa.²⁰

The AfCFTA can play a pivotal role in enhancing health security and sovereignty by aligning with regional initiatives such as the (proposed) African Medicines Agency, the African Vaccine Regulatory Forum and the African Vaccine Manufacturing Accelerator. In coordination with entities such as the Africa Center for Disease Control (CDC), the AfCFTA could catalyse a coordinated, continent-wide approach to health security and sovereignty. This includes scaling up initiatives for regulatory harmonization in the pharmaceutical sector, supporting local production and pooling procurement of vaccines and medicines at the regional level, and strengthening continental disease surveillance and response.

ENHANCING FOOD SECURITY AND NUTRITION THROUGH INCREASED AGRICULTURAL TRADE

The AfCFTA could deepen the regional agri-food value chain, potentially reducing price volatility, increasing resilience to production shocks,²¹ and increasing aggregate food production (although some countries will see contractions).²² Both trade and consumption of primary and processed agricultural and food commodities are projected to rise in the aggregate as a result of the AfCFTA, which could potentially enhance food and nutrition security. In particular, the AfCFTA is likely to increase agricultural and food imports in countries with high levels of undernutrition, demonstrating its potential in improving nutrition.²³



The IFs modelling suggests that the AfCFTA alone could result in 400,000 fewer stunted children and 220,000 fewer malnourished children by 2063 compared to a no-AfCFTA scenario.

While IFs modelling suggests the AfCFTA could result in reducing the prevalence of child malnutrition in Africa, this is insufficient to address the scale of the malnutrition crisis facing Africa's children (for instance, under-5 stunting rates continue to exceed 30 per cent in sub-Saharan Africa²⁴). The relatively small scale of this impact underscores the need for complementary policies and interventions to fully leverage the AfCFTA's potential for improving child nutrition.

PROMOTING REGIONAL VALUE CHAINS

The AfCFTA presents a targeted opportunity to improve child nutrition and health security by strengthening regional value chains for nutritious baby food, essential medicines and vaccines critical to children's health. A study by the International Trade Centre (ITC) highlights the benefits of promoting regional value chains for baby foods utilizing local ingredients to address nutrient gaps²⁵ and reduce import dependency. In the pharmaceuticals sector, African countries are already developing medicines and vaccines, with opportunities to create regional production hubs.²⁶ Strengthening these value chains could generate opportunities for women-led micro, small and medium-sized enterprises (MSMEs), which already participate strongly in the baby foods sector.

3.1.2 Key risks

COMPOUNDING PUBLIC HEALTH CHALLENGES AND INCREASING STAPLE FOOD PRICES



The experience of the North American Free Trade Agreement (NAFTA), which led to increased exports of unhealthy foods from the United States to Mexico, contributed to increased obesity rates²⁷, should serve as a cautionary example.

The AfCFTA could increase the availability of harmful products like tobacco, ultra-processed foods and sugar-sweetened beverages, exacerbating existing public health challenges. Processed products already dominate intra-African agri-food trade and projections indicate that trade in beverages and tobacco is likely to experience the most significant growth under the AfCFTA.²⁸ This could worsen existing public health concerns, especially considering that 1 in 10 children and teens in 10 high-burden sub-Saharan African countries were expected to be obese by the end of 2023.²⁹

Already, 190 million children in 10 African countries are at high risk from the convergence of climate change impacts with inadequate water, sanitation and hygiene (WASH) infrastructure.³⁰ The combination of climate change impacts and increased production of highly traded water-intensive commodities, such as food, textiles and minerals, can further exacerbate water insecurity in countries where there is water scarcity and inadequate WASH infrastructure and access. This will have further detrimental impacts on the food security, nutrition and health outcomes of children.

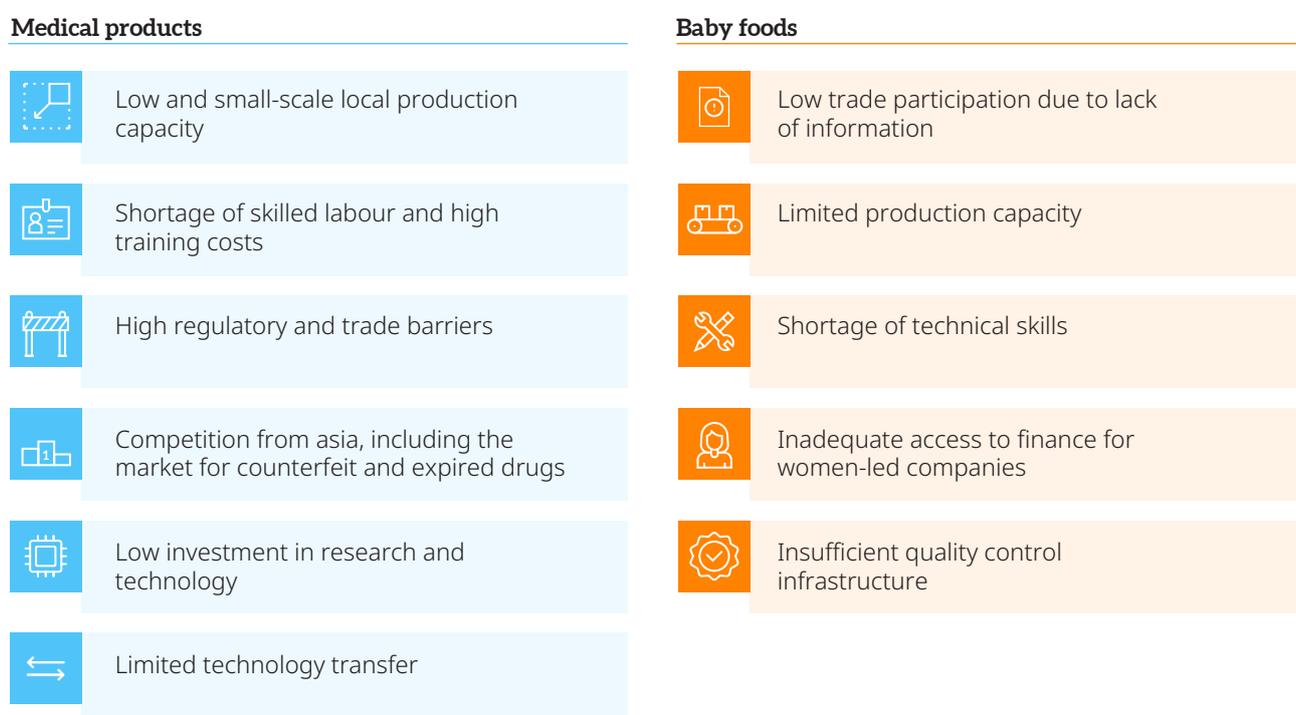
The implementation of the AfCFTA could increase staple food prices in some contexts, as home markets become less important in determining food prices. This may adversely affect vulnerable households reliant on staple foods³¹ and households with adults working in industries that compete with imports could face food security risks as job opportunities shift. Without adequate social safety nets to cushion these potential shocks, children in these vulnerable groups could be disproportionately affected, experiencing a decline in nutritional well-being.

CONSTRAINTS TO BUILDING ROBUST REGIONAL BABY FOOD AND MEDICAL SUPPLY CHAINS

While the AfCFTA creates an opportunity to boost baby food and medical supply chains (*see 3.1.1*) the development of these markets is constrained by limited production capacity, a shortage of skilled labour and inadequate access to finance, among other challenges. The AfCFTA could help to address some of these challenges by facilitating collaboration among AfCFTA member states to improve production capacities, technology sharing and skills development; prioritizing strengthening quality and conformity assessment infrastructure; improving access to finance, transport and logistics; and providing customs clearance processes. Figure 3 illustrates the key challenges to developing regional value chains for medical products and baby foods.



Figure 3. There are several challenges associated with the development of regional value chains for medical products and baby foods



Source: UNICEF Innocenti analysis, 2024

3.2 Harnessing the AfCFTA to accelerate Africa’s ‘green’ transition while dealing with downside environmental risks of trade

While climate change and environmental sustainability are global concerns, Africa faces a complex and unique interplay of environmental opportunities and challenges as it embarks on the ambitious journey of economic integration through the AfCFTA. The AfCFTA can potentially accelerate the transition to green industries and renewable energy, helping to shape a sustainable future. However, increased trade and economic activity are also associated with environmental risks. Understanding these dynamics is crucial to harnessing the AfCFTA’s potential to drive sustainable development, while mitigating environmental risks and the adverse impacts of climate change.

3.2.1 Key opportunities

ACCELERATING AFRICA'S TRANSITION TO GREEN INDUSTRIES AND ENERGY



Combining AfCFTA implementation with complementary climate policies could boost renewable energy use by 5–12 per cent by 2045, while still increasing intra-African trade compared to a scenario without AfCFTA implementation or adoption of climate policies.³²

Enhanced trade through the AfCFTA can accelerate Africa's transition to green industries and renewable energy technologies. The AfCFTA on its own will help increase renewable energy investments, but only modestly. According to IFs analysis, the AfCFTA will increase renewable energy investments by 0.7 percentage points by 2063 compared to a no-AfCFTA scenario. For the AfCFTA to make a significant difference and enhance the green transition, it needs to be complemented with specific climate policies. Further, to successfully leverage green transition opportunities under the AfCFTA, a shortage of 'green' skills, coupled with low awareness of these opportunities, must be addressed by equipping Africa's youth with the necessary capacities.

DEVELOPING REGIONAL VALUE CHAINS IN CRITICAL MINERALS

The AfCFTA could catalyse the development of regional value chains in minerals critical for high-technology and green product development. Sub-Saharan Africa is already a key player in global critical mineral production. Fostering local processing industries could spur job creation (particularly in high-skilled jobs) and boost government revenues, thereby supporting poverty reduction and sustainable development.³³ The AfCFTA can play a key role by reducing trade barriers, enhancing regional infrastructure development and uniting fragmented critical mineral markets, potentially paving the way for regional value chains. Turning this potential into reality will require both regionally coordinated policies and complementary domestic reforms to make the region more appealing to investors, develop the know-how and skills needed for value-added processing, and nurture domestic companies in mining and related processing sectors.³⁴

ENHANCING WATER SECURITY THROUGH TECHNOLOGY TRANSFER AND INFRASTRUCTURE DEVELOPMENT



The United States Department of Commerce identifies 16 AfCFTA countries in the top 50 markets for water technology and 8 for waste treatment.³⁵

Successful AfCFTA implementation, accompanied by strategic intervention, could offer an opportunity to step up technology transfer and infrastructure development to improve water security. The market for environmental goods and services in Africa is expanding. A more coordinated and open regional trade environment could boost investment in water-related infrastructures and technologies (such as drip irrigation systems, rainwater harvesting, desalination and wastewater recycling), which could significantly improve water availability and access. The development of regional knowledge and research hubs on water and bridging technical skills gaps in the sector can also help facilitate innovation and technology diffusion.³⁶ Water availability, quantity and quality are essential for food safety and compliance with Sanitary and Phytosanitary Standards (SPS).³⁷ Part of investment support to fulfil requirements around SPS and technical barriers to trade can also be directed to address the quality side of the water issue.

3.2.2 Key risks

INCREASED EMISSIONS



One study predicts the AfCFTA will raise CO₂ emissions by 0.3 per cent and non-CO₂ greenhouse gas emissions by 19.6 per cent.³⁸

It is possible that AfCFTA implementation could increase climate-related emissions from manufacturing and transportation. These impacts are unevenly distributed, with transit countries connected to large ports being particularly affected. Increased exposure to emissions also threatens children's health. Long-term consequences for newborns and infants can include impaired lung development and heightened vulnerability to respiratory infections.

VULNERABILITY TO CLIMATE CHANGE IMPACTS

Climate change endangers the potential benefits of increased trade while simultaneously exacerbating vulnerabilities for children across the continent. Rising temperatures could decrease Africa's GDP by 2.2–12.1 per cent, depending on the magnitude of the temperature increase.³⁹ More intense and more frequent extreme weather events – 5 of Africa's top 30 deadliest weather disasters have occurred since

2022⁴⁰ – can damage vital transportation infrastructure, making intra-African trade slower and more costly. Warmer climates and weather extremes could also reduce agricultural yields in sub-Saharan Africa by 20 per cent and affect its trade potential.⁴¹ The resulting disruptions to livelihoods, food supply, education, health care and access to safe water and sanitation directly impact children’s well-being, including by increasing malnutrition and disease.

ENVIRONMENTAL AND SOCIAL CONSEQUENCES OF MINERAL EXTRACTION

The AfCFTA has potential to foster market integration and value chain development in the minerals that are critical for green technologies, such as copper, magnesium, cobalt and lithium (see ‘Opportunities’ above). However, expanded mining activities can have detrimental impacts on child labour, health and rights within mining communities.⁴² Mineral production is water-intensive, so increased mining could also risk exacerbating water insecurity, with detrimental impacts on food security and human and environmental health.

3.3 Gearing education, skills development and social protection systems to respond to shifts in skill demand due to the AfCFTA

Africa’s young and rapidly growing population presents both a tremendous opportunity and a significant challenge to the success of the AfCFTA. The key issue is that, while the AfCFTA will increase the demand for skilled labour, realizing this potential depends on Africa’s capacity to prepare its youth. At the same time, the education and skills development landscape across the continent is diverse: some regions are poised to benefit from increased demand for skilled labour, while others are at risk of widening inequality. Maximizing the impact of the AfCFTA will require dedicated investment and policy intervention in youth skills development.

3.3.1 Key opportunities

DRIVING DEMAND FOR SKILLED LABOUR

The impact of trade policies on labour markets and the reshaping of skills demand depends on the specific nature of trade liberalization and the structure of the economy. In Argentina, tariff cuts by a trading partner spurred a shift towards skill-intensive production technologies among exporting firms, resulting in increased wages for workers with college education within the industrial sector.⁴³ However, in Brazil, trade liberalization appeared to have reduced the returns to those with secondary education rather than increasing the pay of the less educated.⁴⁴



According to the World Bank, the implementation of a deep regional integration agenda could generate up to 17.9 million new jobs by 2035⁴⁶ with up to 2.45 per cent of labour moving to expanding sectors, including energy-intensive manufacturing, construction and hospitality services.⁴⁷

The AfCFTA provides a unique opportunity to drive demand for skilled labour and unlock its demographic dividend. However, broad sectoral shifts mask significant differences in potential skill demand across countries and regions. North Africa, West Africa and Central Africa are projected to experience a widening wage gap between skilled and unskilled workers, underscoring the need to ensure equitable access to skills development opportunities. Meanwhile, demand for schooling may decline in regions where demand for unskilled labour expands more than that for skilled labour. For example, in Mexico, NAFTA expanded less-skilled manufacturing jobs, which raised the opportunity cost of schooling and increased high school drop-out rates.⁴⁵

DEVELOPING SKILLS TO SUPPORT REGIONAL VALUE CHAINS

The AfCFTA offers a significant opportunity to drive the creation of regional value chains in high-potential sectors, such as food and agro-processing, pharmaceuticals and medical devices, clothing and textiles, mineral processing and mining capital equipment, transport and logistics, and automotives. Unlocking this potential requires a strategic approach to skills development, focusing on cultivating foundational, transferable, technical and occupational skills.



By 2030, over 230 million jobs in sub-Saharan Africa are expected to require digital skills.⁶⁹

Digital and green skills will be vital for boosting value chain development in high-potential sectors, especially in the contexts of the digital transformation and green transition.



3.3 million new direct green jobs are forecasted across Africa by 2030 in just 12 value chains from 5 material sectors (energy and power, mobility and transport, agriculture and nature, construction and real estate, and manufacturing and materials). The longer-term job creation potential of the green economy is higher, with some experts projecting as many as 75 million green jobs created by 2050.



According to World Bank research, in a deep integration scenario, job opportunities in agriculture could expand in 13 countries but shrink in 10 countries, reflecting the large sectoral redistribution of agricultural output across the region.⁴⁸

Digital and green skills could also enhance productivity across the value chain. For example, the provision of basic digital and foundational skills to onfarm workers can empower them to adopt new technologies to improve yields and connect to markets more effectively. The AfCFTA protocol on Digital Trade also has the potential to advance digitally driven industrialization and digital trade in the continent, providing appropriate investments in digital infrastructure, digital skills and generally supporting the environment for digital innovation. Developing green skills can facilitate the building of resilient regional value chains in the high-potential sectors (such as food, minerals and mining, automotive and transport) that are pivotal to Africa's decarbonization future.

To capitalize on these opportunities, policies that integrate digital and green skills development from early education and promote digital and green entrepreneurship are essential.

3.3.2 Key risks

JOB LOSSES AND LABOUR MARKET DISRUPTIONS IN VULNERABLE SECTORS

The AfCFTA's potential to stimulate job creation is undeniable, yet it also carries the risk of job losses in certain sectors. Such shifts can lead to income losses, jeopardizing children's access to essential services and food security. Weak social protection systems, limited reskilling programmes and labour market frictions, such as lack of information and high transport costs, further impede worker mobility between sectors.

AFRICA'S LEARNING CRISIS AND SKILLS MISMATCHES

Africa's entrenched learning crisis and the resulting skills mismatches are significant barriers to the AfCFTA's success. With 89 per cent of children in sub-Saharan Africa unable to read and understand a simple text,⁴⁹ most youth enter the labour market without essential secondary-level and digital skills.⁵⁰ The challenge is particularly acute in the science, technology, engineering and mathematics (STEM) subjects, in which participation in higher education remains alarmingly low, with

women even more underrepresented. The disconnect between education systems and the evolving needs of the labour market amplifies these mismatches, hindering job creation and economic growth.

The AfCFTA alone is expected to only slightly improve educational attainment to 9.9 years by 2063, compared to 9.8 years in a no-AfCFTA scenario. In the absence of additional investments in education, these gains fall far short of Africa's broader educational goals and the skills needed to fully capitalize on AfCFTA opportunities.

3.4 Applying labour protection and safeguards to ensure potential trade benefits are not undermined by rising child exploitation



In Vietnam, 1 million children were released from child labour due to improved economic conditions for rice farmers following liberalization of rice markets in the 1990s.⁵¹

3.4.1 Key opportunities

Economic growth associated with the AfCFTA is likely to raise average household incomes, reducing the need for child labour.

However, strong labour protections and child-focused safeguards are needed to ensure that the potential benefits of increased trade are not undermined by rising instances of child labour, trafficking and other forms of exploitation.

3.4.2 Key risks

INCREASED RISK OF CHILD LABOUR AND EXPLOITATION

The AfCFTA's potential to increase labour demand in less skill-intensive export sectors or exacerbate poverty in certain regions could inadvertently lead to a rise in child labour recruitment: one study found that every 1 percentage point rise in poverty leads to at least a 0.7 percentage point increase in child labour.⁵²

The absence of labour provisions within the AfCFTA agreement compounds these concerns. Currently, labour standards, including those targeting child labour, are not explicitly part of AfCFTA protocols (although the Investment protocol refers to human rights obligations). This leaves workers, including children, vulnerable to job loss and ex-



When households need more financial support, they turn to children. Parental unemployment due to economic shocks in Brazil has led children to step in to provide temporary support, for example. Similar effects have been documented in Guatemala, India, Mexico and Tanzania.⁵⁶



A cross-country study found that regional trade agreements with child labour bans led to increased child employment among 14- to 17-year-olds and decreased school enrolment. This is because they decreased the income of households using child labour as an income source, which in turn reinforced the use of child labour.⁵⁷

ploitation. While aligning labour regulations across African countries through the AfCFTA could strengthen continental efforts to combat child labour, and there is a precedent for including labour provisions in trade agreements (the United States–Mexico–Canada Agreement or USMCA), such provisions alone are insufficient.⁵³

Without complementary policies that take a holistic approach to address the root causes of child labour, even well-intentioned child labour bans in regional trade agreements can have unintended adverse consequences, including an increase in the use of child labour and reduced enrolments among older adolescents.^{54,55}

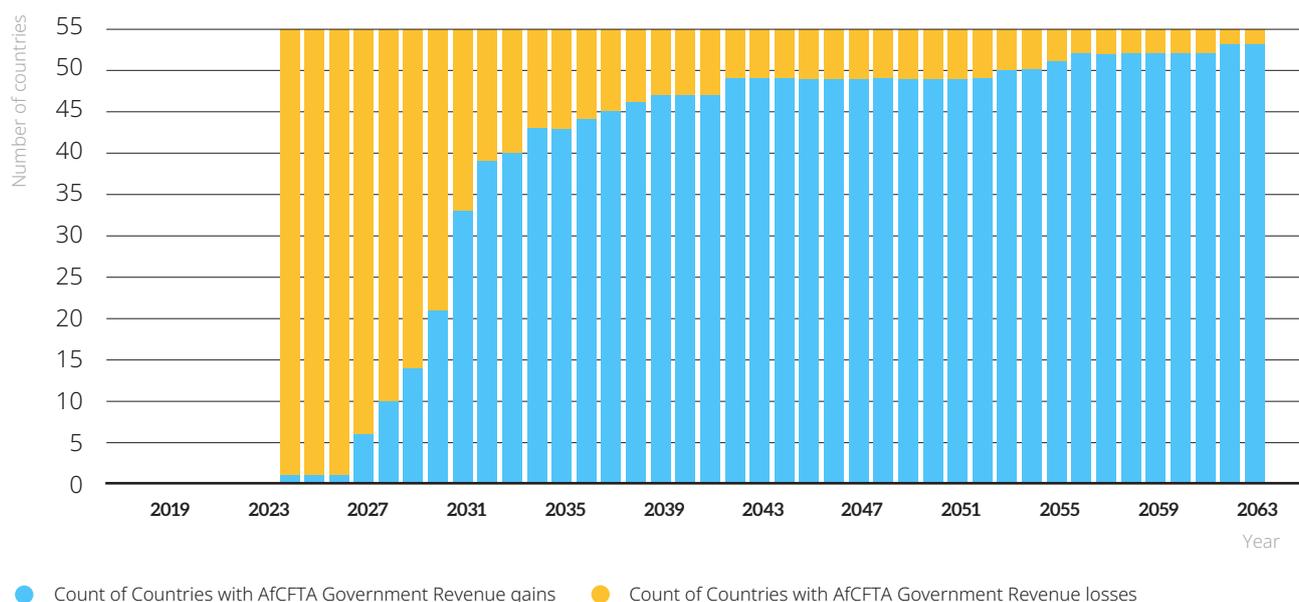
HEIGHTENED RISK OF CHILD TRAFFICKING DUE TO INCREASED CROSS-BORDER ACTIVITIES

Increased cross-border activities under the AfCFTA, if not accompanied by strengthened monitoring and border controls, could heighten the risk of child trafficking, including child sex trafficking. Poverty, lack of awareness, cultural and social norms and practices, and weak border controls are drivers of child trafficking in Africa,⁵⁸ while trade routes and road transporters are the primary vehicles for traffickers. Requirements for cross-border movements with children are not harmonized; at the Busia Kenya–Uganda border crossing, for example, child identification is not required. In some jurisdictions, only the parent’s identification is required.⁵⁹ It is vital that countries include measures to reduce child trafficking in their national implementation plans for the AfCFTA.

3.5 Managing the transition to improved government revenue

AfCFTA implementation presents a complex revenue landscape for African nations, with the potential for both substantial long-term gains and short-term losses (Figure 4). This fiscal shift has significant implications for government spending, social services and investments in human capital. Understanding the timing and scale of these revenue changes is crucial for policymakers to effectively manage the transition, maximize benefits and mitigate potential negative impacts, especially on vulnerable populations and youth.

Figure 4. The AfCFTA is associated with potential long-term gains and short-term losses in government revenue



Source: Pardee Center for International Futures model, version 8.07, accessed 11th October, 2023, <https://korbel.du.edu/pardee/content/download-ifs>

3.5.1 Key opportunities

LONG-TERM REVENUE GAINS AND STRATEGIC INVESTMENT POTENTIAL



According to IFs modelling, compared to a no-AfCFTA scenario, government revenue is projected to increase substantially under the AfCFTA, by 4.7 per cent by 2050 and 5.4 per cent by 2063.

The AfCFTA will be revenue-enhancing in the long term. This creates an opportunity to invest these long-term revenue gains in offsetting the adjustment costs of AfCFTA implementation and amplify and enhance its positive impact on economic, social and human capital outcomes, particularly for the young population.

This opportunity is particularly timely given Africa’s rapidly growing youth population. Between 2023 and 2050, the number of children and young people (aged 0–24) is projected to surge by 381 million, a staggering 44 per cent increase. To achieve their potential, these young people will need significant public investment in education, health and social protection.

3.5.2 Key risks

SHORT-TERM REVENUE LOSSES AND SOCIAL IMPACT

The short-term reality of the AfCFTA includes potential revenue deficits for many nations due to the phasing out of tariff revenues. In the



According to IFs analysis, cumulatively, the region is projected to face a temporary revenue shortfall of approximately US\$6.7 billion by 2030 due to implementation of the AfCFTA.

aggregate, the projected revenue shortfall is expected to reverse from 2029, though some countries will face revenue losses for longer (Figure 4). This shortfall could lead to an adjustment period for tariff-reliant economies, potentially straining social services and infrastructure investments. In particular, in a context of weak social safety net systems, vulnerable populations in the region could struggle to cope with the adverse impacts of these shocks.

Governments can seek alternative revenue sources to mitigate these losses. The African Export-Import Bank has already established an US\$8 billion AfCFTA Adjustment Facility to provide short- to medium-term financing to vulnerable countries.



CHAPTER 4

How can Africa leverage the AfCFTA to catalyse human capital development?

Africa's economy is poised for significant growth, reaching an estimated US\$25.5 trillion by 2063. The AfCFTA agreement offers a moderate boost, potentially adding an additional US\$1.4 trillion to reach US\$26.9 trillion. Yet, crucially, economic growth and poverty reduction impacts could be substantially greater if the AfCFTA is combined with strategic investments in Africa's young population.

Realizing the AfCFTA's full potential for Africa's young population requires a holistic approach, balancing careful fiscal management with enhanced social protection, particularly for vulnerable children. This chapter outlines three interconnected policy roadmaps that are crucial for maximizing the AfCFTA's benefits while ensuring inclusive and equitable outcomes: (1) managing revenue transitions for in-

clusive growth; (2) strategic human capital development for Africa's young population; and (3) integrating social protection and child rights.

A comprehensive and integrated approach is essential for success and the three roadmaps are designed to work synergistically to achieve optimal results. The first roadmap, focusing on fiscal management, forms the foundation for successful AfCFTA implementation and human capital investments.

4.1 Managing revenue transitions for inclusive growth

To manage short-term revenue losses while leveraging long-term revenue gains linked to the AfCFTA and creating a foundation for sustainable, inclusive growth, we propose a multi-faceted approach to revenue management and allocation.

- **Short-term revenue stabilization:** The US\$8 billion AfCFTA Adjustment Facility, provided by the African Export-Import Bank, offers essential support to vulnerable countries during the transition phase, helping maintain fiscal stability and continuity of services. Consider ring-fencing a portion of the compensation funding to strengthen and scale up social protection programmes for vulnerable groups who may be negatively impacted by the agreement.
- **Leveraging alternative revenue sources:** Governments must proactively seek to mobilize alternative revenue streams through trade. For example, implementing excise taxes on ultra-processed foods can serve the dual purpose of raising revenue and addressing public health concerns. Such measures can be more effective than trade restrictions in achieving policy goals while maintaining fiscal stability. Trade finance could be used to support green industrial policy across Africa, in supporting renewable energy and other climate technology exports, or to strengthen regional value chains in high-potential sectors. For example, in the baby foods sector, dominated by women MSMEs, trade finance initiatives may be designed to facilitate their access to export markets.



Through the Banking on Women Global Trade Finance Programme,⁶⁰ the International Finance Corporation helps financial institutions provide better trade finance solutions to women-owned SMEs in emerging markets for import and export transactions to boost their business growth.

- **Strategic allocation of AfCFTA gains:** As the AfCFTA begins to generate economic benefits, strategically channelling the revenue gains into human capital development can simultaneously empower the young population and accelerate the agreement's economic objectives. This requires a nuanced understanding of how different investment scenarios can impact child and youth well-being. To illustrate this, we introduce the 'AfCFTA for Africa's Young Population' scenario, which offers one pathway for transformative inclusive growth that reduces gender gaps, improves regional equity and lowers poverty through strategic investments in human capital (see *Box 2*).⁶¹

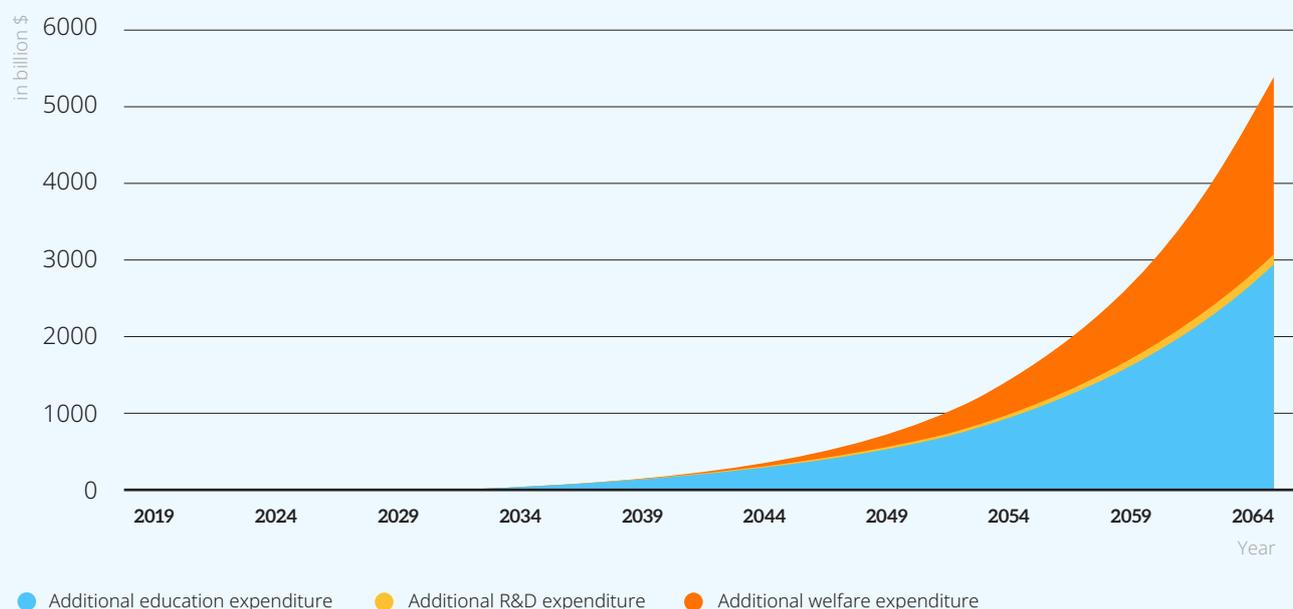
By adopting this comprehensive approach to revenue management and allocation, African nations can navigate the short-term fiscal challenges of AfCFTA implementation while laying the groundwork for long-term, inclusive growth.

BOX 2: TRANSFORMATIVE OUTCOMES: MULTIFACETED BENEFITS FOR AFRICA'S YOUTH

The AfCFTA for Africa's Young Population scenario, modelled using the IFs framework, proposes redirecting revenue gains from the AfCFTA towards productive investments in education (increasing access and quality at primary and secondary levels), R&D to drive innovation and economic diversification, and scaling up welfare transfers to protect vulnerable groups (see *Figure 5*).

By 2063, under this scenario, cumulatively over US\$20.5 trillion would be allocated to education (an increase of US\$2.4 trillion compared to the scenario without AfCFTA implementation); nearly US\$602 billion is allocated to R&D (an increase of US\$90 billion); and US\$38.2 trillion would be allocated to government household welfare transfers (an increase of US\$1.8 trillion). Table 1 shows annual allocation across the three investment areas in 2023 and 2063 (for both the no-AfCFTA and Young Population scenarios).

Figure 5. The AfCFTA for Africa’s Young Population scenario, modelled using the IFs framework, proposes redirecting revenue gains from the AfCFTA towards productive investments in education, R&D and welfare



Source: Pardee Center for International Futures model, version 8.07, accessed 11th October, 2023, <https://korbel.du.edu/pardee/content/download-ifs>

Table 1. Annual allocation across the three investment areas in 2023 and 2063 (for both the no-AfCFTA and AfCFTA for Young Population scenarios)

	2023 (Baseline)	2063 (no-AfCFTA Scenario)	2063 (AfCFTA for Young Population)
Education	\$105billion (4% of GDP)	\$1.2 trillion (4% of GDP)	\$1.5 trillion (5% of GDP)
R&D	\$3.5billion (1% of GDP)	\$33.2 billion 1% of GDP)	\$43.5 billion (1% of GDP)
Welfare transfers	\$193billion (7% of GDP)	\$2.5 trillion (9% of GDP)	\$2.8 trillion (10% of GDP)

Source: Pardee Center for International Futures model, version 8.07, accessed 11th October, 2023, <https://korbel.du.edu/pardee/content/download-ifs>

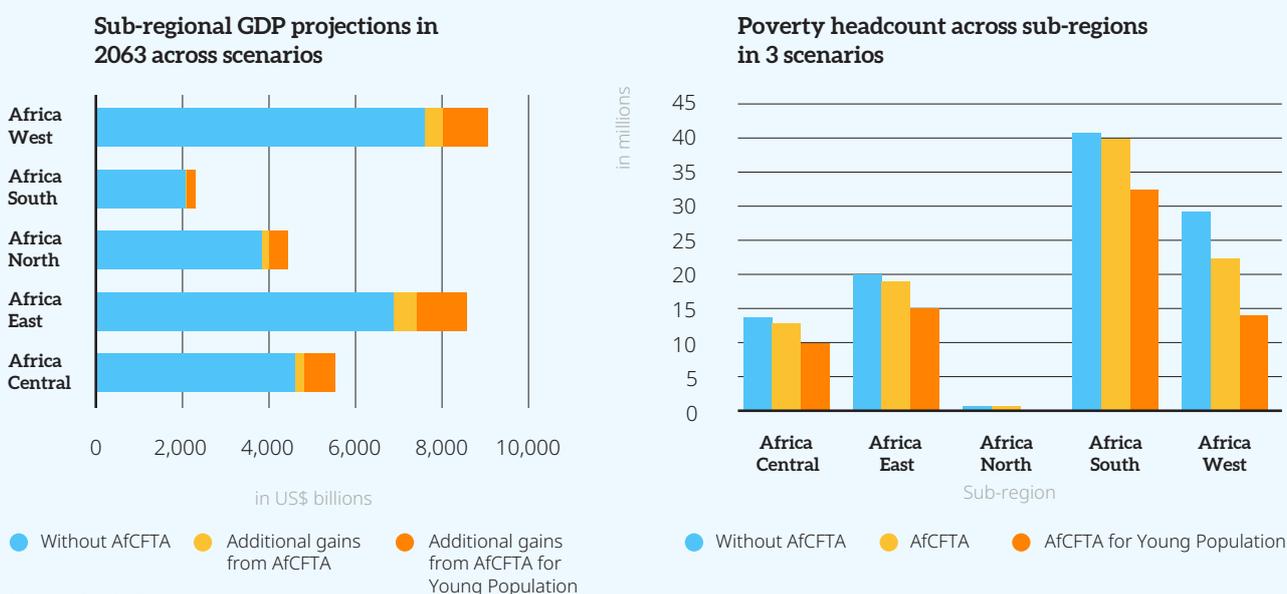
Impact on inclusive growth

The AfCFTA for Africa's Young Population scenario, which combines the AfCFTA with targeted investments, holds huge potential for boosting economic growth and addressing poverty. A more educated and skilled workforce and a more robust innovation environment would also allow African countries to diversify and upgrade their economic output. This would also help to generate resources for social services and to replace losses in import tax, which is currently a key revenue source for governments. It would also lay a robust foundation for improving child well-being and unlocking the continent's demographic dividend.

Under this scenario, GDP could soar to US\$29 trillion by 2063, an increase of nearly US\$3.5 trillion compared to a no-AfCFTA scenario, with the gains being particularly strong for Eastern Africa (see Figure 6).

The number of people living in extreme poverty in Africa could fall to around 71.8 million by 2063 – a reduction of nearly 32.5 million compared to a future without the AfCFTA. Without these catalytic investments, the AfCFTA alone would not be transformative, with an estimated 94 million still living in extreme poverty by 2063. The AfCFTA for Africa's Young Population scenario projects the strongest reductions in poverty for Western Africa, followed by Southern Africa, Eastern Africa, Central Africa and Northern Africa (Figure 6). Child and family benefits, such as Universal Child Benefits (UCBs), are an essential tool in achieving poverty reduction.⁷⁰

Figure 6. Compared to the AfCFTA only scenario, the AfCFTA for Africa's Young Population scenario is projected to result in much more significant impacts on GDP growth and poverty reduction across different African regions



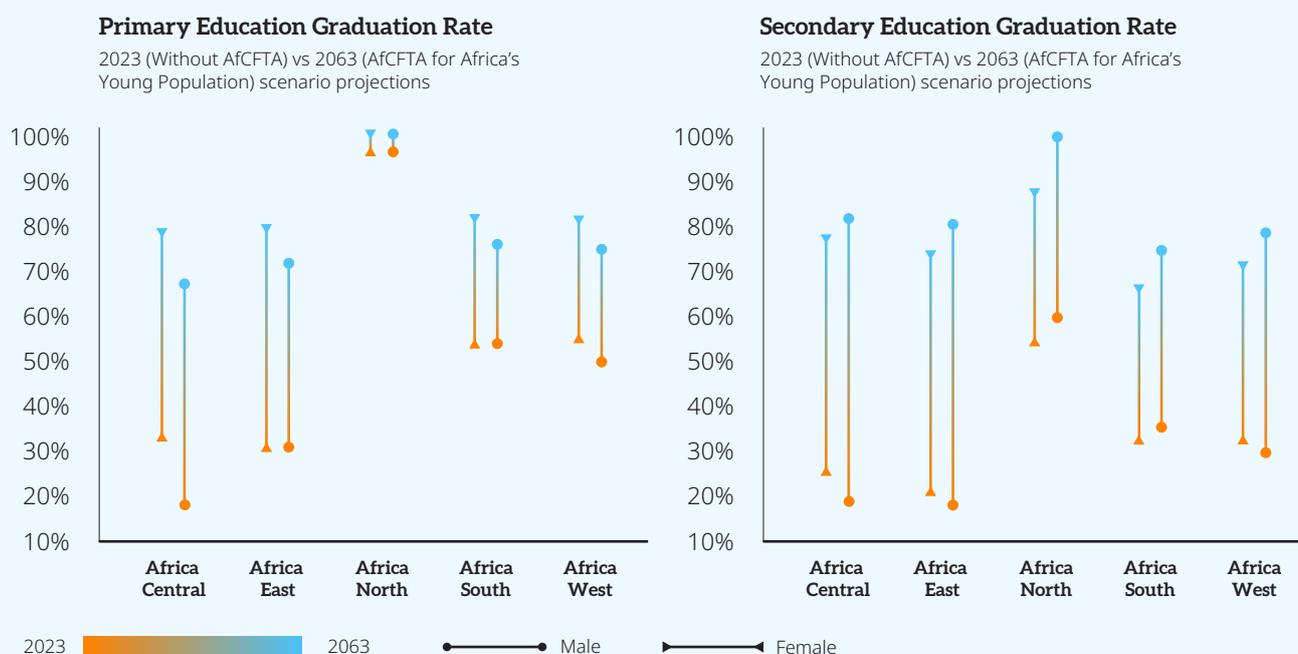
Impact on gender equity in education and spillover impacts

The Young Population scenario also reveals powerful positive spillover effects on health outcomes. By 2063, this scenario could result in 3.4 million fewer children facing stunting and 900,000 fewer malnourished children compared to a no-AfCFTA scenario.

This investment could also significantly advance gender equality, with projected increases in female graduates outpacing those of their male counterparts. For example, at the upper secondary level, 72 million more girls could graduate by 2063 compared to 59 million more boys. These positive effects extend across all sub-regions of Africa, though with varying magnitudes (see Figure 7).

Addressing gender disparities and regional inequalities not only promotes social justice but also maximizes the economic potential of the AfCFTA by unlocking previously untapped human capital. A more educated population is more likely to drive innovation and technological adoption, accelerating Africa's transition to green technologies and enhancing sustainable development.

Figure 7. The AfCFTA Young Population scenario will have potential positive impacts on both male and female primary and secondary graduation rates across Africa



Source: Pardee Center for International Futures model, version 8.07, accessed 6 December 2024, <https://korbel.du.edu/pardee/content/download-ifs>



4.2 Strategic human capital development for Africa's youth

Under the AfCFTA for Africa's Young Population scenario, the average educational attainment could rise to 10.7 years by 2063, compared to 9.8 years without the AfCFTA. This translates to an additional 312 million children completing primary education, 212 million completing lower secondary, and 131 million finishing upper secondary education.

Africa continues to face significant human capital constraints. The continent's human capital index score is 0.40, indicating young people are forgoing 60 per cent of their productivity potential.⁶² For AfCFTA-driven growth to truly benefit the continent's youngest citizens, it is essential to adopt a deliberate and strategic approach that integrates human capital development.

Education is the bedrock of human capital development, and the transformative power of combining the AfCFTA with strategic investments in education becomes evident in the AfCFTA for Africa's Young Population scenario (*see Table 2*), representing millions of additional young people equipped to drive Africa's future growth and innovation.

Table 2. Additional graduates across three levels of education in Africa in 2063: AfCFTA vs no-AfCFTA and AfCFTA for Africa's Young Population vs. no-AfCFTA

Scenario	No-AfCFTA scenario (2023)		Additional graduates in AfCFTA only scenario (2063)	Additional graduates in AfCFTA for Africa's Young Population (2063)
	Graduation rate	Number of graduates	(Relative to no-AfCFTA)	(Relative to no-AfCFTA)
Primary	78.4%	27 million	1 million	312 million
Lower secondary	49.9%	15 million	7 million	212 million
Upper secondary	32.4%	9 million	6 million	131 million

Source: Pardee Center for International Futures model, version 8.07, accessed 6 December 2024, <https://korbel.du.edu/pardee/content/download-ifs>

To ensure young Africans are equipped with the skills needed to unlock new employment opportunities under the AfCFTA and to foster growth in high-value-added economic sectors, targeted interventions are needed. Key strategic actions could include the following.

- **Investing in quality education systems:** To address Africa's learning crisis and prepare its youth for the opportunities created by the AfCFTA, education systems must prioritize foundational skills development, especially in literacy and numeracy. This requires strengthening teacher training programmes, implementing structured pedagogical approaches and enhancing accountability mechanisms. Curricula should be aligned with evolving labour market demands.
- **Bridging the education financing gap:** Sustainable and increased funding is crucial for comprehensive education reforms. Countries should allocate a significant portion of AfCFTA revenue gains to the education sector. Establishing a regional catalytic fund for human capital development could incentivize countries to invest in education, ensuring sustained and predictable funding for long-term educational initiatives.
- **Promoting digital, green and STEM skills:** As Africa prepares for a future where millions of jobs will require digital competencies, education systems must integrate digital skills development. Children need to learn how to leverage digital and artificial intelligence (AI) tools to their maximum potential and to cultivate digital entrepreneurship, both in their ongoing education and for future work. There should be a focus on STEM education, particularly for women in STEM, who are currently underrepresented. Developing green skills is crucial to support the transition to sustainable industries and capitalize on emerging job opportunities in the green economy. This requires designing inclusive green skills policies to enable youth to take advantage of new opportunities in green value chains and the green technology sectors.
- **Supporting workforce readiness through active labour market programmes:** To facilitate labour market transitions under the AfCFTA, governments should implement comprehensive programmes that support job switching and skills upgrading, and provide safety nets during unemployment periods.
- **Fostering regional collaboration:** To maximize the benefits of the AfCFTA and address technical skills shortages in high-potential



A UNICEF report outlines key approaches to developing school-to-work transition pathways for the green economy and advocates for a life-cycle framework that integrates green skills development into education systems from an early stage.⁶³



The United States Trade Adjustment Assistance programme provides training, income support, wage insurance and health coverage to displaced workers as well as assistance programmes for affected firms and farmers.⁶⁴

sectors, countries should establish regional centres of excellence for skills development in these sectors. The AfCFTA Protocol on Trade in Services can be leveraged to expand cross-border education and training delivery. Encouraging intra-regional mobility for students and skilled workers will promote knowledge transfer and skills development. Collaboration among member states should focus on improving production capacities, technology sharing and skills development in key sectors like food processing, pharmaceuticals and manufacturing.

- **Harmonizing qualification standards:** To create a more integrated and flexible African labour market, countries should work towards aligning qualification standards and skills certification across the continent. Developing a common framework for recognizing educational qualifications and professional certifications will reduce barriers to labour mobility, supporting the creation of a workforce that can respond effectively to the changing needs of industries under the AfCFTA.

Strategically integrating education, skills development and regional collaboration ensures that Africa's young population is well-prepared to leverage AfCFTA opportunities. By building a skilled and adaptable workforce, supported by aligned education systems and responsive labour markets, Africa can reduce unemployment, drive innovation and achieve sustainable, inclusive growth. This comprehensive approach to human capital development is vital for transforming Africa's economic landscape and securing its position in the global economy.

4.3 Integrating social protection and child rights

The transition to new AfCFTA-linked trade dynamics carries a real potential for negative shocks. Families could face income volatility, displacement or loss of livelihoods, with children often the first to feel the impact of these events. In this environment, robust social protection measures and child rights safeguards are critical to ensuring that the AfCFTA's gains are shared equitably. Some of the key measures are as follows.

- **Protecting children and families amid economic transitions:** Phased social protection measures, such as UCBs, must be prioritized (see Box 3). Targeted programmes like UCBs can substantially reduce child poverty and improve educational outcomes, providing a safety net as families navigate economic adjustments. These initiatives must be rolled out strategically, beginning with pilot programmes tailored to regional contexts to ensure financial sustainability and effectiveness.
- **Safeguarding against exploitation in new trade and economic environments:** The risk of child exploitation in newly expanding sectors, particularly in mining, manufacturing and agriculture, must be addressed proactively. Integrating environmental, social and governance (ESG) principles into the AfCFTA's implementation framework is vital to promoting responsible business practices that prioritize human rights. Expanding initiatives, such as Ghana's child labour-free zones,⁶⁵ and enforcing child rights due diligence across the private sector will help protect children from exploitative practices. Furthermore, child trafficking risks can be mitigated by strengthening border controls, harmonizing requirements for border crossings with children, enhancing monitoring of road transportation, expanding birth registration, and implementing robust mechanisms for monitoring, reporting, rescue and rehabilitation. The involvement of border communities in monitoring the movement of people travelling with children can be crucial.

BOX 3: UNIVERSAL CHILD BENEFITS⁶⁶

UCBs are regular, unconditional cash or tax transfers provided to households with children, although their implementation can vary in terms of universality. For example, some countries limit eligibility by age of the child as a way to progressively realize benefits within budget constraints. Research in lower and middle-income countries shows UCBs have significant potential for poverty reduction: across 14 middle-income countries, UCBs funded by 1 per cent of GDP could reduce child poverty by 20 per cent. A hybrid approach may be most effective, targeting vulnerable households alongside universal transfers.



UNICEF has developed the 'Integrating Children's Rights into ESG Analysis' tool, which contains practical guidance to enable investors to integrate children's rights into their own ESG assessment frameworks or to conduct a stand-alone assessment on children's rights.⁶⁷

- **Embedding child rights due diligence in business practices:**
The private sector holds significant responsibility in safeguarding child rights. ESG considerations should be embedded into the AfCFTA by promoting sustainable trading practices that reduce harmful environmental effects and mitigate risks to children. In the minerals and mining sector, for instance, this means attention to sustainable and responsible mining standards and a human rights-based due diligence approach that is responsive to children's rights. Common sense regulatory measures (e.g., front-of-pack nutrition labelling) coupled with comprehensive monitoring systems and human rights-based due diligence are essential for ensuring compliance and promoting sustainable, child-friendly business operations.

By integrating social protection systems, enforcing ESG principles and embedding child rights into business practices, African nations can navigate economic integration while ensuring that no child is left behind.



CHAPTER 5

A call for strategic action

Realizing the full potential of the AfCFTA requires a transformation that goes far beyond tariff reductions. To generate increased trade, investment and jobs, reduce poverty and improve key social indicators for Africa's young generation, a comprehensive economic integration agenda is essential. The successful implementation of this agenda will also require addressing supply-side bottlenecks, such as improving transport and connectivity infrastructure, developing an enabling environment for SME development, and strengthening governance and regulatory capacities.

Crucially, this transformation must include a paradigm shift in what African countries produce and how they engage in global trade. By moving up the value chain and developing more sophisticated, knowledge-intensive industries, African nations can create high-quality jobs, foster innovation and build a more resilient economic

base. This shift will be particularly important for youth employment and skills development.

To drive these comprehensive changes, policymakers must take bold, strategic actions. The following recommendations provide a roadmap for translating our policy insights into concrete actions.

- **Prioritize youth participation:** Engage the young population in the development of AfCFTA national implementation and action plans to ensure that implementation aligns with their needs and aspirations. This could involve participatory and inclusive consultations such as creating youth advisory boards, organizing youth forums on the AfCFTA and incorporating youth perspectives in policy formulation processes.
- **Establish robust monitoring mechanisms:** Create an effective mechanism to oversee, monitor and report on the AfCFTA's impact on the young population. This should advocate for child-focused impact assessments, develop evaluation tools, and advise on complementary policies to maximize benefits and mitigate risks for the young population. Regular reporting and transparent communication will be crucial to ensure accountability and drive continuous improvement.
- **Implement strategic investment mechanisms:** At the national level, ring-fence a portion of the revenue gains from the AfCFTA for human capital development – such as education, skills development and youth employment programmes – to prepare the young population for new employment opportunities and foster growth in high-value-added economic sectors. At the regional level, establish a dedicated AfCFTA Human Capital Development Fund to channel catalytic funding to countries that are ring-fencing a portion of trade-related revenues for human capital development initiatives. Create an oversight committee to ensure transparent allocation and accountability. Develop criteria to access the fund, tied to children and youth-focused initiatives and measurable outcomes with links to unlocking AfCFTA benefits. Establish systems to track the impact of these investments

on children and youth outcomes. Facilitate knowledge sharing through annual forums.

- **Strengthen governance and accountability:** Implement robust public financial management mechanisms to ensure transparency, efficiency and accountability in managing Af-CFTA-generated resources. Key actions include improving budget transparency, strengthening public financial management systems for better social service delivery, enhancing efficiency and equity of social spending, and increasing child and youth participation in budgeting processes.⁶⁸
- **Foster strategic partnerships:** Promote collaboration and knowledge sharing among governments, civil society organizations, the private sector and international development institutions. Harness South–South cooperation to facilitate knowledge, capacity and technology transfer among African countries. Strengthen collaboration among regional economic communities and with the AfCFTA Secretariat to advance the well-being of the young population across the continent.

By prioritizing these actions and placing children’s well-being at the heart of AfCFTA implementation, we can ensure that the agreement’s benefits reach all segments of society, creating a more equitable, resilient and prosperous Africa for generations to come.

Acronyms and abbreviations

AfCFTA	African Continental Free Trade Area
AI	Artificial Intelligence
CDC	Center for Disease Control
ESG	Environmental, Social and Governance (principles)
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GTI	Guided Trade Initiative
IFs	International Futures (model)
ITC	International Trade Centre
MSME	Micro, Small and Medium-sized Enterprises
NAFTA	North American Free Trade Agreement
NTB	Non-Tariff Barriers
PAPSS	Pan-African Payments and Settlements System
R&D	Research and Development
SME	Small and Medium-sized Enterprise
SPS	Sanitary and Phytosanitary Standards
STEM	Science, Technology, Engineering and Maths
UCB	Universal Child Benefit
USMCA	United States–Mexico–Canada Agreement
WASH	Water, Sanitation and Hygiene

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