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Frederick S. Pardee Institute for International Futures

Unlocking the Potential of AfCFTA for Africa's Young Population

Sponsored by | UNICEF Innocenti - Global Office of Research and Foresight

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Project Summary

The Pardee Institute partnered with UNICEF Innocenti and AUDA-NEPAD to assess how the African Continental Free Trade Area (AfCFTA) could shape the future of Africa's large and growing youth population. Using our International Futures (IFs) platform, they explore three scenarios: continuing current trade patterns without AfCFTA (referred to as the *Current Path* scenario), full AfCFTA implementation (*AfCFTA* scenario), and AfCFTA plus strategic reinvestment of trade revenues into education, welfare transfers, and research & development (R&D) (*AfCFTA for Africa's Young Population* scenario).

Research Question(s)

- What are the key challenges to AfCFTA implementation?
- Why does the AfCFTA matter to the young population?
- How can Africa leverage the AfCFTA to catalyze human capital development?

Key Findings

- Success requires more than trade liberalization; full implementation will depend on overcoming barriers such as uneven country participation and structural inequalities.
- Full AfCFTA implementation could increase intra-African trade by 97% and FDI inflows by 20% by 2063 compared to the Current Path. Under the AfCFTA for Africa's Young Population scenario, Africa sees the largest GDP growth and poverty reduction gains across all regions, directly improving opportunities for young people.
- Reinvesting AfCFTA revenues in human capital through education, health, R&D, and social protection measures multiply its benefits, promoting inclusive growth and youth well-being.

Core and Related Activities

Report: <u>Unlocking the Potential of AfCFTA for Africa's Young Population</u>

