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Towards Agenda 2063: The Role of Governance, Technology and Partnerships in African Economic Integration

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Supervisor: Dr. KUTASI Gábor PhD

signature ....

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DECLARATION

I hereby declare that “Towards Agenda 2063: The Role of Governance, Technology and Partnerships in African Economic Integration” is my original work and I am the sole author of this dissertation.

This dissertation has not previously been submitted by me to any university or institution.

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ABSTRACT

1. INTRODUCTION

The idea of regional economic integration has gained importance for African nations wishing to engender growth, stability, and resilience in a globalized system. This comes as the continent is still grappling with numerous complex social, economic, and political crises. Regional integration emerges as a key concept to be adopted in order to further trade, increase foreign direct investments, and establish institutional unity among diverse nations. In this context, the African Continental Free Trade Area (AfCFTA) is perhaps the most ambitious of all, with a purpose to establish a single market in which more than a billion consumers are connected through 55 member states of the African Union (AU). The extent of realization of such initiatives rests primarily on governance quality since the latter is integral to designing trade policies and undertaking investments as well as developing the institutional framework. Building governance systems where accountability, transparency and effectiveness of actions is the focus in African countries in order to guarantee an attractive environment for a sustainable integration.

The goal of this research is to find the necessary elements to achieve the 2063 agenda goals with more focus on the economic integration. This will start by identifying this agenda, then the different successful initiatives and its economic impacts on the continent until arriving to analyze the different factors which can support the African countries in their development road.

This research is interested in examining the relationships between governance and economy integration to prepare Africa for 2063 agenda challenges. Also, it goes beyond classic measurements of economic development by assessing how the aspects of digital shift, ecology and social aspects can facilitate the process of African integration. It is these aspects that will help respond to modern-day challenges and ensure that integration works towards the long-term objectives of Africa as captured in Agenda 2063.

Equally important is the support extended to the continent by outside players particularly European Union (EU) in the integration process of the continent. Europe has successfully integrated with much less strategized parity among regions within Europe, what makes the African integration so different is issues relating to dependency, autonomy and sustainable development in pursuit for foreign aid. The research is aimed at critically analyzing the advantages that come from European integration support for African integration and the drawbacks that come with it and how can Africa external partnerships be utilized for sustainable development.

The prediction of scenario for the year 2063 is the future oriented thinking of this study which provides insights on the possible direction that African integration could take in the light of governance, tech and partnerships evolution. Since it is not only about the challenges, but this perspective also goes well with Africa's Agenda 2063, and hence it presents scenarios about economic integration opportunities for the continent. Some recommendation will be highlighted in the end of my thesis to present my vision into achieving a strong regional integration in Africa and how the African countries can be ready for the next 50 years challenges.

1.1 BACKGROUND ON THE IMPORTANCE OF REGIONAL ECONOMIC INTEGRATION IN AFRICA

Through the history, the African continent has struggled with political instability coupled with market fragmentation. The dependence on other economies is also a consequence of the remnant colonial and neo colonial tendencies that shape African economic frameworks (Rodney, 1972). The division of African lands into colonies led to imperialism creating artificial boundaries that split ethnic and market systems which in turn create segmentation and hinders intra African trade and cooperation (Zeleza, 1997). After colonialism, African states attempted to reconstruct and to unite. They understood that in order to achieve self-sufficient progress, it was necessary to cooperate economically beyond the boundaries of nations (Nkrumah, 1963).

For the past several decades, African Union has taken the lead in promoting regional integration, arguing that solidarity is an effective means to enhancing economic strength and global power. The year 2018 saw the launch of the African Continental Free Trade Area (AfCFTA), which is considered to be a significant milestone in the quest for African integration. AfCFTA aims at forming a market of over 55 nations with a total population of more than 1.3 billion and a combined GDP of about 3.4 trillion dollars (Tralac, 2020). This bold initiative aims at promoting de-escalation of tariffs, standardization of regulatory regimes and increased cross border investments, improving Africa's productivity and furthering diversification of its economy (African Development Bank, 2021). Nevertheless, while AfCFTA has great prospects, its prospects will rely on the effective management realization of socio economic policies that are heterogeneous in nature.

Regional integration cannot take place without structures within the region. Governance is presented by strong institutions, transparent practices and regulatory alignment which are important in enhancing the lowering of trade barriers, promoting inter-state trade and relations among member states (Acemoglu & Robinson, 2012). Most of the African countries are not dissimilar. They contend with governance deficiencies revolving around corruption, opacity as well as weak institutional capacity which undermine the building blocks for effective integration (Mo Ibrahim Foundation, 2019). To fully unlock the potential of regional integration, it is important to address these governance features. Governance that is fragmented and inconsistent leads to policy divergence, economic waste and lost opportunities for cooperation (UNECA, 2019). In this context, this research aims to demonstrate how governance functions as a central element in the African integration process, as well as how governance transformations may promote the creation of cohesive, resilient and effective economic cooperation in Africa (Hope, 2021).

1.2 THEORETICAL FRAMEWORK AND RESEARCH QUESTIONS

This study is based on the basic ideas of integration and regional governance that seek to explain the forces that shape the integration process in Africa. The stages of integration, free trade areas, common markets, and political unions, put forth by Bela Balassa in 1961 provide an incrementally based scheme for studying the progress of African integration. According to Balassa, economic integration works best when all governments coordinate their policies, governance structure and institutions are firm. This mainly is caused by the lower transaction cost structure of these pieces and their contribution to trade and investment promotion in the first place (Balassa, 1961). Moreover, in turn, stronger institutions will also be able to be growth enabling by instilling stability of regulations in the economy and attracting investments (Oyejide, 2018).

Completing theories of integration, this research adds those dimensions of governance which focus on the issues of transparency, institutional capacity and regulatory coherence, as essential in redressing the integration gaps. In the views of governance theorists such as North (1990), there is a sequential relationship between governance and economic growth because good governance provides mechanisms for accountability, constant policy and effective resource use. For Africa, resolving the problem of harmonization of governance practices especially at the continental level is herculean owing to the disparity in the political environment as well as the development of institutions in the countries. Governance challenges are therefore not only economic but also political ones, as they include the need for coordinated policies, trust between partners, and common rules (Rodrik, 2008). This study proceeds to narrow the debate on the contribution of other external actors especially the European Union to the African integration. European Union (EU) has been at the forefront in promoting African development through trade agreements, capacity building and aid (European Commission, 2020). Still the debate runs on the fact whether the European support assists Africa to self-reliance and independence, that she seeks (Taylor, 2021).

This study is answered within the framework of the following research questions:

- What is the impact of governance on trade openness and FDI[1] in Africa?

- What is the contribution of digital transformation, sustainability and social factors in encouraging regional economic integration in Africa?

- How African countries can be aligned to the fundamental pillars of the Agenda 2063 initiative? and what are the major factors that support or inhibit this integration?

- How has European engagement helped with the process of African regional economic integration and what lessons can Africa draw from Europe on this topic?

- What are the possible scenarios of African integration by the year 2063, how will governance, international relations and the role of technology influence these scenarios?

Also, in this thesis several hypotheses are developed which capture the interconnections expected between governance structure and degree and type of external support and integration result:

Hypothesis: There is a strong correlation between governance, trade openness and FDI which has an impact on the improvement of economic regional integration in Africa.

Hypothesis: The implementation of Agenda 2063 strategy towards economic integration on the continent will largely rely on good governance especially the political stability factor.

Hypothesis: The realization of 2063 Agenda and Africa's regional integration efforts face deep-seated challenges especially the corruption.

Hypothesis: The improvement of Governance and Technology are necessary in the African institutions to achieve the Economic regional integration in Africa.

[1] FDI : Foreign direct Investments

Hypothesis: Digital transformation, sustainability and social dimension are necessary to face the 2063 Agenda by creating an attractive environment for a strong regional economic integration in Africa

Hypothesis: Europe has a key role in supporting the integration process in Africa

Hypothesis: The majority of African countries fall within the moderate integration potential category to be fully integrated according to the 2063 Agenda.

1.3 OBJECTIVE OF THE STUDY

The main aim of this thesis is to investigate the role of governance in the African economic integration process, particularly regarding the relationships between governance and trade, investment, and institutional relationships, across the various regional economic communities (RECs) present in the continent. Furthermore, this research examines the implications of the digital revolution, actualization of the sustainability agenda, and social integration on regional integration focusing on how such aspects promote economic interaction and the vision for Africa's development is achieved in the long-term.

In this research, a central theme to be addressed is how Europe has been supportive and how Europe's governance structures have been applicable in the Africa integration process. By scrutinizing the advantages, disadvantages and risks of over-reliance on external support, such research gives a fair opinion on the envisaged role of foreign cooperation. The research aims through comparative analysis to seek such governance practices from the European perspective that are relevant to the African situation in order to enhance regional policy coherence and institutional effectiveness. Also, the research provides a forward-looking scenario to analyse the readiness of African countries to the agenda 2063 through the measure of it level of integration and it potential.

This analysis conforms to the aspirations articulated in Africa's Agenda 2063 in which a prosperous, united and self-reliant Africa is envisioned. This thesis, therefore, depicts valuable scenarios to, and offers policy recommendations that state the needs of today's leaders and tomorrow's strategists including short term goals and strategies that aim at achieving an ever integrated and inclusive economy across Africa.

1.4 RESEARCH SIGNIFICANCE AND CONTRIBUTION TO THE FIELD

New avenues open up because this thesis is placed within the academic literature on governance, regional economic integration and development with a distinctive focus on 2063 African Agenda. This governance research adds value to the question of how policies that incorporate good governance can create conditions for the development of trade, investment and institutionalized relations in Africa, which is of primary importance for the achievement of sustainable growth and economic integration in the continent. This dissertation sheds new light on the importance of governance for economic interaction, which is in line with the ambitious targets set in the agenda 2063, and follows closely to all the regional institutions and international stakeholders.

Part of the study's originality comes from addressing digital transformation as well as sustainable development and social cohesion as overarching of the integration process. Such coverage shows in what ways digital networks, environmental policy and culture affects the processes of integration in Africa, and in the process emphasizes the need for a multifaceted view of economic integration, which also enhances the understanding of the non-economic contributions and why they are important for regional collaboration.

Also, this research contributes to the understanding of the external partnerships, especially with Europe, that are relevant to the integration process of Africa. The study goes further to add to the debates on foreign aid, dependency and sustainability in Africa's development by showing how Africa can harness foreign assistance without compromising its sovereignty why analyzing the risks of dependency that may exist due to such European assistance. The comparative analysis of the European models of governance further adds to the study by providing lessons which could be employed in the African context to foster regional institutions and policy coherence.

Equally, the study's 2063 scenario analysis also goes a step further in contributing to the field by providing a complementary perspective which looks towards future challenges/aspects of integration in Africa. Such analysis is in synchronization with the overall vision of Agenda 2063 and provides both current leaders and future ones with an understanding of different possibilities in which African economies can integrate under different governance structures, technologies, and partners. Addressing both short and long-term policy challenges, this thesis provides strategies that promote a withstanding, inclusive and smooth integration process of Africa and its various states.

1.5 METHODLOGY

This research's methodology is a mixed-methods approach, blending both quantitative and qualitative techniques to explore governance's role in trade openness, foreign direct investment (FDI), and the future integration of the African Continental Free Trade Area (AfCFTA). Covering data from 53 African countries across Eastern and Southern Africa, Western and Central Africa, and North Africa between 2000 and 2020, the study employs quantitative analysis alongside qualitative scenario exploration to provide a comprehensive perspective on Africa's economic integration.

The quantitative methods begin with correlation and regression analysis to examine the relationships among governance indicators, trade openness, and FDI. Using Pearson's correlation coefficient, the study establishes the foundational associations between governance, trade, and FDI. Regression models are then employed to deepen this analysis: Model 1 investigates the impact of governance on trade openness, while Model 2 examines governance's effect on FDI. Control variables such as GDP per capita, population growth, and natural resources are included to ensure that the effects of governance are isolated from other economic factors. Regional dummy variables further enrich the model by controlling for regional differences across Africa, providing insights into whether particular regions experience stronger or weaker governance effects.

The qualitative aspect of the study emerges in comparative analysis for governance and economic integration assessment for the different regional integration in Africa RECs. Secondly, it was used to compare the governance structures in Africa and Europe. This analysis contrasts the EU's successful integration through supranational institutions with the African Union's (AU) state-centric approach, underscoring the challenges that Africa faces in achieving effective governance-led integration. The qualitative insights drawn here provide context for Africa's structural hurdles, which are crucial for understanding regional policy effectiveness.

The simulation model bridging both quantitative and qualitative aspects evaluates trade policy impacts under AfCFTA, exploring how governance and technological advancements might improve trade efficiency. The quantitative side simulates different scenarios, while the qualitative interpretation of these results gives depth to understanding how these factors interact within Africa's unique regional settings. Also, a mixed approach will be used in the end of my thesis by the establishment of integration scores and 3 created scenario results to analyze the degree of integration and the potential of each country to be integrated according to the 2063 Agenda vision.

2. THEORETICAL FRAMEWORKS

The process of developing Africa’s regional integration has emerged as a pertinent strategy for solving the continent’s economic problems and tapping into its growth opportunities. Due to the imbalance of markets in Africa, the asymmetric economic structure and global market orientation, it is necessary to enhance the economic collaboration of African countries which will be geared towards creating a unified market. There is an ongoing integration process at the regional level. The main instrument of regional integration today is the African Continental Free Trade Area (AfCFTA), together with other regional economic communities (RECs), whose important task is to expand Africa's internal markets, enhance regional value added and improve the quality of life of the African population. But these integration processes are dependent on the effective governance of the processes, level of institutional capacity and the management of internal and external conditions.

In this chapter, the various theoretical frameworks adopted for understanding African regional integration or the literature related to it have been presented. I selected Balassa’s Stages of Economic Integration, New Regionalism, and Institutional Economics, as the major theories for this study. The first pillar describes the processes and phases of integration, and the second pillar describes the potential and challenges that Africa has in terms of strengthening economic cooperation. In addition, the chapter also examines the available literature on the consequences of some of the regional integration initiatives like AfCFTA and RECs with particular attention to the governance quality, and external assistance factors that such initiatives are bound to produce.

The literature review focuses on the depth of existing African integration and its problems. It endeavors to look into the impact of regionalism in Africa. In this chapter, number of important factors such as the weaknesses of various governance structures, the options for regulatory policies and the issue of systemic corruption are discussed as determinants of the efficacy of the AfCFTA in conjunction with the REC’s. In addition, the impact of external influence with particular regard to the EU, World Bank and other international agencies is analyzed for such influences have created or at times altered the course of regional integration processes in Africa. Lastly, this chapter presents limitations of previous research including the lack of studies on the particular features of FDI liberalization, governance reforms and the digital aspect of international trade which are necessary to effectively push the processes of integration forward in this day and age where change is the order of the day.

2.1 ECONOMIC INTEGRATION THEORIES

Theories of economic integration serve as a basis for analyzing regional economic cooperation. They illustrate stages of integration that are achieved by a country and those that motivate these efforts. These theories as well consider economic outcomes of cooperation and the factors that foster deeper integration.

In the African perspective of economies that are heterogeneous and political governance that is uneven, the theories of economic integration highlight both the possibilities and the constraints of developing an integrated African market. The African Continental Free Trade Area (AfCFTA) and various Regional Economic Communities (RECs) are the cases of application of these theories as African leaders resort to integration paradigms to pursue practical steps towards cooperative development.

One of the most prominent theories to explain integration is the Economic Integration theory advocated by Balassa in 1961. The theory outlines the fact that integration is a gradual process that evolves in five stages which are , First the free trade area, Second the customs union, Third stage is Common Market followed by Economic Union and finally political integration. As we advance through them, policies need to be further harmonized, institutional capacity strengthened and political will escalated. In this early period of the Free Trade Area (FTA), member states abolish tariffs on trade of goods within the bloc but have the power to impose tariffs to countries which do not belong to the bloc. This lowering of internal barriers is aimed at increasing intraregional trade and import substitution as well as enhance growth of the economies.

The launching of AfCFTA is a valid example of this stage, given that the agreement is aimed at eliminating tariffs on 90 percent of goods traded in Africa, therefore bolstering intra trade in Africa, assisting regional value chain and deepening economic relations among nations (AfDB, 2021). But for these objectives to be fully met, there is need for member countries to tackle the non tariff barriers in their countries, enhance the customs processes and develop the requisite infrastructure to facilitate effective and efficient cross border trade.

The CET[2], which imposes significant coordination of policy regarding tariff structures, is mandatory for member countries when they enter the second stage, the Customs Union. Member countries are expected to impose a common external tariff on goods coming from

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[2] CET : Common External Tariff

outside the bloc. Moving from Free Trade Areas to Customs Union is an important step in the African integration process as it would help in reducing competitive disparities within the region and enhancing Africa's bargaining power in the global market, (United Nations Economic Commission for Africa, 2019). This advancement, however, comes with obstacles as African countries differ in their reliance on external markets and the nature of their trade. For these various national interests to coalesce into consensus on a CET requires effective governance frameworks, appropriate dispute resolution mechanisms and necessity to adopt common external trade policy.

The next level integration, the Common Market, is characterized as involving the free movement of not only goods but also services, capital and labor. It insist as well on the harmonization of various areas like labor law, financial regulation and investment policies. For the continent as a whole, the establishment of a common market under AfCFTA still has not been achieved. However, it would be an effective way to release a lot of economic benefits. This can enhance skills transfer, stimulate regional investment and build a more integrated workforce.

Nevertheless, the establishment of a common market implies resolving structural impediments to labor mobility (restrictive visa regimes) and regulatory convergence (Te Velde and Bezemer, 2006). On the contrary, The East African Community (EAC), one of Africa's more developed RECs, has made some progress towards developing a common market allowing for the free movement of people and investment across borders (World Bank, 2019).

Within the Economic Union stage, the subsidiary states work and create an economic zone where they implement fiscal and monetary policies as a unit. Economic union is usually accompanied by the creation of common institutional structures which are mandated to coordinate common policies, such as tax, budgetary policies and monetary policy. The establishment of a more economic union in Africa would be beneficial in that issues of economic nature would be dealt with by the member states as one and thereby improving the stability of the region and the effectiveness of the region in withstanding shocks from the world economy (UNECA, 2021).

This level of integration, however, goes hand in hand with adherence to seamless economic policy, constructive institutional capacity and a significant degree of political confidence. However, in view of the economic diversity and the governance diversity in Africa, to achieve an economic union is a tall order which is dependent on the ability of the continent to build institutions and coordinate policies for economic convergence.

The final stage of this integration process, the Political Union, is the most advanced stage of integration whereby member countries shift important portions of their national authorities to the regional authoritative institution, thus allowing for the unitary decision making within the region. For Africa, this vision is encapsulated in the vision in the Agenda 2063 of the African Union which envisions an Africa that is more integrated politically and economically (AU, 2015). But to realize a political union mostly means that there will be a first ever degree of political harmonization and interaction of African states, given the fact that there are varying types of political systems and governance arrangements in the continent. African leaders are therefore currently concentrating on moving through the lower levels of integration with the aim of generating the requisite base for future unification.

In addition to these phases, the theories of economic integration explore the static and dynamic implications of integration. Static effects are the welfare effects that can be felt instantly or as the end result of trade creation or trade diversion. Trade creation occurs where trade barriers within the region are removed, members are able to move their production to those who can produce more efficiently and prices and welfare consequently improve. For instance, AfCFTA promotes intra-African trade by enabling Africa to source goods from within their region, hence protection of African industries and reduction of dependence on imports from outside Africa (Viner, 1950).

On the other hand, trade diversion happens when trade that should go to more efficient global suppliers is displaced by regional integration to less efficient regional suppliers breaking trade flows and increasing consumer welfare for consumers. This effect emphasizes the need for designing AfCFTA trade policies with caution, as Africa’s trade policy makers should strive to balance trade diversion and trade expansion to maximize welfare gains and minimize inefficiencies. As a reason, It is highly recommended to use the trade-off approach to enhance political economy that ensures AfCFTA does not undermine economic efficiency and regional industries’ sustainability.

In contrast, the dynamic effects of integration are the long run economic impacts that encompass more than just changes in trade flows. Such effects are primarily the realization of economies of scale, increased competition and the inflow of foreign direct investment (FDI) which are of particular importance for Africa’s integration objectives. In the process, as the market expands, Integration allows firms to achieve economies of scale that lower production costs and improve competitiveness of the firm (Venables, 2003).

AfCFTA's promotion of the creation of a single market across the entire continent gives African businesses an opportunity to increase their output, reduce their costs and be more competitive on the international market. Increased competition in the integrated market will enhance productivity and be a force for innovation but will also deal with the monopolistic tendencies that always exist in most of African markets (Soderbaum & Taylor, 2008). Also, a single African market will be more appealing for foreign investors. It offers security, certainty and a bigger market. By creating an African single market, AfCFTA stands ready to bring in FDI in various areas such as manufacturing, infrastructure and technology even with varying issues (World Bank, 2020).

Further, Robert Mundell's (1961) OCA Theory[3] allows to more fully comprehend the circumstances, under which regions may gain from issuing a common currency. As per OCA Theory, a region will gain from a common currency if certain criterions are fulfilled such as conjunctural policy approaches, labor mobility and mechanisms for shock absorbing.

In Africa, the Economic Community of West African States (ECOWAS) has suggested to use a common currency, Eco, with the aim of increasing economic unification (Masson & Pattillo, 2005). Though using a unified currency might lower transaction expenses and cause improvement in price stability, the OCA conditions are hard to comply with, since in Africa inflation rates as well as fiscal or economic structures differ decisively. The theory postulates that the conditions include economic convergence, structural integration, and quality of institutions which are important to the process of monetary unification. In the absence of these conditions, the integration of currencies would be risky as it would subject these economies to asymmetric shocks which are dangerous in terms of economic order.

2.2 GOVERNANCE AND INSTITUTIONAL THEORIES

Easy and constructive theories are given which to understand effective governance and institutions and their regulatory interplay for an efficient regional economic integration. For the countries in the region to smoothly integrate, effective governance and strong institutions are required to allow countries to coordinate policies, adhere to agreements and create confidence.

[3] OCA Theory : Optimum currency area

In Africa, where countries differ in governance quality and institutional capability, these theories help to bring out the necessary conditions for sustainable integration. Africa's yearnings for cohesion within continent in the form of the AfCFTA and RECs will be possible with governance structures that integrates multiple regulatory frameworks with supporting mechanisms for enforcement, accountability and economic stability. This part of my thesis deals with the major theories related to governance and institutional framework focusing on their relevance for African integration strategies.

According to Douglass North (1990) application of Institutional Economics offers perspective where the role of institutions emerges as important as they represent, "the rules of the game", which define the nature of economic and social exchange by providing certainty and decreasing transaction costs. North shares a comprehensive definition of institutions, which includes both formal institutions (e.g., laws, regulations, policies) and informal institutions (e.g., social norms, cultural expectations). In the context of regional integration processes, strong institutions are critical for this process. Their transparency and effectiveness lower the costs of transactions and draw investment by ensuring economic stability. However, for Africa, the quality of the existing institutions remains weak because bureaucratic inefficiencies and rampant corruption pose serious challenges to integration (North, 1990).

The theory of Institutional Economics stresses that a reform such as AfCFTA and RECs will only be successful if institutional capacity is strengthened. There is a need however harbors for important measures that enhance the coordination of regulatory regimes, enhance trade, and promote investment. Building such institutional capacity also contributes towards the degree of confidence the member states have on one another as effective and enforcing regulatory mechanisms and transparency build trust in the integration process. As per North's perspective, African regional agreements are fundamentally anchored on the ability of African institutions to create an enabling environment for the conduct of cross-border transactions.

As Kaufmann, Kraay and Mastruzzi (2007) note in the Good Governance theory, developing the quality of governance in terms of its accountability, transparency, rule of law or measures taken to combat corruption fosters economic stability as well as sustainable development. Any theory of governance states that good governance is a condition not only for economic growth but it is also a prerequisite for the success of the regional integration. Such governance can be said to enhance the predictability of doing business by lowering the level of regulatory uncertainty and the need to comply with corruption.

With regard to the agreed principles of African integration, good practices of governance are imperative to ensure that the agreements at the regional level are not only enforced but also fairly applied. The presence of governance vices such as corruption, regulatory capture and political subversion increase the likelihood of integration projects being ineffective due to threats of unpredictability in the enforcement of trade rules as well as disinvestment (Kaufmann, Kraay, & Mastruzzi, 2007).

As it stands, promoting good governance at the national level as well as the regional one is, for both AfCFTA and RECs, instrumental in achieving an environment conducive to business and investment. Customs clearance procedures that are efficient and transparent, compliance to regulations and anti-corruption measures are critical to trade cost reduction, compliance enhancement, and competitiveness improvement. Social trust as an assurance to the support of regional integration is ensured through good governance. This is crucial with regard to efforts like AfCFTA, in which the lack of public approval could hinder the achievement of objectives of integration for a longer time. The extension of governance standards reinforces African integration initiatives to for at least focus on achieving it.

In line with M. B. Majone's proposed theory on Regulatory Convergence (1996) if policies of regulation are unified among member countries making up a continent, trade barriers will be lowered, compliance will become easier and the continent will have an integrated competitive market. Regulatory convergence makes it easy for goods, services and capital to be arranged across borders. Under these conditions, the industries become free to operate and consumers obtain quality products that are up to safety and standardized norms. However, in Africa, regulatory diversity is a major obstacle to the achievement of the full gains from integration. Major non-tariff barriers within African countries also heighten the cost of trade and limit entry into the market. These include variations in product standards, variations in customs procedures and safety regulations in the different African countries (Majone, 1996).

The countries implementing AfCFTA should evolve toward regulatory convergence. Deviations from the harmonized standards have negative consequences for intra-Africa trade, raise administrative costs, and destabilize the investment climate. African RECs (Regional Economic Communities), including SADC (Southern African Development Community), have advanced towards global regulation harmonization to eliminate non-tariff barriers to cross-border trade. Such factors would help the African nations to establish an integrated economic bloc, lure international investments and enhance the competitive edge of African industries (UNECA, 2018). Agreeing with the Regulatory Convergence theory, the absence of a global regulatory framework page indicates that Africa's integration agenda would in a tertiary necessary not achieve the vision envisaged in the AfCFTA.

The Institutional Convergence Theory complements the concept of regulatory convergence by focusing on creating coherence in governance structures, administrative practices and institutional quality among member states. Based on this theory, for regional integration to succeed, such institutions within the region should be of the same level of efficiency, transparency and trustworthiness. In Africa, institutional convergence is both a headache and a necessity. The disparity in the governance quality across African countries leads to tensions in cross-border interactions and hampers the integration prospects. Institutional Convergence Theory posits that capacity building and governance reforms are necessary in order to raise the institutional capacity of African RECs and AfCFTA member states to a baseline standard of institutionalism which ensures equitable and unrestricted participation in the regional market (Rodrik, 2007).

On the other hand, technical assistance, training programs and policy alignment initiatives may focus on institutional strengthening for the less-developed institutions as part of the institutional convergence efforts. Enhanced trade rules conformity and efficacy in compliance gap minimization create an enabling environment that boosts regional trade and investment by making it easy for businesses to operate across borders.

Network Governance Theory offers a different perspective in the analysis of governance by addressing the significance of complex, multi-level decision-making systems in regional and international organizations. Unlike the more hierarchical and traditional models of governance, network governance involves a more holistic approach by establishing working relations and collaboration among different actors such as government, private sector, civil society, and international organizations. Sabel & Zeitlin (2012) suggest that this theory posits that in order to govern effectively in circumstances that are politically and economically complex it is necessary to integrate practices of multiple actors in a dynamic, decentralized system.

As far as African integration is concerned, network governance works as an example in regulating the participation of various actors in both AfCFTA and the RECs. Moreover, there is a need for coordination among national, regional and international levels for these integration initiatives to be completed. Additionally, network governance allows for adapting various components for AfCFTA thus supporting innovation-driven decisions. In addition, the involvement of non-state actors (such as private sector entities and development organizations) proves to be useful in instituting policies that cut across numerous economic and social challenges. Network governance also does not go without importance for cross-border concerns such as: environmental protection, labor norms and building up digital integration.

The next theory to discuss is the Multi-Level Governance Theory. It elaborates how governance happens at many layers which tend to overlap such as local and national, regional and international in particular within the region integration context. In Africa, multi-level governance is crucial for the successful operationalization of AfCFTA because integration involves bringing together local, national, and regional jurisdictions. This theory acknowledges that there is no absolute level of power and that all levels are required in making decisions to avoid compartmentalization in policy execution. For instance, through effective multi-level governance, African countries could harmonize trade, tax, and labour policies and customs policies within regional limits and local requirements (Hooghe & Marks, 2001).

The multi-level governance enables a participation of local governments and communities in the global policy making processes of integration. This policy broadens the scope of national integration policies to address various needs of local communities in African countries and enhance the coherence of governance in the region. The concentration on multi-level governance makes it possible for the African joint integration initiatives to overcome both country-specific and region-specific problems by constructing a strong governance system that can sustain regional integration efforts.

2.3 EXTERNAL SUPPORT AND DEPENDENCY THEORIES

The question of external support in the regional integration processes in Africa is multifaceted and intricately linked to the issues of political independence and viability in the long run. Other than the foreign Nation aid, foreign technical support or assistance, or even partnerships extended from superpowers or international organizations, there remain strings attached to them most of the time and these strings actually can hinder the integration of Africa.

This section basing on the exploration of theories on dependency and external support addresses African continent development through the EU, UN and World Bank in a way looking at their support to the African continent in terms of the benefits of those relations. These two theories are key in explaining the interaction between external actors, which are the dominant forces in Africa's integration strategies such as AfCFTA and RECs and the dependent local forces.

Dependency Theory, pioneered by Raúl Prebisch in 1950 and André Gunder Frank in 1967, is concerned as an analytical position that critically toward the world economic order, the relative position of which towards the core twenty countries of the United States is a power center, while the countries of the „periphery" [4]are considered to be developing ones. As per this theory, global South countries are controlled by the so-called global North countries through resource extraction, global trade integration, and the dominance of the production system designed for the latter.

This relationship encourages a dependency syndrome to develop, whereby peripheral nations continue to depend on the economic, technological and financial assistance offered from core nations at the expense of their capacity to be economically independent and self-sufficient (Prebisch, 1950; Frank, 1967). In the African perspective, Dependency Theory elicits the idea that assistance brought in by developed nations as the EU might deepen African dependency towards foreign nations rather than allowing true self-sufficiency.

In resolving African integration initiatives, Dependency theory has a fundamental bearing since it emphasizes the fact that reliance on foreign support creates a type of dependency which negates African's ability to determine its own integration strategy. Take for example the provision of financial aid to Africa by the EU in relation to integration projects where such funding is only given on the condition that certain policies and trade practices based on European ideals ought to be applied regardless of Africa's economic and social uniqueness (Moyo, 2009). By altering Africa's regulatory set up, the EU and other developed countries may, rather unintentionally, hamper Africa's ability to formulate policies that meet its developmental objectives. In this way, there may be a resort to trade policies that encourage trade liberalization and free market, which may compromise Africa's ability to shield its nascent industries that are essential in promoting the much-needed economic transformation and sustainable development (Carmody, 2011).

[4] Periphery countries : Periphery countries are nations that are less economically developed and typically rely on agriculture and raw material exports

Another way in which dependency may show itself in Africa's external partnerships goes back to what is called Conditional Aid[5]. This is the case when nations or international bodies provide funds or assistance to countries with the provision that the latter will carry out numerous reforms or policies. Conditional aid in Africa is mostly focused on governance, liberal economic policies and structural adjustments , in most cases these are the donor's economic policies (Stiglitz, 2002). The EU for example supports AfCFTA and RECs with funds but with a requirement that such nations adopt legislative provisions that are similar to the EU ones. As much as these qualifications donor address in Africa may enhance the continent's trade environment, they will also restrain policy space for African countries in that such countries would be discouraged from adopting protective measures or industrial policies that would enhance local industries.

In Dependency Theory, such aid is considered as adding to Africa's dependency, it adds pressure on recipient countries to follow policies that may be contrary to their overall national development goals. Moreover, dependency theorists tout that the concept of conditioning creates a power hierarchy with donor countries having more monopoly control over African countries' policy options thereby curtailing the continent's sovereign efforts in dictating the course of its integration. Mkandawire (2001) for instance highlights that Africa's acceptance to conditional aid has raised policy contradictions since African states take up externally generated policies with little relation to local conditions and local long-term development strategies.

Crossing boundaries with Dependency Theory, the Partnership and Mutual Benefit Models offer a different insight regarding external support instead of being a mere provision, when frameworks for the support are established between equal partners. This is where the Partnership Models speak about equal respect, local participation and common objectives, arguing that development aid can foster durable changes if it places the burden of development on the recipient and not the other way round (Chilcote, 1984).

In the case of Partnership Models, they suggest that integration efforts must take into account foreign support, but such support must be given in due consideration to African identity and help strengthen local capacity for self-growing economy. For instance, I have argued that the AfCFTA agreement needs to be supportive of EU assistance, in the sense that

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[5] Aid conditionality refers to the practice of donors attaching conditions to enhance the effectiveness of aid

it aims at enhancing the integration process led by Africans and aims at strengthening African institutions to independently drive the integration process. Such a model espouses foreign assistance that ensures that African countries attain self-sufficiency rather than build new dependencies.

The Mutual Benefit model operates on the basis of partnership taking the view of why foreign help may be beneficial to both the donor and the recipient. For instance, the investment by EU in African projects that enhance trade overseas is likely to promote African economies and also European firms seeking new markets. Such investments can be structured as mutual partnerships where African development needs are met and economic returns are offered to external actors creating an interest balance that promotes sustainability.

In this predisposition, Mutual Benefit Models encourage solidarity and reciprocity promoting the need for foreign assistance in managing of integration as opposed to being those given help (Taylor, 2010). This perspective would rather work very well with Africans ideals towards self-reliance by creating cooperations that enable Africans define the integration processes for the region.

Nonetheless, not all external assistance is confined to the context of partnerships that are for mutual benefit, as Development Aid as a Tool for Influence highlights the preferred aspects and practices of external support. There is a type of activity which can be characterized as assistance that comes in the form of development aid towards embassies which is predominantly used to advance the political or economic aim of its donors. Such assistance can also serve to advance processes of integration in Africa which are in the interests of the donor rather than those of the African continent.

For example, by pushing for the hosting of African countries which have complied with European standards and regulatory regimes, the European Union does not only ease European businesses access to foreign markets but also shifts the structure of the economy of the host countries further towards Europe (Amin, 1976). In this manner, the European firms could push the EU's economic borders further without major regulatory constraints when establishing businesses in Africa while strengthening the region's integration into the European model.

The use of some forms of aid is viewed as an influence for certain circumstances. But one issue raised is whether this restricts the integration of Africa on the continent. Aid in the form of development resources is valuable however, it could limit Africa's potential strategies and create a reliance on outsiders. In order for the African integration process to be in line with the African vision, it is very important to understand the interests and constraints of the external resources. This approach implies that African countries should be wary of external support and make provision for the fact that external strategies should help build rather than weaken African capacity and independence.

Lastly, there is an aspect, that is, Capacity-Building [6]and Technical Assistance which is also outside support but if properly structured can make countries in Africa stand at the forefront of the integration processes. Capacity-building aims to develop local skills, enhance the institutional structure, and provide African countries with the necessary skills and resources to be self-sufficient in managing the integration.

Whereas, aid such as the aforementioned which requires terms and conditions to be met is of lesser importance as there is more focus on capacity-building and ownership of the initiatives which coincide with Partnership and Mutual Benefit Models that are about respectful engagements between Africa and her international partners. For example, the EU and UN have offered technical assistance to the African RECs in relation to trade facilitation, infrastructure, and regulatory harmonization. When this support is designed to meet the African requirements, it allows the African countries to grow the institutional capacity necessary to carry out and sustain the integration efforts independently (Bräutigam & Knack, 2004).

However, the success of capacity building programs will only be guaranteed when such programs are consistent with Africa's particular context and development needs. If African countries stay with these programs, self-sufficiency and relief from over-reliance on external capacities can be achieved. This type of assistance fits well with African objectives of self-sustenance because it enhances local governance, ensures coherence in policy formulation and implementation, and builds African institutions to strengthen regional integration processes that are independent and durable.

Finally, the connection between Africa's integration processes and assistance from outside countries, can be described with the terms of dependency, partnership and mutual interest. Dependency Theory and Conditional Aid arguments suggest that Africa may become

[6] Capacity-building is defined as the process of developing and strengthening the skills, instincts, abilities, processes and resources that organizations and communities need to survive, adapt, and thrive in a fast-changing world.

overly dependent on foreign resources and as such, limit their choice over policy initiatives. On the contrary, Partnership and Mutual Benefit Models provide a remedy through suggesting that polarization can be avoided and should foreign aid be respectful to the Africa continent, then it would enhance the integration processes.

Capacity-building and technical assistance prescribe in even stronger terms the need to rethink the logic of support as one based on fostering autonomy rather than dependence. All these theories, therefore, imply a certain degree of precaution in engaging external partners but with an objective of using external support in enhancing African growth without compromising her self dignity and self determination. As the African integration efforts continue, these theoretical perspectives offer critical assistance towards the creation of a regional economy which is independent, strong and sustainable without relying much on foreign countries.

2.4 NEW REGIONALISM AND DEVELOPMENT CONTEXT

New Regionalism explains the present day regional integration attempts in an all-inclusive manner which is varied, broad-based as well as flexible. The earlier notions of regionalism closely linked to economy or politics in a way that regionalism was thought of only in terms of the two sectors, but according to New Regionalism, globalization oriented integration works on several sectors, i.e. economic, social, political and environmental, involving many actors including states, enterprises, societies and international organizations.

This approach is particularly important in relation to the continent’s integration efforts, as it encompasses the continent’s various stages of development and governance structures as well as development aspirations. Building upon the African Continental Free Trade Area (AfCFTA) and Regional Economic Communities (RECs), African leaders are progressively interpreting core policies of New Regionalism to incorporate not just economic integration but human development, environment sustainability and equitable development as well.

One of the important aspects of the New Regionalism is that, in their constructions, regional integration is viewed as a measure to address global challenges and opportunities and not as a process which she looks inwards (Hettne & Söderbaum, 2000). This approach, however, is especially relevant for the African region, where the twin processes of development and integration are often aimed at enhancing the global competitiveness of the continent. As stated in New Regionalism, integration maximizes the competitiveness of regions, facilitates bargaining on the world market, and strengthens the vulnerability of the regions from the external global forces.

In the African case, these objectives are the core of AfCFTA, whose principal aim is the establishment of a single market to enable African countries trade and invest more into each other. In addition, AfCFTA advances the vision for Africa to be able to structures its own economy which is consistent with the New Regionalism focus on the need to shield regional contexts from excessive globalization pressures (Hettne, 2005).

Likewise, New Regionalism posits that the aspect of integration is not singular but rather, inclusive and multidimensional integration as a process that encompasses economic, social and environmental aspects. This multidimensional approach is evident in African integration strategies, which increasingly seek to promote social development in addition to primarily economic ones. For example, AfCFTA and RECs stress the importance of policies tackling job creation, poverty reduction and skills development as main issues of the integration process. Such an approach recognizes the fact that economic integration per se cannot solve the continent’s myriad and intricate issues of development, which includes among others, poverty and inequality and the lack of education and health care services (UNCTAD, 2019).

In turn, the African integration processes within the framework of the AfCFTA are aimed at addressing the issues of social and developmental context first in order to enhance equity in the economic social fabric. This approach seeks to ensure that the advantages are enjoyed in all levels of the society and not just limited to trade between businesses and government, rather advances the overall welfare of societies.

The two factors that stand out as vitally important in New Regionalism is the ability to adapt or integrate processes and the fact that regions determine their integration according to specific contexts and developmental challenges. New regionalism is hence premised on complex situations in which local cooperation cannot be determined from top-level orders or plans, validating integration and regional cooperation depend on local circumstances, governance levels and multiple interests (Söderbaum, 2004).

As for the African integration mechanism, it is also in discipline since RECs and AfCFTA permit staged execution and for changes to be able to address differences in the needs and capabilities of the member states. For example, tariffs center were put into agreements that

CRC[7] systems help develop by forcibly reducing tariffs and make poorer countries adjust at an appropriate time and develop at excessive competition of a bigger market. This strategy demonstrates New Regionalism's operational cream through sister processes that push NEPAD[8] member states to work concurrently and equably.

The impact of the different actors as well as the different levels of governance is also, however, important in New Regionalism. While in traditional regionalism the majority of focus was on state actors. New Regionalism encompasses a variety of actors including governments, businesses, civil society and international organizations who assist in the integration processes.

In Africa, this inclusion is critical for example in international relations since non-state actors have great impact in trade, investment and social issues. For instance, private companies are essential to the construction of regional value chains, whereas regional non-government organizations urge for social justice and ecological health policies as a part of the integration processes. Other countries including EU also these countries and the UN also assist financially and technically with the integration processes here boosting capacity as well as resources for successful integration (African Union, 2020).

The growing realization of the interlinkage between economic growth and ecology reflects, inter alia, in the New Regionalism the emergence of the New Regionalism as an integral process for environmentalism. This is very true for Africa where climate change loss is increasing, and integration strategies have promoted sustainable practices as critical in economic development. African bodies such as the African Union: Agenda 2063 policy for instance, envisages integrated sustainable resource management, climate protection, and environmental conservation as key perspectives of African unity (African Union, 2015). African governments, via AfCFTA and RECs, are striving towards embedding environmental considerations in trade agreements, and advocating for energy initiatives in African development.

New Regionalism further emphasizes regional integration with a view to solving governance and security issues (conflict, political instability, corruption… etc). For Africa, where

[7] The Blue Economy CRC brings together 43 industry, government, and research partners from ten countries with expertise in aquaculture, marine renewable energy, maritime engineering, environmental assessments and policy and regulation.
[8] New Partnership for Africa's Development : an economic development program of the African Union

governance issues and even conflicts have been a setback in developing the region, regional integration provides a mechanism for ensuring a coordinated approach towards improving security and governance standards. The potential of regional integration towards conflict resolution, peacekeeping and promoting democratic governance has been demonstrated by organizations such as the Economic Community of West African States (ECOWAS) within its member states (Francis, 2001). In orders to promote sustainable economic growth and social cohesion at any level, African integration under New Regionalism tolerates measures that will create a more favorable political atmosphere.

2.5 APPLICATION TO AFRICAN INTEGRATION

Within this chapter, the Balassa’s Stages of Economic Integration, New Regionalism and Institutional Economics, provide a crucial understanding of how the African regional integration processes occur, as well as a useful strategy of dealing with the several issues African regional integration poses. These theories not only account the factors of region hood but also provide the solutions to the factors that has otherwise prevented Africa from being one economically united region.

The most practical application leading towards such resolution is implementing Africa’s Integrated Regional Market through the African Continental Free Trade Area (AfCFTA) and Regional Economic Communities (RECs), which brings out the effective paths to linking successful institutional reforms with regional external economic integration as well as how to foster regional internal integration more sustainably.

According to Balassa, four stages of economic integration may be distinguished, the last level being a full political union of nations with subordinated economies. This theory is applicable in the African context for instance in the enhancement of the African continent free trade area, which is the first step towards integration, : that is creating a free trading zone where tariffs are removed and not tariff barriers are lowered amongst the member countries.

But the transformation from this phase to the advanced phases of integration, which are the customs union, common market requires the countries to have an agreement in trade policy, have common external tariffs and even have intermarriages in their national regulations. Such a development suggests the importance of coordination of institutions at regional level and more so the integration of the policies and economic regimes.

Looking at Balassa's model, it can be observed that Africa has been able to lay out the basic building blocks of economic cooperation through AfCFTA, although achieving further economic integration would require a significant level of coordination among member countries in the area of policies and institutional capacities. This incrementalism is a very useful contribution to African policy makers in recognizing that regional integration takes time and effort.

The model also sets some timelines for completion of objectives and provides a framework for managing policy conflicts, infrastructure gaps and institutional inconsistencies among the various countries in Africa. In the phases that the continent progresses through, establishing a common market in the continent (which allows free movement of factors of production) would entail putting in place an institutional infrastructure that would oversee border labor movements, efficient markets, as well as, common legal regulations. Balassa's theory has a number stages and each of them offers opportunities, but equally provides challenges to integration in Africa that policy will have to intentionally address together with resources.

As Hettne and Söderbaum (2000) suggest, New Regionalism brings a constructive dimension to our comprehension of African integration due to its focus on the diverse aspects of regional cooperation. Different from the previous models of regionalism which were concentrating only on the economic aspects, New Regionalism considers the inclusion of political, social; environmental factors also important during regional integration.

This theory is important for Africa because it embraces the 'integration for the sake of trade' theory, pointing out also the importance of addressing social issues, inequality and political instability. This adjustment makes sure that regional integration is more attained more peaceably as there would be tradeoff between the economic objectives and the other development objectives.

The New Regionalism approach to Africa's integration addresses regional consolidation needs to move beyond just market access to policies dealing with poverty, unemployment and inequality as well as social exclusion. For instance, AfCFTA and RECs need to incorporate social policies that seek to create employment opportunities, skills enhancement and reduction of poverty in the rural and informal economies of the member states especially among the more vulnerable groups.

This social dimension of integration also calls for the promotion of gender equality, respect for labor rights, and social protection so that the benefits of integration extend to all sections of society. New Regionalism has also called for a pragmatic view of integration and this fits with the facts on the ground in Africa which is heterogeneous in all spheres. Considering the general differences in governing mechanisms, development levels and institutional capability of the African countries, the use of a global model will be ineffective.

Thus, New Regionalism brings a more nuanced and contextual approach to integration where African countries pursue their individual interests within the framework of collective regional objectives. Such flexibility promotes the gradual, phased development of integration processes which are appropriate to the capacity differences amongst member countries hence promoting full engagement of less developed countries into the integration process.

The premise of these integration frameworks is supported by Institutional Economics which emphasizes the role of robust and adequate institutions in the success of regional integration. Following this theory, institutions (both formal and informal) can be viewed as the incentives and constraints that guide the economic, political and social activities within a regional bloc. To begin with, the effective institutions are important in enhancing order, minimizing transaction costs and ensuring the realization of the expected gains from integration. With regard to AfCFTA and RECs, it is pertinent to note that Institutional Economics calls for the establishment of sound institutions that can promote trade, resolve conflicts and harmonize legal frameworks. Critical in this regard is the need to reinforce the customs authorities, to upgrade the trade facilitation physical infrastructure and to ensure uniformity of legal instruments across the continent.

A major problem, especially within the African context, is the extent of institutional variety between countries. For instance, some African states have relatively good institutions that can implement regional frameworks, whereas some governments are characterized by poor governance, corruption and inefficiency. As pointed out by Institutional Economics, there is a need to avoid this as institutional convergence (the alignment of governance structures and capacity among member states) is imperative to allow for smooth integration of the economies.

However, institutional capacity building is critical for both AfCFTA and RECs to be effective. This involves both the production of regulatory cross harmonization and the development of institutional infrastructure such as electronic trade facilitators, effective border clearance systems and inter-country mediation systems. Also, there are indications in the literature that African states need to build relations of confidence amongst themselves, which can only be done through better the quality of institutions, ensuring the accountability of institutions, and the equitable implementation of agreements.

The functional relevance of these theories to AfCFTA and RECs gives a coherent framework for how the integration challenges facing Africa can be managed. Balassa's four sequential stages of integration present an orderly succession, but these are also highly resource dependent, in terms of both the institutional infrastructure and the synergy of overarching national and environmental itineraries.

2.6 LITERATURE REVIEW

The scope of literature concerning African regional integration involves a wide coverage perspective, theoretical as well as empirical studies, that consider the rationale, methodologies and achievements of AfCFTA and other RECs. These integration efforts are viewed as part of the greater picture that would improve trade, investment and overall development across the African continent in the near future.

Such considerations as the African Union’s long-term strategic framework, the Agenda 2063, are often presented as the primary vision that originated these integration efforts. Working in a vacuum, so to speak, these were: As a document depicting the vision for the development of Africa, Agenda 2063 identifies the core interests of the continent which include economic integration, self-sustainability and growth that can be sustained over time. It sets up parameters within which such policies as that of AfCFTA would be pursued citing aspects like enhanced intra-African trade, industrialization, social equity and sustainable development (African Union, 2015). One of the emerging trends of the African integration process is the active promotion of the continental market. Agenda 2063 promotes that by stressing on the need to work together, reduce reliance on the global economy and become more self-sufficient from its shocks. And Yet, integrating national policies and RECs to the same Agenda, the objective becomes to create an African economy and a unified African identity at the same time, and share economic growth among all African countries.

This vision for an integrated economy also deepens the social and environmental pillars of sustainable development thereby making Agenda 2063 an appropriate framework for Africa’s regional integration.

Many have called the African Continental Free Trade Area (AfCFTA) a game changer for trade in Africa as it is expected to grow intra African trade, strengthen regional value chains and ultimately help the continent reduce its reliance on external markets (African Development Bank, 2021). More often, the potential of AfCFTA is pegged to Balassas Stages of Economic Integration introduced in 1961 which describes how a region integrates, firstly as a free trade area to eventually a political union.

The explained model in the literature has been quite helpful in outlining the progressive nature of the integration process in Africa, with AfCFTA still only in the first phase of establishing a free trade area expected to achieve tariff free trade on 90% of the regional goods by 2019 (UNCTAD, 2019). Nonetheless, moving from such a phase towards the next stage of integration and forming other structures, for example, a customs union or a common market, runs the risk of encountering significant economic and institutional and governance issues, particularly in view of the uneven levels of economic growth, institutional maturity and development of the infrastructure of countries across Africa.

An important point of consideration in such efforts of integration is governance which usually determines whether the efforts will succeed or fail. As noted by other scholars, governance challenges, including corruption, regulatory framework inconsistency and institutional collapse are some of the noticeable barriers against successful implementation of AfCFTA and RECs. Kaufmann, Kraay and Mastruzzi (2007) propose that lack of strong governance frameworks allows the creation of an environment for business that lacks predictability and transparency which are needed to facilitate trade as well as investment.

Such weak governance in the context of the African integration results in increased transaction costs, political fragmentation and the poor adherence to regional agreements, which negatively impacts trade and investment.

From an institutional perspective, especially that articulated by Douglass North (1990), it is important to have such institutions (formal rules and informal conventions) that lower transaction costs and facilitate cooperation among member states.

It must be mentioned that in Africa where there are often informal trade and administrative hurdles which impede cross border trade, an important hurdle is to establish strong structures to implement the integration agreements. Furthermore, the literature highlights that corruption (customs and regulatory offices in particular) is also a major concern which increases cost of trade and lowers the certainty of the business environment (UNECA, 2018;

African Development Bank, 2021). If these governance challenges are not overcome, control inefficiencies and lack of transparency as well as inadequate regulatory enforcement will continue to raise the cost of business and stifle regional integration and in consequence the full benefits of AfCFTA and RECs may not be fully harnessed.

Insightful policymakers in development notes that to surmount such governance hurdles necessitates overall capacity enhancement of institutions such as developing the public and private sector institutions, restructuring administrative processes and achieving better regulatory coherence across various African countries. Effective studies further note that improving the quality of governance is necessary for the reduction of non-tariff barriers, which still ranks as one of the greatest challenges to intra-African trade. There are further arguments made by scholars that for AfCFTA to work, reforms have to be instituted at all and any level of governance be it national or regional and international for policy execution to be uniform and consistent in nature (North, 1990).

More recent developments have seen an increase in studies linking governance quality and regional integration. In the first place, Ogunniyi et al (2019) explains that regional integration is enhanced by composite governance and good governance practices improve trade, investment and cooperation. One area where Ogunniyi et al's perspectives can be developed further is in the assessment of the effect of political institutions on the relationship between economic integration and the quality of governance.

Despite the challenges, Batuo et al (2009) view that governance is a necessary precondition for regional integration as it defines such important aspects as rule of law, quality of regulation, and cohesiveness in implementing governmental policies. According to Batuo et al, on the other hand, Corruption is said to be widespread in several African countries and is a great disabler of the efforts towards regional integration.

Moreover, according to Kaufmann et al. (2007), Good Governance Theory focuses on the need for regional institutions to enhance their transparency, accountability and legal integrity in order to assure members state compliance with trade agreements and regulations. Furthermore, Institutional Convergence Theory postulates that regional integration may be realised only when the partner countries harmonise their institutional capacities and governance structures that could guarantee the uniform application of trade rules and just participation (Rodrik 2007).

This theory highlights the fact that the ratio of the quality of governance in the different countries in Africa presents a hindrance to the regional integration process since the poorer countries might not be able to reach the same standards as the rich countries which would then render the regional laws ineffective. As Borgi et al (2018) say, good governance practices are primordial for economic integration. He stresses the importance of the institutions' quality to the outcomes of such economic integration.

Nevertheless, if one accepts the importance of enhancing governance quality, such an edificatory change may fail to resolve all the barriers related to the processes of regional integration in the case of Africa. Other aspects such as infrastructure development, building of capacities as well as public participation are also required for the initiatives for regional integration to succeed. These studies imply that the weakness in governance structures is a key element in understanding the failure to achieve regional integration in Africa.

Another important aspect discussed extensively in the literature is the perspective of external actors in the process of African integration. The European Union, the World Bank, and other international sources were able to mobilize considerable resources that supported the AfCFTA and RECs, which included financial resources, expert staff, and the development of institutions.

The European Union has also been a key partner in policy and institutional development across the RECs for infrastructural and regulatory reforms necessary for trade across borders(African Union, 2020). The support has been instrumental in bridging the resources and technological barriers that African nations face in effectively implementing integration projects.

However, scholars who adhere to dependency theory and critique the external support of Africa are in agreement that an increased dependence on externally generated resources can stifle African countries from pursuing their own developmental agenda. Frank (1967) in his articulation of dependency theory held that foreign aid does not alter the existing unfair power relations but rather compels African countries to adopt policies that are congruent with the interests of the donor country.

Rodrik (2007) notes a critical issue in the case of Africans driving integration, as there is the potential of donor-led changes, particularly trade liberalization reforms, eroding local economic development aspirations one seeks to accomplish as self-sufficient states.

Though these are fears, the literature also points out the fact that if well thought out, some external assistance may be useful to the African integration process, provided such assistance does not override the African interests and priorities. For instance, Taylor (2010) argues that foreign partners need to help build African institutions and local capacity as opposed to dictating changes from outside.

Such a model helps the African countries to limit their dependency on external support and therefore pursue their integration in a more balanced manner. Hettne and Söderbaum (2000) contend that external assistance should be regarded as supplementary to the priorities of the African people, providing assistance in filling capacity gaps without relegating the African people's authority. The scholars suggest an ideal model where African states prioritize their development and foreign partners facilitate the realization of such priorities.

Even with the availability of multiple literatures touching on the regional integration of Africa, there are still a number of significant gaps which remain to be filled. One such gap is the scant collection of empirical evidence establishing effect and impact of relationships between specific governance practices and the resultant trade in Africa. There is a plethora of literature on the general role of governance to the cause of regional integration however few scholars have attempted to develop models that will show how particular governance reforms as reducing corruption, enhancing transparency, standardisation of regulations, etc are likely to result in an increase in trade flows, and foreign direct investment and improved economic performance in the context of AfCFTA and of the RECs (UNCTAD, 2019).

In the absence of these studies, it is difficult for authorities to be able to pinpoint what governance weaknesses would be most critical to the integration outcomes of an undertaking such as the EAC. Also, while there exists some literature on governance reforms in single states, what is lacking is context-specific recommendations on governance that regard the specific factors and problems of respective countries in Africa. Many governance frameworks that are discussed in the literature are quite broad and fail to take into account specific regional differences within African countries including but not limited to the differences in organisational structures of governments, levels of stability and the various economic systems that exist. The research that is context specific may be more helpful in informing African states for it would be possible to take into account the various levels of development, institutions and politics in the African states (Rodrik, 2007).

One more literature regarding the role of digital trade and digital governance in promoting African integration is missing. As e-commerce becomes a dominant means of global trade, the need for having a strong digital economy is undoubtedly never before. But, there are not enough studies on the digital infrastructures which aim to support the objectives of AfCFTA. Even literature on digital governance (under which also fall regulatory frameworks and policies for the protection of data, and trade in cyberspace) is scarce, though it is needed for the continent to utilize the digital economy fully.

Studies, however, point out that improving digital infrastructure and standardizing digital regulations within African countries may reduce transaction costs and enhance market efficiency. Moreover, it could also enhance inclusiveness, especially for small and medium enterprises (SMEs) that depend on e-commerce platforms to access the regional markets (World Bank, 2020). With the expected continued role of digital trade as a major driver of economic development in Africa, it is pertinent for future studies to fill these gaps, looking at how the use of technology and related policies, enable the broader AfCFTA and RECs objectives.

In conclusion, the literature on Africa regional integration demonstrates that AfCFTA and RECs are difficult to implement to their fullest potential. A discussion of the constraints to success is in order as much is known about the potentials: the well known advantages of these efforts are evident, but the governance problems, the weak institutional set up and even the external factor still bedevil these efforts. Bolder integration requires, especially in Africa, tackling such governance issues through reforming institutional capacity, regulatory coherence and accountability.

In addition, the foreign support has to be redefined in a manner that does not create dependency but rather seeks to support Africa in a manner that is consistent with its developmental aspirations. Finally, the relevance of governance reform within context and the relevance of research into the digital dimension of integration are both necessary in order to ensure that Africa’s integration efforts are resilient, participatory and sustainable to both local and global challenges. The issues therefore boil down to achieving AfCFTA and RECs through a governance based approach, building partnerships and addressing contemporary issues such as digital trade to create a stronger African economy according to the vision of Africa 2063 Agenda vision.

3. AFRICA 2063 AGENDA: A LONG-TERM VISION FOR ECONOMIC INTEGRATION AND DEVELOPMENT

The Africa 2063 Agenda is the radical and visionary strategy which has been developed to be for the continent's benefit as envisioned by the African Union. Agenda 2063 is expected to span 50 years and elaborates on the goals and visions of the African people such as that of economic development and integration (African Union Commission, 2015). Originating from the sheer wish to harness Africa's potential, the agenda articulates a vision of an integrated, stable, and competitive continent that would be self-sustaining and united in diversity. This bold vision is built from history of Pan Africanism [9]and upholds AU's objectives to exploit the dilemmas and the prospects of globalization, climate change as well as technological changes (ECA, African Union and AfDB , 2017). Agenda 2063 seeks to achieve real and sustainable improvements in thewell-being of the African population and at the same time bring to the world a changed position of the Continent.

Behold the Africa 2063 Agenda, which was born from optimism but also understanding of the barriers that have in the past caused the stagnation of Africa's growth. In 2013, precisely 50 years since the formation of the Organization of African Unity (which later became AU), African leaders came together to reminisce and project the future. Seeing the need for an all encompassing strategy that addresses linked issues like poverty, inequality, governance, peace and environmental sustainability, AU formally adopted Agenda 2063 (African Union Commission, 2015). This strategic document under the title, 'The Africa We Want,' has encapsulated the vision of transformation in seven core aspirations. The core aspirations of the Africa Agenda 2063 is that the people of the continent will strive for inclusive growth and sustained development, integration and unity, good governance, democracy, human rights, peace and security (Hartzenberg, 2011). Thus, through the pillars of the Agenda, Africa has a vision of being self-sustaining, integrated and economically resilient.

[9] Pan-Africanism is a general term for various movements in Africa that have as their common goal the unity of Africans and the elimination of colonialism and white supremacy from the continent.

Overarching economic integration is enshrined in the core tenets of agenda 2063 and regarded as necessary for the competitiveness of Africa. Although Africa is endowed with a substantial part of the world natural resources, splits within the continent's economy have always bruised its ability to utilize these resources effectively (Poku & Mdee, 2018). At present, Africa comprises of several regional economic communities (REC's) which are the economic community of west African states (ECOWAS), southern African development community (SADC) among others, with each of these RECs having its specific goals, member nations and protocols (UNECA, 2019). Towards the latter's end, agenda 2063 calls for advancing the level of integration between the RECs with a vision of one African market that can further develop intra-continental trade, draw in investments and spur industrialization. The year 2018 clearly drawn such ambitions, as there were established the African Continental Free Trade Area (AfCFTA), which was aimed at eradicating trade barriers and creating opportunities while lessening the export dependency of the continent (Diop, 2021). Within the context of greater economic cohesiveness, agenda 2063 seeks to promote Africa's economic autonomy through, for the first time in history, the opportunity to use its resources for its own people's profit.

In addition, Agenda 2063 highlights the relevance of development of adequate infrastructure as crucial in promoting economic integration. Knowing that the lack of infrastructure has for a long time inhibited Africa from realizing its potential, the agenda places more emphasis on addressing the insufficiencies of transport, energy as well as digital networks across the borders (ECA, African Union, and AfDB, 2017). Program for Infrastructure Development in Africa (PIDA), another AU's brainchild, is designed to complement the aims of Agenda 2063 by linking networks that allow regional initiatives, such as highways, electricity grids and internet networks. These are aimed at alleviating the transport constraints, improving the supply chain processes and foster free trade area and movement of people across the continent. In building new infrastructures, Agenda 2063 seeks to promote greater economic integration within Africa, but it also predicts a future of managed urban growth, universal energy access and an inclusive digital revolution that would serve Africa's expanding youthful population (Taylor, 2014).

The social aspect of Agenda 2063 is equally critical, as social development does not just hinge on economic development. The goals of the agenda include promoting development which targets poverty, health, education, and gender equality (African Union Commission, 2015). It seeks to create an Africa where all the citizens irrespective of gender, age, or social class can take advantage of the growth and development. This emphasis on inclusiveness is especially important in the context of African integration which has, in some instances, been undermined by disparities between countries and regions resulting in uneven development. With the provision of education, skills development, and health care, Agenda 2063 targets the development of human resources that can be the major contributors of creativity and productivity. Also, gender equality is a fundamental goal with the plan advocating for measures that facilitate economic empowerment and active involvement of women in politics (Poku & Mdee, 2018). In these circumstances Agenda 2063 seeks the development of a fairer Africa that can utilize the potential of all its people.

One of the inescapable aspects of climate change is the troubling reality that Agenda 2063 has been specifically formulated with regard to Africa, the most vulnerable continent in terms of natural resources. The agenda has objectives that promote environmental sustainability practice and enhance Afro-centric resilience to climate change because the development of Africa cannot occur in a vacuum (Hartzenberg, 2011). It recommends the integration of environment-friendly practices in the course of achieving economic progress producing renewable energy, protecting biodiversity and practicing sustainable development in agriculture. This identification with sustainability is not merely an ecological responsibility for the continent but a strategic asset, it enables Africa's rich biodiversity and their considerable natural resources to be' at the center of global green economy and climate change adaptability. It seeks to promote goals and initiatives such as the Great Green Wall [10]and various renewable energy projects across the regions, Agenda 2063 aspires for an Africa that operates within the confines of the planet in a progressive manner, enhanced capacity to help attain SDG goal [11](United Nations Economic Commission for Africa, 2021).

Though the Agenda 2063 intends to motivate and inspire, the realization of that dream faces a plethora of challenges, and thus, it can be complicated. The heterogeneity of the African economies, political and social aspects of these nations, will make it hard to reach the objectives of harmonization of policies and collective advancement. Furthermore, de-

[10] The Great Green Wall is initiative launched in 2007 by the African Union, seeks to re-green Africa from Senegal to Somalia. It is about building a mosaic of green and productive landscapes that improve people's livelihoods and foster environmental sustainability.
[11] The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity.

pendence on foreign capital represents a danger since dependence on foreign aid compromises Africa's independence (Taylor, 2014). Agenda 2063 respects these challenges and advocates the principle of self-reliance in the resolution which encourages the raising of internal resources and the promotion of African-centered development cooperation. Furthermore, it emphasizes the need for monitoring and evaluation, charging the African Union Commission and the regional organizations with the responsibility of assessing achievements through periodic reviews. These mechanisms are important in the promotion of accountability, the determination of the sources of obstruction and the determination of appropriate measures that will enable Africa to remain focused on the strategies that are directed towards the achievement of the outlined long-term objectives (ECA, African Union and AfDB, 2017).

The Agenda 2063 is a complete and far reaching picture for the end of Africa, but it also encourages mother Africa to fight in conflict. The potential of Africa is enormous. Encouragement of peace, clarity in governance and solidity in development is the strategic objective of the Agenda 2063 which aims to see a politically and economically united Africa by the year 2063. There is however, one condition that would make this possible. That is the commitment of the people involved, who would, without fail, work tirelessly and collaboratively so as to meet and deal with the needs at hand and potential opportunities the continent has to offer. It is this vision which lets Africa have a pledge to strive regardless of the complexities faced within the 21st century.

3.1 OVERVIEW OF THE AFRICA 2063 AGENDA

The Agenda 2063 for Africa is a comprehensive plan designed by the African Union to solve the following issues on the Africa continent, its socio-economic and political issues over the span of 50 years. This was adopted formally in 2013 during the commemoration of the 50th anniversary of the OAU[12], which incorporated those strategies and considerations due to the AU That threats include African leaders' desires to utilize all the available resources, employ skilled manpower as well as unite the members towards an independent strong and competitive Africa (AU, 2015). Agenda 2063 is decidedly anchored in Pan Africanism, it aims ed in two senses: welcoming the continent's aspirations and articulating a 'long view of the Africa we want to see'. It aims to address and eradicate the obstacles

[12] The Organisation of African Unity (OAU) : The OAU was founded in 1963 to promote self-government, respect for territorialboundaries and social progress throughout the African Continent

such as poverty and inequality, weak infrastructure, and over reliance on the external financial support, which have barred the continent from its full capabilities in the past.

Agenda 2063 is informed by Africa's contentious experience with advances as well as with stagnation. Despite the continent's vast cultural resources, natural resources and its youthful population, Africa has experienced a lack of economic integration, socio-political turmoil and has had minimal presence in world powers' interactions (Taylor 2014). The endorsement of Agenda 2063 represents a collective resolve to face these challenges not only in terms of the economics of development but also by focusing on building the political, social and environmental frameworks that are critical for sustainable development. An efficient Agenda 2063 is based on the self-reliant, self-interdependent people of Africa who can bring about change positively without the outside assistance, strengthening African resources in the process.

The Formation and Philosophy of Agenda 2063

The third pillar of the Agenda 2063 is the aspiration of Africa towards global cultural renaissance. It is based on the understanding that Africans have a distinct world view and thus need to express themselves to the world. This idea started 50 years ago at the OAU which then developed into the collective Mo Ibrahim Foundation [13]that promoted African Systems of Thought as the underlying philosophy of Africa. African leaders then came together to put an African Spin for an Ethiopian idea which turned into a cogent plan with guiding designs. As most leader know, nothing can progress only with a singular idea. Mo Ibrahim understood this math argument and tried to unite African thinking systems over the political geometry that called into question the diaspora identity. If Africans accept the politics of today's fashion, Western-centrism, then Africa as the centerpiece of the political circle is destroyed. That is how important institutions are so wide and behind more than just a bolt put into the mainframe. Nonetheless, the blueprint will only work if Africa acknowledges both the African Movement and African Diaspora.

At its core, the Agenda 2063 is a Pan-African project that underscores Africa's ages old principles of togetherness, a common purpose, and self-rule. It has an ideological foundation built on the Pan-African movement that emerged towards the beginning of the 20th century, which sought the unification of African peoples and the empowerment of Africa in international affairs. These ideals inform the agenda's emphasis on increased continental

[13] The Mo Ibrahim Foundation is an African organisation providing an African voice on current global challenges

integration, the minimization of external dependence, and the advancement of Africa's self-reliance. The overall aim of the agenda is to promote Africa as one strong influential country that operates together in order to overcome set goals and objectives and opportunities in the future (Hartzenberg, 2011).

Seven Aspirations: The Pillars of Agenda 2063

The Africa 2063 Agenda is provided on the basis of seven aspirations that are fundamental to the African vision towards an integrated and prosperous Africa. These aspirations serve as a framework to the African continent in overcoming challenges that are central to its growth and development.

First, An Africa determined by inclusivity and sustainable development. This particular objective seeks to create an Africa whose economy is effective in multiple dimensions, where each person is included, where poverty is nullified, and opportunities are available to every individual. It stresses on self-containment, having a goal of increasing local dependence which sees Africa as a potential global leader in innovation and industries (African Union Commission, 2015). This different aim concentrates on the sectors of agriculture, manufacturing and the digital economy with the intention of creating employment opportunities, supporting economic growth and raising the living standards of all the people in the continent.

Second, A continent that is politically united and integrated and embraces Pan Africanism. This aspiration belongs to the core articulations of the agenda's integration objectives which is politically and economically unification of Africa. The AU envisions an integrated continent by removing barriers to trade, joining policies, and encouraging inter-regional relations. AfCFTA is in an instrument in realising this aspiration, by developing intra African trading and regional industrialisation making Africa relevant in the international trade scene (Poku and Mdee, 2018).

The next one is Africa of good governance, democracy, respect for human rights, justice, and the rule of law. As good governance is the cornerstone for achieving sustainable development, Agenda 2063 calls for the establishment of effective institutions that are transparent and accountable and are based on democratic principles. This aspiration aims to promote law and order and encourage the ethos of good governance the absence of which is important for the fostering of an environment where economic and social development can occur (Hartzenberg, 2011).

Furthermore, the consideration of an African perspective about these issues cannot be complete without mentioning the fact that Conflict and insecurity scourges of Africa from its development and Agenda 2063 seeks to address these issues in the first place. This aspiration therefore calls for the prevention and management and resolution of conflicts and stresses the need for stronger institutions and mechanisms to deal with threats to security and promote peace. Such initiatives as the AU's Peace and Security Council are important in this regard (Taylor, 2014).

Moreover, the cultural dimension for scope of Africa will be a cornerstone of this agenda with strong cultural expression, rich heritage, values and norms. This aspiration seeks to protect and promote Africa's various cultures while building a pan African identity. As a means of promoting social plurality and cultural integration, Agenda 2063 complements such objectives by enhancing Africa's power and presence direction of world wide structures. This aspiration recognises that culture is both a factor of progress on the one hand and a factor of advancement on the other hand, and a factor of cohesion on itself.

The human figure is also envisaged in the 2063 agenda by bringing perspective . An Africa whose development is people-centered, anchored on the human capital assets of the region, in particular its women and youth. With a young and fast growing population, Africa's demographic potential is huge. This aspiration seeks to make the youth and women of the continent active by providing them with education, skills and opportunities. By harnessing Africa's demography through investing in human capital, Agenda 2063 offers an opportunity that all Africans will work for and gain from development (United Nations Economic Commission for Africa, 2021).

Ultimately, Africa is to be strong, united, resilient, and influential global player and partner. This final aspiration underlines the AU's vision for Africa to feature strongly on the global scene. By forming diplomatic coalitions, entering into partnerships, and asserting its goals in global affairs, Africa can partake in international systems of governance that honour African values and aspirations. This aspiration seeks to see the African continent as an equal member of the international community, which will be able to integrate into the international system and leverage global developments (Diop, 2021).

Flagship Projects and Initiatives under Agenda 2063

To achieve the Agenda 2063 vision, it is supported by a number of flagship projects and initiatives that aims at achieving its vision. These projects are concrete actions in a bid to realize the aspirations of the agenda and are meant to deal with certain critical development gaps within the continent. Among the most notable of such projects is the African Continental Free Trade Area (AfCFTA), which seeks to establish a unified market among the 54 African states to allow unrestricted cross border trade in goods, services, and human resources. Expected to boost intra-African trade by over 50%, AfCFTA is a key asset of Africa's integration agenda and a key element of economic development (ECA, African Union and AfDB, 2017).

Prominent among them is the Program for Infrastructure Development in Africa [14](PIDA), which responds to Africa's infrastructure of transportation, energy, and digital connectivity, among others. The development of infrastructure is a key component of economic integration since it lowers the cost of trade, improves the efficiency of the supply chain, and facilitates the movement of people and trade. PIDA seeks to realize Africa's vision and aspirations as enshrined in Agenda 2063 through the development of infrastructure, such as transnational highways, cross border railways, and energy grids (UNECA, 2019).

Challenges and Monitoring Mechanisms

Agenda 2063 is, without a doubt, a guide that is ambitious enough to provide direction to Africa's take-off. However, challenges such as political, economic, and institutional opportunities can impede its effective implementation. Conclusion of PIDA on Africa shows that its member nations' diverse economies and political systems rank harmonized policies and particularly shared goals as elusive objectives. What is more, most nations in Africa do not have adequate funds for many development projects; reliance on external funding can thus affect a self-sufficient agenda. To this end, the AU has developed strong monitoring and evaluation approaches that track the implementation of the agenda with accountability of progress made toward the goals of Agenda 2063 being the ultimate benchmark (Hartzenberg, 2011).

The AU collaborates effectively with RECs and other partners to continually monitor achievement and obstacles, progress and re-evaluated approaches. The African Peer Review Mechanism[15], for example, is intended to provide member states with the opportunity

[14] Program for Infrastructure Development in Africa (PIDA) is a continental initiative adopted by all African countries to mobilize resources to transform Africa with modern infrastructure. Its cross-border infrastructure projects and programs cover four main sectors: energy, transport, cross-border water and ICT.
[15] The African Peer Review Mechanism (APRM) is a mutually agreed instrument, voluntarily acceded to by member states of the African Union

to assess each others policies and governance frameworks and thereby enhance accountability and facilitate the adoption of best practices.

Agenda 2063 seeks to take the uppermost of Africa to greater heights as a single unit, prosperous and the most powerful continent. This vision is not just about developing an economic model, it is essentially about building an enabling environment for a strong and self-reliant Africa capable of integration into the global economy. With the many challenges that this century presents to Africa, Agenda 2063 empowers "The Africa We Want" while ensuring that Africa leaves behind a legacy of peace, unity and success for future generations.

3.2 THE ROLE OF ECONOMIC INTEGRATION IN ACHIEVING AGENDA 2063

According to the guidelines of Agenda 2063, economic integration forms the basis of the African Union (AU) and continent particularly in uniting it for its vision to create competitiveness, prosperity and global relevance through economic integration. The Africa 2063 Agenda envisages economic integration as a way of changing Africa’s existence as a disjointed economy stream into a united economy stream that can harness its resources, work force and markets for the benefits of its citizens. Not only is economic integration necessary for the economies of the members but it is also essential for social cohesion, political integration and sustainable development (African Union Commission, 2015). As a result, such integration is expected to alleviate the continent’s developmental issues, eradicate touchable poverty and position Africa competitively in the global market through mechanisms like African Continental Free Trade Area (AfCFTA) and enhanced Regional Economic Communities (RECs) among others.

Economic Integration as a Catalyst for Development

The general vision of the economic integration is to enhance growth and development through trade relations, investment and optimization of existing resources across African boundaries. Through the history, trade and economic policies have been rather developmental, focusing more on trading with the excolonialists than with each other (Hartzenberg, 2011). Such an attitude has limited the economic possibilities of the continent since 15% of the total volume of trade of Africa is made by intra African trade, unlike about 60% in Europe and 40% in Asia (ECA, African Union and AfDB, 2017).

The launch of the AfCFTA in 2018 changed this scenario completely because it is meant to unify 54 African countries into one market to form the largest free trade area in the world. The establishment of AfCFTA seeks to achieve its geographic aim of increasing intra-African trade by removing tariffs on about 90% of goods and services, which will lower trade costs, broaden market access, and encourage industrialisation. Consequently, AfCFTA is expected to raise intra-African trade up by more than 50%, which will help to stimulate growth, create employment and reinforce the economies of Africa against global recessions (UNECA, 2019). Economic integration through AfCFTA and such initiatives for Agenda 2063 goes beyond efficiency improvements but is also about building self-strength and self-reliance that enables Africa to develop in a preferred way.

Integration through Regional Economic Communities (RECs)

At the centre of the economic integration agenda at operational level is the Regional Economic Communities (RECs). Africa's RECs, such as the Economic Community of West African States (ECOWAS), Southern African Development Community (SADC), East African Community (EAC), and the Common Market for Eastern and Southern Africa (COMESA) act as building blocks for wider continental integration. The purpose of each REC is to foster economic cooperation, policy harmonisation, and collective security within the given region, thereby establishing an environment for cross border activities that enhances development and integration across the continent (Poku & Mdee, 2018).

By harmonizing trade policies, normative structures and customs practices, RECs seek to reduce non-tariff barriers which inhibit trade and investment in Africa. They also initiate and coordinate the establishing of cross-border infrastructures such as the construction of regional railways, highways, and energy grids which are important in enabling snail countries access markets and expand Africa's trade capacity. The activities of RECs are therefore important in pursuing the goals of agenda 2063 because they are the most direct way of coordinating policies and projects for regional and continental development. The success of RECs, not with standing overlapping memberships and resource constraints, is crucial in the achievement of the agenda integration targets (Hartzenberg, 2011).

Job Creation, Industrialization and Economic Transformation.

Employment creation and the stimulation of industrialization is one of the goals of economic integration under Agenda 2063. African economies in the past have depended on export of raw commodities which has made them vulnerable to fluctuations in their global markets as well as limiting their ability to undertake value addition. As initiatives towards African economic integration facilitate intra-African trade as well as attracting investments in the manufacturing and industrial sectors, this is expected to promote economic diversification and enable Africa to shift from the dependence of exporting raw materials towards producing exports with greater value addition (African Union Commission, 2015). On the other hand, industrialization will generate demand for employment in the manufacturing, agricultural, and service industries creating job opportunities for Africa's youthful and increasing population.

There are such structures as AfCFTA and RECs which are supposed to promote the regional value chain, whereby African countries will participate in various phases of production. For example, one country may engage in the extraction of raw materials, another may concentrate on the processing and the other on collection of the assembled product. Such division of labor enhances efficiency, promotes skill acquisition and strengthens regional self-reliance. In addition, it is anticipated that industrialization and creation of regional value chains will curb Africa from relying on imports and therefore enhancing economic resilience and dampening exposure to external shocks (United Nations Economic Commission for Africa, 2021).

Infrastructure Development as a Focus of Integration

According to Agenda 2063, the participating countries and regions highlight infrastructure development as a central issue in ensuring the economic integration is achieved. Poor infrastructure has been a longstanding concern regarding the trade and investment potential of Africa due to high cost of transactions and limited market access. As continuous building blocks of the African Union, the constructive strategies of integration put forward by AU policies are only practical with the existence of transport systems, energy needs, and communication networks. Hence, the agenda includes major infrastructure initiatives like PIDA- the Program for Infrastructure Development in Africa which is aimed at providing the transportation, energy, and it infrastructure improvements across the continent (Taylor, 2014).

The establishment of cross-border infrastructure, such as trans-African highways, railways and an energy grid, is essential for providing African countries with seamless access to one another. For instance, the Northern Corridor in East Africa [16]has succeeded in increasing

[16] The Northern Corridor is a Key transport route in East and Central Africa

trade flows between Kenya, Uganda, Rwanda, and Burundi by decreasing transport times and transport costs. This economic activity is also aided by better digital infrastructure, as improved digital connectivity increases e-commerce, digital payments and access to financial services which all encourage cross border trade (Hartzenberg, 2011). Through these investments, Agenda 2063 depicts an African continent where infrastructures no longer hold back growth but rather promote greater economic integration and connecting networks.

Fostering Innovation and Digital Transformation

According to Agenda 2063, technology and innovation also have an impact on economic integration and development. The merging economies of Africa can take advantage of digital transformation to leap over conventional barriers and enable trade and investment. E-commerce, mobile banking, and blockchain promote cross-border transactions by enhancing efficiency, transparency, and lowering costs. This has particular significance in the financial services industry, as the advent of mobile money has already enabled hundreds of millions of people in Africa to access financial services (UNECA, 2019).

In a united Africa, technology can enhance the productivity of RECs, AfCFTA and cross border businesses and help penetrate new markets and extend economic activities. For example, mobile banking and inter-country digital payment solutions allow users to perform transactions smoothly and enhance financial inclusion. Digital technologies can as well foster the development of regional innovation hubs and tech startups enabling African entrepreneurs to tap into and compete in a borderless economy (ECA, African Union and AfDB, 2017). The promotion of technology will enable Africa to achieve its 2063 vision tape with a dynamic economy which is able to join the rest of the world in the digital economy.

Building Economic Resilience and Reducing Dependency

The other economic aspect of the Agenda 2063 is the economic integration as a way of boosting Africa’s resilience to global crises and its market dependencies. Integration can help African countries create buffers against external shocks by increasing intra-regional trade and diversification of economic activities. For example, the COVID-19 pandemic exposed Africa’s supply chain weakness with many African states unable to access basic goods and raw materials. Such shocks would rather be less constraining on an integrated African economy having multiple suppliers of goods and services (Diop, 2021).

Additionally, the establishment of a single continental market fosters economic integration which will attract adequate foreign direct investment (FDI) into Africa. The 2063 Agenda appreciates the fact that as Africa becomes more attractive for foreign investments so too will her countries be able to bargain for trade relations that favour them and their investments, now and in the future. It is thus not only an economic objective to strategically cut down on reliance for markets outside Africa and develop a self-reliant economy, but also a move aimed at achieving political and economic independence.

Challenges to Economic Integration

The potential to facilitate the transformation of African economies through economic integration is huge but it miss the efficiency. The geographical spread of Africa's economies which differ dramatically in terms of gulf, natural endowments, and level of development, remain to be consolidated. Also, the existence of tariff barriers which include time wasting factors like customs delays and red tape, and the problem of benefit inequalities wherein some powerful advanced economies would benefit more than others. In the same vein, being members of more than one REC can run the risk of policy fragmentation and limit harmonisation (Hartzenberg, 2011).

For addressing these challenges, Agenda 2063 encourages member states to unite in their policies. This is where AU as well as its RECs comes in to mediation efforts, conflict resolution and making integration processes as inclusive and fair as possible. Hence through addressing these problems, World in 2063 will strive to seek for a most suitable framework for economic integration that shall be equitable to all participating African countries.

3.3 ALIGNMENT OF AGENDA 2063 WITH CURRENT REGIONAL INTEGRATION INITIATIVES

According to the Africa 2063 Agenda, this will be a continent that has been economically integrated, politically unified, and is globally competitive. Nevertheless, this vision needs to be complemented by a robust integration between the long term objectives envisioned in the Agenda 2063 as well as the other current integration efforts taken by the African Union (AU) and the regional entities made up of Regional Economic Communities (RECs). These RECs including but not limited to the Economic Community of West African States (ECOWAS), Southern African Development Community (SADC), East African Community (EAC), and the Common Market for Eastern and Southern Africa (COMESA) are important in the pursuit of the goals of the Agenda 2063 at the continental level. In so doing, and through examining this alignment between Agenda 2063 and above mentioned initiates, we are able to appreciate at which points regional integration frameworks do incorporate and sometimes counter the transformative objectives of the Agenda 2063.

The Role of RECs in Supporting Agenda 2063 Goals

It has been accepted for a long time that Regional Economic Communities (RECs) are the building blocks for the integration of Africa which was also the spirit of the Abuja Treaty signed in 1991 which provided for an economic community across the African continent. As embodiments of the integration architecture in Agenda 2063, RECs are also expected to promote trade liberalization, policy standardization and increased trans-border collaboration within the regions. Every REC operates on a smaller scale as an integrated unit where various initiatives, meant to lower trade barriers, promote infrastructure development and ensure movement of goods, services, and people are undertaken (ECA, African Union, and AfDB, 2017).

The Agenda 2063 benefits from the capabilities of these RECs by reinforcing its overall objectives and allowing them to work towards integration objectives that can subsequently be scaled up to the continent. For example, ECOWAS region has taken steps that aim at forming a customs union which is relevant to the creation of a single African market envisaged under the AfCFTA. Likewise, the East African Community has issued a regional passport that promotes the movement of its citizens within the region which reflects the Agenda 2063 goal of movement and regional integration (African Union Commission, 2015). These initiatives are not stand alone but are deliberately embedded within the vision of Agenda 2063 so that the targets of the agenda are fulfilled over time through gradual implementation of the strategies within the respective regions.

The African Continental Free Trade Area (AfCFTA) and Agenda 2063

The African Continental Free Trade Area (AfCFTA) is perhaps the most tangible link between Agenda 2063 and a continent-wide arrangement. As the largest free trade area in terms of participation of countries, AfCFTA enhances the aim of Agenda 2063 which seeks to unify the continent's market. As of June 2019, it was estimated that AfCFTA could increase intra-African trade from 53 percent to 57 percent, thus also enhancing economic growth through the elimination of tariffs on 90% of African goods and services

(UNECA, 2019). AfCFTA also is very much in line with the pillars of Agenda 2063 focusing on African development, expansion of the wealth and job base as well as economic widening by promoting local capacity and decreasing import penetration.

The development of regional value chains is also supported by AfCFTA in that it promotes specialization amongst African countries. For instance, one country may concentrate on extraction of raw materials; another country may concentrate on the processes and a third country may concentrate on the manufacture of finished products. According to Poku and Mdee (2018), this integrated value chain approach is key in the realization of Agenda 2063 where industrialization and economic diversification are the main themes, as it generates jobs, lowers costs, and improves Africa's competitiveness in the global marketplace. Furthermore, by collaborating with the member states of the RECs, AfCFTA further advances regional integration and integrates the various regional groupings, establishing a comprehensive framework for economic cooperation.

Infrastructure Projects and the Program for Infrastructure Development in Africa (PIDA)

As per the above goals, infrastructure development which is essential in enhancing cross border trade, enhancing inter regional linkages and attracting investment is also articulated under Agenda 2063. The Program for Infrastructure Development in Africa (PIDA) is a flagship project initiated by the AU and the African Development Bank (AfDB) aimed at large scale development of infrastructure The PIDA methodology fits well into Agenda 2063 since it has a specific focus on transport, energy, ICT and trans boundary water resources (African Union Commission, 2015).

Infrastructure projects in PIDA, namely the Trans-African Highway Network [17]and the regional energy corridors promote one of the foremost objectives of Agenda 2063, the free movement of people and goods across the borders of Africa. For example, the North-South corridor which integrates Southern and Eastern Africa reduces the time and costs involved in transportation and enhances trade and economic interdependence among member states.

[17] The Trans-African Highway network comprises transcontinental road projects in Africa being developed by the United Nations Economic Commission for Africa (UNECA), the African Development Bank (ADB) and the African Union in conjunction with regional international communities. They aim to promote trade and alleviate poverty in Africa through highway infrastructure development and the management of road-based trade corridors.

Further, energy projects, such as the East African Power Pool[18], promote sharing and efficiency in energy, increasing access for millions of Africans while lowering costs (Taylor 2014). All of these projects contribute to fulfilling another of Agenda 2063's goals which is the connection of all regions through the enhancement and improvement of infrastructure towards the overall sustainable and equitable development of the continent.

Harmonizing Policies Across RECs

The creation of a uniform policy among different RECs (Regional Economic Communities) is very crucial in implementing the objectives of Agenda 2063, as different regulations can lead to trade barriers, disorganization, or disincentives to investment. Among other aspects, it is indicated in Agenda 2063 that the economic policies, regulatory frameworks, and standards of African countries need to be unified to enhance the consistency of the business environment in Africa. RECs are an important coordinating body in unifying these policies with member countries' trade, customs and technical standards (Hartzenberg, 2011).

There are RECs like TFTA[19] (Tripartite Free Trade Area) which is the agreement between COMESA, SADC and the EAC where this agreement is for the principle harmonization of policy provisions for African regional economic integration cooperation activities. TFTA serves the purpose of cutting down the trade restrictions among these three RECs countries that extend to twenty-six African countries and about fifty per cent of Africa's GDP. TFTA facilitates the removal of trade barriers and enhances customs and technical standard uniformity which goes hand in hand with Agenda 2063's vision of unhindered trade across the entire Africa continent. Such efforts in the unification of policies across the RECs are in support of the overarching objective of achieving one African market and provides the platform for the realization of AfCFTA and Agenda 2063 visions of economic integration (UNECA, 2019).

Challenges in Aligning Agenda 2063 with Regional Integration Initiatives

Although the relationship between Agenda 2063 and regional integration processes is strong, several challenges still threat the success of this agenda. One of the core issues is

[18] The Eastern Africa Power Pool, is a collaborative effort by eleven countries in Eastern Africa to interconnect their electricity grids and take advantage of excess capacity within the network and facilitate trade of electric power between the members

[19] The Tripartite Free Trade Area (TFTA) is a proposed African free trade agreement between the Common Market for Eastern and Southern Africa (COMESA), Southern African Development Community (SADC) and East African Community (EAC)

that there is an overlap of membership of African states in more than one REC which creates conflict in policies and priorities. For instance, the conflict of belonging to both ECOWAS and COMESA could have differing policies on trade and objectives on the level of integration. Such overlap can cause policy disarray, protract negotiations, and hinder advancement on harmonization (Hartzenberg, 2011). In addition, differences in the level of economic development across regions imply that the anticipated benefits and investments in the integration are likely to be skewed making the realization of integration such as AfCFTA rather difficult.

Another major constraint is the strategy for resource mobilization. Many of the strategic interventions envisioned under agenda 2063 as well as the regional initiatives are high cost. Although Strategies for Building Partnerships with institutions like the African Development Bank and the United Nations bring in resources to some extent which is a good thing, overdependence on external donors would erode African control on its strategic priorities. Furthermore, the lack of credible infrastructure, especially in landlocked countries, affects the scope and impact of efforts aimed at regional integration and consequently the aspirations of Agenda 2063 are only partially achieved (ECA, African Union, and AfDB, 2017).

The Role of Monitoring and Evaluation in Ensuring Alignment

As it has been observed, integration initiatives remain a challenge. Therefore, there is an M&E framework embedded within Agenda 2063 that facilitates assessment of the status of several indicators. The AU, in partnership with RECs, and national and international stakeholders, conducts integration reviews, identifies constraints and adjustments as appropriate. For example, the African Peer Review Mechanism (APRM) enables other African countries to monitor the policies and governance practice of countries, including the extent of integration in the African Agenda 2063. This makes it possible for member states to be accountable and to work together to enhance the integration of their countries (African Union Commission 2015).

The sequence also takes into consideration the views of stakeholders such as the business community, civil society and the populace to ensure that the objectives of the Agenda 2063 are valid and take into consideration the circumstances in Africa. With each of these evaluation mechanisms internalized within the strategy of the Agenda 2063, achieving success towards the alignment with regional integration efforts becomes more probable and a practice of improvement is encouraged.

Future Directions for Strengthening Alignment

In the future, the much-desired integration between the RECs and the AU will be deepened. The AU propounded standardization of REC protocols with a view to making the integration efforts more consistent and complementary. Another recently proposed area is developing the capacity of national and regional institutions and stakeholders to implement integration policies and address the issues of policy cohesion and infrastructure development (Taylor, 2014). Furthermore, promoting public private partnerships could underscore the funding aspect of big projects aimed at the realization of the objectives of the Agenda 2063.

There is also focus on enhancing the digital infrastructure to aid the integration processes. By enhancing land and the enabling technologies, Agenda 2063 will promote business, e-commerce and access to finance across borders thus enabling African businesses and entrepreneurs to engage across the continent. Such developments are anticipated to supplement the objectives of AfCFTA and facilitate Africa's shift to a digital economy in accordance with the objectives of the Agenda 2063 (UNECA, 2019).

It is important to consider the integration of Agenda 2063 with the existing regional integration frameworks if the African Union's dream of a prosperous, united and competitive Africa on the global stage is to be achieved. Africa is making great strides towards achieving the aspirations of Agenda 2063 through initiatives such as AfCFTA, PIDA, and harmonization initiatives spearheaded by the RECs. Although problems of overlapping memberships, financing constraints as well as gaps in infrastructure remain, the AU's declaration to monitor and evaluate as well as constantly improve remains the basis of unity of purpose and orientation for advancing integration. If the Focus remains strategically on these initiatives, and the challenges are resolved, Africa will experience an economic transformation under Agenda 2063, which will steer the continent towards comprehensive and sustainable growth.

3.4 INFRASTRUCTURE AND INDUSTRIALIZATION GOALS IN AGENDA 2063

Agenda 2063 depicts that Africa can meet its growth objectives if sufficient resources are directed towards the enhancement of regional integration, economic growth, and sustainable development. Also, The infrastructure development and industrialization are fundamental stages to such achievement. Enhanced infrastructure and increased industrialization are expected to upgrade many nations that solely depend on the export of raw materials, into a nation capable of producing employment projects, opportunities, and improved standards of life for its people. The focus on industrial expansion has led the encasement of Africa's economic reliance on the export of its raw materials towards a diverse economy that can provide for its own citizens and increase the continent's competitive edge.

Infrastructure and industrialization goals in Agenda 2063 also have common knowledge that advanced infrastructure provides the basis for the existence of industries, access to other marketplaces, and global competition. Poor infrastructure has been proven to be one of the most limiting factors deterring Africa's economic growth, resulting in unnecessary transportation fees, inadequate energy sources, and minimal connectivity within the continent and the outside world. Nevertheless, through proper focus of investment on transportation, energy digital technology and industrialization, Agenda 2063 seeks to engineer a more robust, integrated and economically active African continent.

3.4.1 The Importance of Infrastructure in the Agenda 2063

Firstly, it is important to note that infrastructure investment is key to achieving the industrialization and economic integration goals embodied in the Agenda 2063. In view of this, the African Union together with the African Development Bank (AfDB) and other partners initiated the Program for Infrastructure Development in Africa (PIDA). PIDA contributes to the aspirations of the Agenda 2063 by promoting large scale infrastructural development projects which are transport, energy, water resources, and information and communication technologies (ICT). These projects are aimed at linking African countries, minimizing cost of trade and improving access to basic needs, which are fundamental towards regional integration and competitiveness of the region (ECA, African Union and AfDB, 2017).

Transport Infrastructure: Improving Connectivity and Trade Facilitation

The importance of transport infrastructure development such as cross border highways, railways, maritime and airports cannot be over-emphasized in the context of Agenda 2063. These investments are critical in linking landlocked and coastal countries, promoting movement of people and goods, and improving regional and international trade opportunities. One example is the Trans-African Highway Network, which is a PIDA-led initiative aiming to build a total of nine highways in Africa at over 60,000 kilometers. This network is expected to shorten trade routes, decrease travel time, and reduce costs of transportation, hence improving businesses' access to cross border trade and markets (UNECA, 2019).

Railway projects, like the LAPSSET[20] Corridor Project that links Kenya, Ethiopia, and South Sudan, are also undertaken in pursuit of Agenda 2063's infrastructure goals. Railways are important facilities for doing bulk transport activities mainly for industries that depend on raw materials and heavy goods transport. Railways create a connection between the various major economic centers, streamline the supply chain, shift the industrial product, and encourage economic activity along the trade routes. Better transport infrastructure not only promotes intra Africa trade but allows the African producer to participate in international trade more actively.

Energy Infrastructure: Powering Industrialization and Economic Growth

Access to electricity is one of the critical aspects of industrialisation as it energizes industries, enhances technological advancement and boosts the quality of life. The Agenda 2063 on the other hand goes on to state that by the year 2063, every African people shall be able to access electricity as one of the most vital resources for energy security that calls for investments in renewable and non renewable sources of energy. Apart from wind energy potential, the Grand Inga Dam Project [21]on the Congo River which is a flagship project of the AfDB under PIDA is touted to be the largest hydroelectric project in the world and has the capacity to power a huge number of African countries. This initiative epitomizes the resolve of Agenda 2063 in exploiting the natural resource center of Africa in order to satisfy its energy requirements (Taylor, 2014).

In the case of geothermal, solar and wind energy projects, such energy sources are also part of the green energy agenda under Agenda 2063. To illustrate, the establishment of the East African Power Pool plus the West African Power Pool has made it possible for countries to share power resources and therefore enhance efficiency and self-reliance of energy production. In focusing on Renewable energy structure, Agenda 2063 seeks to be in line with the global paradigm of green development by encouraging energy solutions that are climate friendly and not based on Fossil fuels (Hartzenberg, 2011). With new approaches, much of industrialization plus innovations should drive clean energy in the right direction during the 2063 timeframe.

Digital Infrastructure: Connecting Africa in the Digital Age

[20] The LAPSSET Corridor Program is instrumental in promoting regional integration, a key objective for African nations striving to create a unified market

[21] The Grand Inga Dam, located in western Democratic Republic of Congo (DRC) on the Congo River, is the world's largest proposed hydropower scheme

Broadband internet, data centers, and mobile networks are components of the digital infrastructure critical for Africa's inclusion in the digital economy. To take advantage of the two-way benefits of the greater integration into the digital economy and the digital integration itself, as an emerging economy, Agenda 2063 focuses on building an enabling digital economy infrastructure to support e-commerce, the education and financial services sectors to name a few. The Smart Africa Initiative[22], a coalition of African countries seeking to fast-track their digital transformations, intends to boost broadband penetration, scale up digital services uptake, and increase the digital literacy of the citizenry, among other goals. Once businesses are internet connected, their operational costs go down, their market base widens, and they can engage in multiple global supply chains thereby helping foster a broadbased digital economy (Poku & Mdee 2018).

The pattern of global competition is continually changing. Thus, its aim to develop an advanced digital infrastructure geared towards enhancing Africa's innovation and competitiveness in the global market is in fact in tandem with the put forth goals by Agenda 2063 for the fresh African populace. The goal is to thus facilitate better access to the most fundamental tools needed for business within the African communities. It has been established that improved digital connectivity in Africa can help millions of unbanked people access financial services through mobile banking, cut transaction costs, and promote cross-border commerce. Essentially, Agenda 2063 aims to transform Africa through technological advancement which will eventually empower the various African nations and provide them the means to compete in the global market.

3.4.2 Industrialization as a Driver of Economic Transformation in Agenda 2063

Industrialization is one of the key means for the realization of the aspirations of African Agenda 2063, because it is about adding value to the continent's raw materials, creating jobs and enhancing productivity. Exporting raw materials has always been the mainstay of Africa's economies development, which not only exposed them to external shock but also retarded their growth potential. As a way of promoting industrialization, Agenda 2063 seeks to change the fundamental structure of Africa's economy, its composition of exports,

[22] Smart Africa is an alliance of 30 African heads of state and government that aims to take advantage of the affordable access to broadband and the use of information and communication technologies (ICT) in Africa to establish a knowledge economy. The goal of the alliance is to develop a digital single market on the African continent by 2030.

and the degree to which foreign goods are brought into the region (African Union Commission, 2015). Manufacturing, agro-processing, textiles, and a range of other industries are predicted to be the key sectors for job growth within industrialization, thereby employing the expanding work force base in Africa.

Developing Regional Value Chains

In line with the aspirations contained in Agenda 2063, regional value chains should be put in place whereby various countries within the region participate in the different levels of production. Such a model enhances Africa's opportunity in the economy of region specialization, with countries concentrating on particular industries according to their resource endowments and capacities. For instance, one country may be involved in the extraction of primary products, while another will be concerned in the processing or manufacture of the final product. By establishing regional value chains, African countries are able to cut back on import dependence, enhance domestic supply, as well as encourage trade within Africa. Such a strategy is consistent with the vision of the African Continental Free Trade Area (AfCFTA), which mandates the creation of a single market in Africa with the goal of promoting cross-border industrialisation. (UNECA, 2019)

Agro-Industrialization and Food Security

With regard to employment opportunities agriculture is crucial in Africa as it serves over 60% of the population on the continent and adjustment agriculture is also contributing a substantial fraction to its GDP. As envisaged under Agenda 2063, agro-industrialization will be the future path for improving food security, increasing rural productivity and addressing the problem of poverty. By advancing agricultural technology and practices, improving infrastructure, and addressing the gap in the food processing industry, it is expected that agriculture on the continent will be modern and lucrative. The establishment of agro-processing industries will enable African countries to enhance the value of their agricultural output, capture a larger market share on the continent, and satisfy the rising demand for processed food (ECA, African Union, and AfDB, 2017).

Promoting Small and Medium-Sized Enterprises (SMEs)

Small and medium enterprises are crucial engines of industrial development, offering job opportunities and driving innovation. In the Agenda 2063, there's a recognition on the shoeing bases of SMEs on the potential to spur economic diversification and creation of employment opportunities in other sectors such as manufacturing, construction and services. It is also stated in the agenda that there is a need for strategies and policies which promote SMEs – Finance access, training issues, administrative stats. It is in order to provide that Agenda 2063 seeks to open the doors of Africa’s Industrial development to all enterprises while standing in the other dilemma that is made possible through empowering of the SME’S (Poku & Mdee, 2018).

3.4.3 Challenges to Achieving Infrastructure and Industrialization Goals

Even with the most ideal plans and proposals on infrastructure and industrialization targets presented in Agenda 2063, there also is thorny challenges to it. The all important funding is one of the constraints as most of the countries do require huge sums of money to fund many of their infrastructure developments which is very difficult for most African Governments to bear alone. Although support from partners such as AfDB[23], World Bank and private investors has been on the rise, there is an element of over relying on funding from external sources which hampers African countries’ sovereignty in determining its growth objectives (Taylor, 2014).

Furthermore, the unevenness of development in infrastructure and industrial capacities of African countries is an obstacle to achieving an integrated development. Countries with better advancement in infrastructure and industrial bases are likely to gain more from integration while less developed countries are likely to find it difficult to integrate fully. To redress these imbalances, Agenda 2063 underscores the need of regional cooperation and the building of every country’s capacity to the degree that all countries have the resources and assistance to meet their targets on infrastructure development and industrialization (Hartzenberg, 2011).

Infrastructure and industrialization are the twin pillars of the development strategy as enunciated in Agenda 2063, which will ultimately bring about a prosperous and unified Africa that is globally competitive. Thus through initiatives such as PIDA, the AfCFTA and the Smart Africa Initiative, the Agenda 2063 aims at developing a modern infrastructural system, facilitating industrialization and economic diversification. Though some issues of funding and capacity still exists, there is a lot of promises in the integration process because the region’s focus on sustainable development in addressing issues of the agenda’s

[23] African Development Bank

collaborational approach is quite robust. In developing its infrastructure as well as industrialization goals, Agenda 2063 hopes to build a strong and self-sufficient African economy able to generate employment, alleviate poverty, and deliver a decent standard of life to its constituents.

3.5 SOCIAL AND ENVIRONMENTAL DIMENSIONS OF AGENDA 2063

The Africa 2063 Agenda however does not just emphasize on trade relations and economic growth instead it also takes into consideration social and environmental aspects as key pillars in the quest for sustainable development. These dimensions provide substance to the vision of the Contact Group in the quest of "The Africa We Want", whose principles seek to ensure that economic and infrastructural advancement are achieved without at the expense of environmental conservation and the welfare of all African peoples. (African Union Commission, 2015). Hence, through addressing the social and environmental dimensions, the Agenda 2063 aims that the future development of Africa would be inclusive and would respect the ecological limits of the earth.

3.5.1 THE SOCIAL DIMENSION: INCLUSIVE DEVELOPMENT AND HUMAN CAPITAL

The social dimension of agenda 2063 is focused in creating a society which upholds justice for all, human dignity and empowerment. The agenda stresses the need for inclusive development as a means of achieving social justice and human dignity across the continent, noting that economic growth by itself is not a panacea to poverty alleviation or provision for all. The social aspirations of Agenda 2063 are complemented by the African Union's ideals of upholding human rights, and promoting peace and security in Africa coupled with concerns such as education, health, women, and youth empowerment (Poku & Mdee, 2018).

Education and Skills Development

In the plans of agenda 2063, education would focus on transforming the demographics in Africa through enhancing the youth population. Failure to meet the basic vision regarding quality education, availability of STEM [24]fields among young African students would lead to frustration and economic downturn wherein such citizens would not be able to actively contribute to a modern economy. The Continental Education Strategy for Africa (CESA) is

[24] STEM is a common abbreviation for four closely connected areas of study: science, technology, engineering and mathematics.

a strategy that was designed alongside Agenda 2063 to seek to enhance educational standards across the African educational setting by enhancing the quality, relevance, and accessibility of education in Africa for all (Hartzenberg, 2011). Agenda 2063 seeks to develop a very high population of all education levels and skills, harnessing these engrained traits towards introducing change, sustainable growth and the well-being of communities.

A paradigm shift is envisaged by the 2063 vision regarding the provision of technical and vocational skills which focuses on unemployed youth. In recognition of Africa's young population which will be the largest working population in the world by 2063, this agenda calls for education that will already contain practice. This perspective on job creation complements Africa's industrialization strategy by ensuring that labor supplied to the economy is always relevant and reinforces African development needs (ECA, African Union, and AfDB, 2017).

Healthcare and Well-being

Healthcare is yet another priority in Agenda 2063 because it plays a major role in majority of Africans being able to be healthy and active participants. The agenda hopes for a future where every African is able to afford healthcare regardless of his or her financial status. This is also in line with the African Union's Africa Health Strategy whose objectives include overcoming public health threats, mortality reduction and control of disease outbreak. Africa's most recent health challenges such as the Ebola epidemic and the COVID-19 disaster have aggravated the need for sound health infrastructure and regional health integration (African Union Commission, 2015).

For this goal, Agenda 2063 encourages investments in healthcare systems and human resources. It calls for enhanced expenditures to both protect and expand healthcare services and minimize inequities in health. The agenda is set towards uplifting the healthcare system with the aim of raising the life expectancy of people, improving the quality of the life, and enabling the able Africans to participate actively in their societies and economies and thus benefiting them.

Gender Relations and the Empowerment of Women

With respect to the social object of the agenda, gender relations and women's empowerment is emphasized. The agenda acknowledges that women are important development agents and therefore supports measures towards development, which foster gender equality in all areas. The emphasis of the Agenda 2063 is the elimination of violence against women including discrimination on the basis of sex, extending equal opportunities for education, health as well as for political and economic power for women's leadership. In order to promote such goals the AU's African Women's Decade initiative aims to address women's leadership and economic empowerment as well as access to resources.

Strengthening women's economic empowerment should be emphasized as it has the ability to greatly accelerate economic growth in Africa. Studies indicate that increased women inclusion in labor supply correlates with better GDP growth, poverty alleviation and other positive societal aspects (Hartzenberg, 2011). The aspiration to advance gender equality encapsulated in Agenda 2063 realizes that women are also powerful nation-builders who need their voices to be heard, and therefore, by advancing gender equality society, gender equality drives forward sustainable development (Hartzenberg, 2011).

Youth Empowerment

Africa has one of the youngest populations in the world, with over 60% of its population being under the age of 25. As one of Africa's youngest populations, the Agenda 2063 sees youth empowerment as paramount under the social pillar of the vision. The agenda also address issues such as youths employment, youth self-employment, youth geopolitical engagement, and volunteering. The African Youth Charter [25]aims to facilitate these youth civil rights by embedding them in a larger framework that supports development and empowerment efforts outlined in Agenda 2063 (UNECA, 2019).

In the African integration of the citizens as one, efforts to achieve this for the youth are demonstrated within the practical framework of this agenda through such initiatives as youth skills development initiatives, provision of funds to aspiring young entrepreneurs, youth leadership training, among others. Investing in young people in this case, Agenda 2063 seeks to exploit the demographic dividend of Africa and turn it into a useful energizing force for growth development and resilience of the continent.

[25] The African Youth Charter is a political and legal framework, which serves the purpose of providing a strategic framework and direction for youth empowerment and development activities at continental, regional and national levels across Africa

3.5.2 THE ENVIRONMENTAL DIMENSION: SUSTAINABILITY AND CLIMATE RESILIENCE

Shifting to the environmental aspect of agenda 2063, the vision provides for Africa's economic growth and development to be achieved in a socially responsible and environmentally friendly manner. African environment is also obviously sensitive with vulnerability and adverse impact resulting from climate change in degradation of agriculture, water resources as well as public health. In consideration of these commitments, climate change is acknowledged in the agenda 2063 framework as an enabler towards achieving any of its aspirations, thus climate sensitive development is built into the vision for Africa 2063 and not an add on (African Union Commission, 2015).

Conservation of Natural Resources

With Africa's savannas, oceans, forests, wetlands, and mountains, it is not only essential to conserve the pristine beauty of this nation, but Agenda 2063 is also mindful of promoting policies that focus on the rational utilization of resources. The African Union's African Convention on the Conservation of Nature and Natural Resources provides a framework for this goal, encouraging countries to protect wildlife, combat deforestation, and maintain ecological balance (Poku & Mdee, 2018). With both its biological and cultural diversity, the African continent attracts many tourists and ambitious prospective natural resource developers.

In a sustainable manner, this puts Agenda 2063 at par with the global efforts comprising the United Nations Sustainable Development Goals (SDGs) and the Convention on Biological Diversity. It is, however, fundamental for these programs to be in place for the conservation of Africa's natural resources while pursuing economic development.

Renewable Energy and Climate Action

The development of renewable energy falls within Africa's energy strategies in the environmental aspect of the Agenda 2063 vision because it provides a long term as well as affordable solution to Africa's energy demand. With an abundance of solar, wind and hydroelectric resources, Africa has all it takes to be a force to reckon in the renewable energy power house. Initiatives like the Desert to Power Initiative [26]aim to integrate solar systems

[26] The Desert to Power Initiative is transforming the Sahel's desert area to address regional energy needs as well as helping mobilize private sector investments in solar projects

across the Sahel region and generate Clean Energy for tens of millions of people in an effort to decrease greenhouse gas emissions (Taylor, 2014).

In relations to poverty reduction, climate resilience is another critical aspect which Africa cannot afford to ignore as climates such as droughts, floods and ferocious weather patterns will impact African economies. This relates to what the African Union has called the Climate Change and Resilient Development Strategy which in this respects emphasizes on climate smart agriculture, water wise principles, and ecosystem restoration. At the same time, due to the intended outcome of building climate change resilience, Agenda 2063 aims to promote vulnerable communities, food security as well as long-term sustainability.

Sustainable Urbanization and Green Cities

By 2063, there could be three times as many urban dwellers in Africa and this will present a challenge as well as opportunity for sustainable development. Agenda 2063 advocates for policies that include efficient transportation systems, affordable housing, and provision of basic services prioritizing sustainability, through creating cities which are inclusive and environmentally appropriate. One of the tenets of the vision is the idea of Urban planning, or “liberando as cidades” which means reducing pollution, increasing green area, and reducing environmental impact of cities in the process of urban expansion (Hartzenberg, 2011).

The implementation of the African Union’s Framework for Sustainable Urban Development has stated the objectives of Agenda 2063 should also be true by the encouraging of environmentally friendly practices in cities.

3.5.3 Challenges and Opportunities

The agenda 2063 provides a clear structure with major goals to be achieved but remains very silent on how social and environmental goals can be achieved. Factors like lack of funds for social policies, poor health systems, gender inequality can be said to hamper socio economic advancement. A similar pattern can be observed on sustainability goals whereby lack of access to clean technologies, weak ability to adapt to climate changes or reliance on natural resource exports which leads to unsustainable behavior drives such goals backwards (Taylor, 2014)

Nevertheless, there are also great opportunities for improvement. Africa’s willingness to engage in international collaborations, such as the Paris Agreement on climate change[27],

[27] The Agreement includes commitments from all countries to reduce their emissions and work together to adapt to the impacts of climate change, and calls on countries to strengthen their commitments over time

eases the acquisition of funding, technology, and know-how useful for climate change initiatives. The continent also has a youthful demographic that can be an asset since young people can be advocated to champion issues of social justice and environmental responsibility. If these opportunities are embraced, it means that in the future agenda 2063 can potentially expand the scope of social justice and bolster environmental sustainability.

3.6 GOVERNANCE, PEACE AND SECURITY AS FOUNDATIONS FOR AGENDA 2063

There are three elements that lie at the core of the Africa 2063 Agenda: good governance, peace and security. The agenda notes Agenda 2063 confirms that it is not possible to achieve sustainable development in the presence of instability. It calls for proper governance institutions and practices, democracy, and security as enablers of the vision of a developed, integrated and resilient continent. More importantly, the inter linkage between governance, peace and security, and economic development is central to the promotion of social justice, protection of human rights, and the attainment of Africa’s deserved place in the world as an important and authoritative voice (African Union Commission, 2015). In fact, the focus on the six pillars is indicative of AU’s determination to tackle the inherited problems and build a sustainable verse, within which African aspirations for change can be achieved.

The Role of Governance in Agenda 2063

One of the objectives of Agenda 2063 specifically speaks to the governance structures by stating that Africa will have institutions that are well-run and guaranteed by the rule of law and accountability. Another important component of the social contract with the people of Africa is the systems of governance and the rule of law that has emerged from the intractable contestation between elitist focus on the rule of law and dominant norms which advocate for liberal constitutional multi- partism. Good governance is not only ethical in character, but an absolute prerequisite to be able to attain economic growth, in that transparent institutions and establish credible legal systems will indeed attract investment, improve efficiency and grow people’s trust on government institutions (Hartzenberg, 2011).

Most of such initiatives are implemented through the African Peer Review Mechanism which is the most notable example. Established in 2003, the main objective of the APRM is to allow African countries to voluntarily evaluate each other’s governance policies and practices as a self-monitoring mechanism. The APRM serves the purpose of Agenda 2063 goals by making member states observe the best practices in governance, human and resource management. More importantly, through this mechanism, African governments could enhance accountability and transparency and therefore identify gaps in practice and implement changes which further the desired governance vision of the agenda (Poku & Mdee, 2018).

Moreover, the goals with respect to governance that were set by the leaders in Agenda 2063 are strengthened by the African Charter on Democracy, Elections, and Governance, which provides a foundation for the rule of democracy, conduct of elections, and anti-corruption. The charter supports constitutionalism, the rule of law, and the respect for human rights, which are pertinent to the process of nation-building. In pursuance of these governance objectives, the vision of Agenda 2063 intends to foster a political order where the citizens of Africa are free to participate in their governments, governments are accountable, and resources are distributed fairly.

Peace and Security: Foundations for Sustainable Development

Peace and security are two fundamental factors that are very critical for the achievement of the objectives of Agenda 2063 as conflict and instability have over time been an impediment to the potential for growth in Africa. Seeing how devastating armed conflict, terrorism and political instability can be in achieving the African development aims, Agenda 2063 aims to foster a continent in which peace prevails and security is assured. Among the most ambitious of the goals in Agenda 2063 is the Silencing the Guns by 2020 objective[28], which aims to put an end to armed conflicts, genocide, terrorism and violent extremism in Africa. This vision, though not achieved fully, the AU has emphasized peace building in order to develop the foundations for sustainable development (African Union Commission, 2015).

The African Peace and Security Architecture (APSA)[29], an important initiative of the AU, helps to promote the peace and security dimensions of Agenda 2063. APSA has several constituent institutions: the Peace and Security Council (PSC), the African Standby Force (ASF) and the Continental Early Warning System (CEWS), all of which are aimed at the

[28] Ending all wars, civil conflicts, gender-based violence, violent conflicts and preventing genocide in the continent by 2020.

[29] The member states of the African Union (AU) established the African Peace and Security Architecture (APSA) in 2002 as a long-term structural response to the peace and security challenges on the African continent. Through the APSA, the African Union (AU) and mandated sub-regional organisations (SROs) have access to tools which help them to prevent, manage and resolve conflicts.

prevention, management and resolution of conflicts. These institutions allow for anticipation of crises, intervention and the employment of strategies for peace-building and recovery. This coordinated method of resolving conflicts enhances the ability of the APSA to support Agenda 2063 which has set an ambitious target for Africa: a continent free of the threats to its security and development (UNECA, 2019).

This agenda also intends to solve some of the grievances that lead to conflict in the first instance, for instance poverty, inequality and disaffection of youths. The agenda attempts to eliminate the situations of instability by fostering economic growth, social justice and including the political apparatus. For example, empowering the youth, as well as enhancing their employment chances, can help reduce youth engagement in extremist organizations, while policies that address inequality decrease the likelihood of tensions in society. It is through this integrated strategy that Agenda 2063 seeks to secure peace by addressing both the consequences and the causes of insecurity in the first place.

Justice, Human Rights, and the Rule of Law

The African agenda 2063 has hopes that in Africa, there will be respect and access to justice, and the rule of law will be exercised. This commitment to the protection of democracy and justice resonates with the African Union's Vision of establishing inclusive societies that respect the dignity and rights of all people. This has found expression to various frameworks such as the African Charter on Human and Peoples' Rights that provides protection of personal, socio-economic and non-discrimination rights (Taylor, 2014) .

For the continent to attain its vision of justice and human rights for all AU established the African Court on Human and Peoples' Rights that gives a legal remedy to persons and groups of people who have had their rights infringed upon by member states. It enacts the provisions aimed at the protection of human rights and the promotion of accountability, and thereby furthering Agenda 2063 by creating societies that are just and respect human dignity. Agenda 2063 aspires to societies governed by the rule of law, where performance standards and responsibilities are entrenched and rule various spheres as bases of creating peaceful, democratised and equal opportunities for all.

The Fight Against Corruption

Combating Corruption continues to present a major problem in governance and development within Africa because it erodes public confidence, misallocates resources and has a negative effect on economic growth. As part of its objectives, agenda 2063 aims to reduce corruption and ensure good leadership ethics in Africa. To this end, the AU's Convention on Preventing and Combating Corruption [30]is a strong instrument in achieving this ant corruption provisions, encouraging the member states to enact out Anti-corruption legislation, Create Anti-corruption institutions and ensure accountability in management of public finance (Hartzenberg, 2011). Moreover, agenda 2063 calls for the need for public and civil society participation in the efforts to curb corruption. It aims at creating mechanisms through which citizens are able to hold their leaders accountable such that there is proper management of public assets for the good of all citizens. It is imperative in understanding that this agenda places strong emphasis on transparency so as to ensure accountability and this is critical in having a robust political space necessary for harnessing sustainable development.

Challenges and Opportunities in Governance, Peace, and Security

Even if Agenda 2063 managed to enhance good governance, peace and security in Africa, there are still major hurdles that have to be overcome. These factors include: Political weakness, institutional fragility, and violent conflict. They remain obstacles to the agenda vision's achievement. In other contexts, conflict and instability continue to thwart the development process and weaken governance mechanisms and perpetuate humanitarian conditions. More, the fragmentation of governance standards due to political systems in different countries in the African continent is another barrier to the realization of the potential benefits from the governance frameworks being implemented (Poku & Mdee, 2018).

Nonetheless, there are also great potential to make progress as well. The stress that the Agenda 2063 puts on partnerships with the international organizations such as the United Nations and the African Development Bank means that there are resources, expertise and support that can come on board to interventions geared towards enhancing governance and security. Furthermore, the large number of youths in Africa who are becoming politically active makes it possible to advance democracy and accountable governance. In promoting youth engagement in governance and peacebuilding for instance, it and indeed all of Agenda 2063 can use this demographic dividend to alter aspects of social structure for the betterment of governance in Africa.

[30] With this convention, composed by 28 articles, the Member States of the African Union set the common objectives of the promotion and development in Africa of mechanisms required to prevent, detect, punish and eradicate corruption and related offences in the public and private sectors

Monitoring and Evaluation: Ensuring Accountability in Governance, Peace, and Security

A vigorous monitoring and evaluation (M&E) system as elaborated in Agenda 2063 has been developed to ensure that milestones relating to governance, peace and security are measured, evaluated and modified where necessary. This entails operative engagement between the AU, RECs, national governments as well as COs in the oversight of governance reforms, peace processes and human rights. Systematic evaluations and reviews of performance in the areas of governance or peace undertaken by the AU allow it to pinpoint areas of concern as well as emerging trends and modify approaches to ensure that objectives under governance, peace and security of the Agenda 2063 are achieved (African Union Commission, 2015).

The African Governance Architecture (AGA), an initiative of the AU, is key in the pursuit of M&E of Agenda 2063 as well as in the development of capacity to foster dialogue and cooperation in matters of governance. Along with the APRM and other governance organizations, AGA does more than provide governance solutions. It also evaluates policy performance, facilitates the sharing of success stories, and seeks to provide a harmonious governance model within the African continent. This approach to evaluation and monitoring enhances the governance, peace and security components of Agenda 2063, by promoting accountability while enabling enhancement of works in such fields.

3.7 MONITORING AND EVALUATION MECHANISMS FOR AGENDA 2063

The bold targets of the Africa 2063 Agenda will in most parts be achieved through effective monitoring and evaluation (M&E) of the efforts of AU member states. This is especially the case for the aspirations of Agenda 2063 that is broad in scope and has interrelated social, economic, environmental, and governance dimensions. The African Union (AU) and its member states, as well as partners, have established an adequate M&E system encompassing a comprehensive system of monitoring and evaluation for programme effectiveness, identifying deficiencies and making the necessary corrections. This special M&E system, according to AU, facilitates the monitoring of performance, enables willing and ongoing improvements and guarantees timely and efficient attainment of the goals of Agenda 2063 (African Union Commission, 2015).

The M&E of Agenda 2063 is set up to function at three levels. This is the continental, regional and national levels. The reason for all these three levels is the fact that the Africa Agenda 2063's implementation is both collaborative and decentralized. In this interest, AU's determination to enhance relationships with their audience, let stakeholders see how their work is done, rely on data for decision making clearly indicates how M&E is essential component in the governance of the Agenda 2063.

The Role of the African Union in Monitoring and Evaluation

In its capacity as the principal custodian of Agenda 2063, the African Union Commission (AUC) supervises the coordination and use of M&E mechanisms in implementing the agenda. The AUC collaborates with RECs and national and development partners to agree on clinical standards, timelines and outcome measures. These measures are critical in assessing the progress made towards the seven aspirations of Agenda 2063, as well as determining the relevance of the initiatives within the framework of the agenda (Hartzenberg, 2011).

Furthermore, each of the agenda's priority themes will underpin the 'core indicators' within the recently developed Agenda 2063 Monitoring and Evaluation Framework developed by the AUC. These indicators cut across economic development, governance, social and environmental concerns. The framework makes it possible to harmonize the collection and reporting of data and information, enabling cross-country and cross-regional studies of trends and patterns, and identifying areas that may need more attention (Poku & Mdee, 2018).

The AUC is not only concerned with the management of these initiatives; it also prepares periodic progress reports such as the Agenda 2063 First Ten-Year Implementation Plan Progress Report, which summarizes progress, problems, and recommendations. These reports are considered as accountability mechanisms, where stakeholders are able to get an insight of Africa's developments and areas where improvement in the implementation processes needs to be made and the reasons for the improvement.

The Role of Regional Economic Communities (RECs) in M&E

True to the definition of RECs, the latter are also stakeholders in the monitoring and evaluation (M&E) processes as they are mandated to spearhead the implementation of regional policies, programs and projects in line with Agenda 2063. Regional Economic Communities (RECs) such as ECOWAS, SADC and EAC have key functions of executing and supervising the implementation of regional projects such as cross border infrastructure and trade which is instrumental to the integration of the purposes of Agenda 2063 (ECA, African Union and AfDB, 2017).

The RECs in partnership with the member states collect information about the regional programs while ensuring the polices meet the intended Agenda 2063 targets. This synchronization ensures that there is adequate contribution from the regional initiatives towards the objectives of the agenda and any regional imbalances are resolved. Finally, by including RECs in the M&E process, Agenda 2063 is able benefit from local capacities while ensuring consistency and ownership of regional projects.

The Role of National Governments in the M&E Process

It is the national governments that are tasked with the actualization of the Agenda 2063 within the country where these programs or projects take place. It is a requirement in every member state that the goals of Agenda 2063 be incorporated in national development plans and there are set monitoring and evaluation systems for the state to ensure progress toward those goals. The National governments submit the reports of their activities to the African Union Commission, therefore enabling the reporting of successes and challenges at completionist levels across the continent (African Union Commission, 2015).

For the alignment to take place, the AU has to provide national M&E teams with technical assistance and capacity development support. Such support is essential in helping countries set up data collection mechanisms, increase the level of reporting accuracy and improve accountabilities. By drawing in the national governments in the M&E model, Agenda 2063 provides mechanisms that seek to ensure its priorities are mainstreamed into national policies and that countries can be held responsible for their input towards the continental agenda.

Key Monitoring and Evaluation Tools and Methodologies

In order to facilitate assessment of results, there is deployment of various tools and approaches under agenda 2063 which ensures the dependability, uniformity, and validity of data across the continent. A critical tool in this design framework is the performance measuring instruments which include socio-economic, socio-environmental, and governance instruments. They are also coordinated with other international instruments and frameworks such as the Sustainable Development Goals (SDG), and therefore the AU has been able to incorporate Africa's agenda for development with the global one (Hartzenberg, 2011).

To these indicators, there are also data systems which were developed with partners including the United Nations Economic Commission for Africa (UNECA) and African Development Bank (AfDB). The systems provide for inter-country and intra-regional consistency, promote regular reporting of data, and fill evidence gaps to promote the use of evidence in the formulation of policy (UNECA, 2019). Continuous updating of progress made and evaluation of activities bear a timely enhancement of reporting mechanisms which enable monitoring of specific objectives contained in the First Ten-Year Implementation Plan and other similar instruments.

Such reports assist the AU, and its Partners in monitoring, troubleshooting, and providing timely solutions for improvement (African Union Commission, 2015). Likewise, the APRM is a critical part of the M&E framework of Agenda 2063. The AU Heads of State established APRM in 2003 to promote voluntary, open, and accountable peer review among African states. The peer review mechanism encourages good governance and regional integration through best practice exchange and the resolution of governance gaps, both crucial for the ambitious aims of Agenda 2063 (Poku & Mdee, 2018). These tools therefore provide a cohesive multi-dimensional framework within which Agenda 2063 is strategically positioned as an Axis for Sustainable Development and Integration in Africa.

Stakeholder Engagement and Civil Society Participation

The M&E features of Agenda 2063's M&E mechanisms are designed to be broad based including as many stakeholders in the implementation and assessment of the program as possible. The M&E system invites participation from civil society organizations, the private sector, the academic fraternity, and the locals so that constructive criticism can be given with regards to the success of programs implemented. Civil society has become instrumental in demanding accountability from governments, influencing policy frameworks which are holistic, and tracking the development and environmental target(s) (Taylor, 2014).

To promote accountability, the AU organises meetings, large group discussions, and conferences that enable citizens to discuss topics related to Agenda 2063 and its outcomes. Such forums foster credence from the public, broaden understanding, and allow stakeholders to make decisions concerning the design and implementation of the program. Using diverse voices in the M&E process allows the vision of the 2063 agenda to integrate inclusiveness, accountability and responsiveness.

Challenges in Monitoring and Evaluation

Though Agenda 2063 has progressively established M&E mechanisms, constraints prevail which prevent effective monitoring. Weak institutional framework limits capacity and resources in some countries, which can have a negative effect on the quality of data and reporting. More so, the differential levels of M&E skills across RECs and national governments may lead to areas performing the same activities recording different data resulting into difficulties in creating a consolidated picture of Africa's development (ECA, African Union, and AfDB, 2017).

Budget inadequacy or financial limitations tend to negatively impact the functioning of M&E, many countries and RECs depend on aid for funding monitoring, evaluation and reporting obligations. This reliance can result in gaps in the M&E process, for example when the funding agencies priorities change. In addition, other factors such as change of government and civil disturbances in some parts of the world result in disruption of the M&E processes and loss of focus on the desired outcomes of the M&E activities.

Future Directions for Enhancing M&E in Agenda 2063

To meet the foregoing challenges and make M& E mechanisms more effective, agenda 2063 calls for the enhancement of the capacity of the national and regional institutions for data collection, analysis, and reporting. This will include investment in digital technologies such as data analytics and real-time monitoring systems that will provide sufficient and timely information to the policy makers to facilitate decision making (African Union Commission, 2015).

In addition to this, the AU has been looking at ways of partnering with international organisations and development agencies in order to obtain reliable sources of funding for the M& E activities. Such partnerships bring in vital skills, funds and opportunities to learn from others which in turn enables Africa to strengthen its M & E systems. AU also stresses the need for periodic review of the M&E framework in relation to stakeholder input, changes in priorities and the need to shift focus to other indicators.

3.8 CHALLENGES AND RECOMMENDATIONS FOR ACHIEVING AGENDA 2063'S INTEGRATION GOALS

To accomplish the integration goals set by the Agenda 2063 of the African Union, there is a need to confront a series of obstacles that have historically impeded regional integration and development in the continent. While Agenda 2063 paints a grand and ambitious picture of an Africa that is united, prosperous and self-reliant, numerous constraints persist including structural, political, economic and social challenges. This section identifies the major challenges to the accomplishment of the integration aims of Agenda 2063 and provides ideas on how these challenges may be overcome to guarantee that Africa fulfills its aspirations for economic, social and political unity (African Union Commission, 2015).

Challenges to Integration in Agenda 2063

a. Political and Institutional Fragmentation

The most fundamental obstacle to integration in Africa remains political and institutional fragmentation. Africa as a continent is made of countries which have different governance systems, political cultures and institutional capacities. These diversities might act as obstacles to the harmonisation of policies, make cross border cooperation complex and slow down the implementation of continental policies (Hartzenberg, 2011). In addition, participation in several Regional Economic Communities (RECs) creates obstacles to attainment of Agenda 2063 integration goals due to the competition of policies and priorities.

b. Economic Disparities and Developmental Imbalances

Another barrier to integration is the immense economic disparity that exist in Africa. The African states have different economies of sizes, levels of income and development which in turn creates imbalances that act as a drawback for equitable integration. The better economies may realize the benefits of integration first while the poorer ones are unable to participate fully due to lack of infrastructure, funds and institutional capacity. Such an imbalance may create situations where the benefits of programs such as Africa Continental Free Trade Area (AfCFTA) are skewed with the likely consequences of exclusion resulting in increased inequalities (UNECA, 2019)

c. Inadequate Infrastructure

The negative influence of infrastructure deficits especially transport, energy and ICT also stand as huge barriers to integration at regional level in Africa. Bad infrastructure makes the cost of trade very high, limits their availability and also makes the movement of goods, services and persons across borders efficiently impossible. These barriers are not only a retard for intra African trade but also constrain the ability of Africa to compete the world. Strategies to close the infrastructure deficit gap are necessary elements for the effective realization of the integration aspirations of Agenda 2063 (Taylor,2014).

d. Financial Constraints and Dependence on External Funding

Reaching the target debt crises goals set in Agenda 2063 on the African Union is idealistic, one which most African states have been unable to attain. The limited domestic resource and threatening dependency on outside funding sources can constrain Africa to ever implement amiable integration projects. Of note although international organizations and donor agencies play their fundamental roles in the efforts' outcomes non internal source of funding can be indeed a source of variance and limit impedance of African nations deciding their pace of developmental focus (Poku & Mdee, 2018).

e. Governance and Corruption

Apparently weak governance structures and fraudulent practices still has a negative effect and poses as an obstacle towards the integration of Africa. This legal resource fails to establishes confidence on the public institutions, distracts funds from development initiatives and hampers the successful operationalization of the policies formulated. It is encouraging that the focus of the Agenda 2063 is toward enhancing good governance with focus on key tenets of transparency and accountability, but as many nations have disregarded this concept, it is extremely challenging to implement (African Union Commission, 2015).

f. Security Threats and Political Instability

Insecurity such as armed conflict, terrorism, and political instability are still probably the most important obstacles in promoting regional integration. Areas of the world impacted by conflicts have their economies and cross borders trade often incapacitated and instability inhibits investments. Terrorism and political instability in the area do in some cases hinder collaboration among member states and the successful realization of the integration projects of Agenda 2063 (ECA, African Union, and AfDB, 2017).

Recommendations for Achieving Agenda 2063's Integration Goals

a. Strengthening Political Will and Harmonizing Policies

Direction of political fragmentation will need the leaders of Africa to first make a unequivocal political commitment to the vision of Agenda 2063. This includes orientating policies at nation states to regional and continental objectives, instituting measures that promote alignment of policies, and becoming active in integration instruments such as the APRM and the AGA (African Governance Architecture) of the African Union. In this way, Africa may create a cohesive political environment conducive to integration building by establishing uniform standards of policies and ensuring joint accountability.

b. Promoting Equitable Economic Development and Capacity-Building

According to the economic growth strategy, Economies of all African countries must be built so that they can participate adequately in integration. Such investment will contribute in policy effectiveness especially in low and less developed countries. Likewise, targeted interventions in SME development and youth employment schemes are likely to accelerate growth and reduction of relative deprivation on the continent (Taylor, 2014).

c. Expanding Infrastructure Investment

There is a strong case of building infrastructure if the agendas of integration targeted under Agenda 2063 are to be obtained sand realised. While the continent faces a number of challenges in developing large scale projects, The Program for Infrastructure Development in Africa, PIDA, provides some aspects of how Infrastructure projects should be implemented, still more other investment are needed to fill the existing gaps. African governments must engage in the development of critical infrastructure, attracting private investment through PPPs and seeking internal financing to meet the required needs. Improved infrastructure systems will enhance trade costs and enhance movement of goods and people as well as information across the length and breath of Africa (UNECA, 2019).

d. Strengthening Domestic Resource Mobilization and Reducing Dependence on External Funding

The importance of this proposal lies in Africa's ability to reduce its reliance on foreign financing as a means of ensuring sustainable integration. The Agenda 2063 calls for the enhancement of domestic resource mobilization through the establishment of better tax systems, the fight against illicit financial outflows, and development of the local capital market. Greater dependence on the internal sources will not only enhance the financial independence of Africa, but will also ensure that the funds provided are more in line with the priorities for development and integration of the region (Poku & Mdee, 2018).

e. Enhancing Governance and Combating Corruption

If the public has to develop trust in the systems put in place, African nations have to work towards making sure that governance systems and structures are made to work effectively. It is important to emphasize that these ‘integration’ measures require strengthening of institutions, transparency measures and ethical leadershp. The AU has in place instruments that can assist in addressing the concerns relating to corruption namely the African Union Convention on Preventing and Combating Corruption and its member states should adhere to the recommendations made in the provision (Hartzenberg, 2011).

f. Fostering Regional Cooperation on Security Issues

Security issues remain a challenge that needs the African nations to work together in unison and in collaboration. The APSA provides a platform that fosters security integration through joint security and peace keeping operations and crisis management. Through strengthening the APSA and increasing the effectiveness and capacity of the African standby force, Africa can respond more effectively to the security threats that hinder integration efforts. In addition, addressing the duty causes of violent conflicts such as economic deprivation and youth unemployment may contribute to the achievement of sustained peace and order in the continent (African Union Commission, 2015).

g. Leveraging Digital Transformation for Integration

Digital technologies present new opportunities that can help mitigate some of the challenges identified in the integration of Agenda 2063’s pillars. Digital solutions enable transnational trade, financing, and better initiatives in the public administration. To this end, the AU Smart Africa Initiative aims to empower the entire continent to adopt transformational changes that advance e commerce, digital finance, and increasing connectivity. Moreover, by investing in technology infrastructure and creating an environment conducive to technology innovation, the Agenda 2063 can strengthen integration and therefore position Africa as a competitive global digital economy (UNECA, 2019).

h. Strengthening Monitoring and Evaluation Mechanisms

Reach Monitoring and evaluation (M&E) as one of the key performance indicators for monitoring activities, monitoring the progress, ensuring accountability, and making changes, as required, in the course of implementation of the activities outlined in Agenda 2063. It is further advanced that the African Union should, as a necessity, incorporate M&E, APRM, and AGA M&E frameworks that continuously evaluate the integration strategies, progress in achieving set objectives, and the challenges impeding integration process and share the best practices. The involvement of private sector and local population within the M&E process will also enhance the transparency and the accountability of this initiative.

Agenda 2063 establishes an ambitious framework for economic transformation and integration in Africa. The following chapters will focus into the comparative analysis of current integration initiatives, governance roles, and the impact of external support, evaluating their alignment with Agenda 2063's vision.

4. AFRICAN INTEGRATION INITIATIVES: COMPARTIVE AND ANALYTICAL PERSPECTIVES

This chapter contextualizes historically, politically and economically the notions of African regional integration by highlighting the past and the present forms of integration in relation to the vision set out through the Agenda 2063.

4.1 INTRODUCTION TO INTEGRATION FRAMEWORKS IN AFRICA

The integration of Africa began in the very early years of independence when the first leaders of African Countries saw the need of a United Africa in addressing colonial economic and political issues. The idea of African Unity that began with the establishment of the Organization of African Unity also engaged in a pan-African perspective in economic and political affairs together with leaders such as Nkrumah of Ghana, Nyerere of Tanzania, and Nasser of Egypt (Adebajo, 2010). Although, it was an organization with a political objective to promote unity and assist in the decolonization of Africa, the OAU also recognized that African countries had to work together economically. "Africa must unite", stated Nkrumah, "it is unity which we need if we are to be economically self-sufficient and to exercise power in the world" (Nkrumah, 1963).

The economic fragmentation in Africa has its origins in the colonial demarcations that had little regard for ethnic, linguistic and economic relations. The colonial forces partitioned the continent into territories with economies designed to benefit the European markets and not intra Africa trade. This legacy of colonialism left African states with economies that were depending heavily on exporting primary products to their former proprietors, making them vulnerable to global market conditions and external shocks (Rodney, 1972). The colonial demarcations resulted in complete further inter- relations between the African countries whereby intra-African trade constituted a minute share of trade Volume. In Africa, countries traded with each other to an extent of about 15% comparing to the intra trade recorded in North America 85 % and Europe of about 68% and 59% in Asia region. This limited trade integration has directly affected the economic development and resilience of Africa, therefore regional integration is necessary in order to create a stronger self-sufficient economy.

4.1.1 Early Attempts at Economic Integration and the Formation of Regional Economic Communities (RECs)

As a solution to these structural challenges, African leaders tried bolstering economic cooperation amongst themselves through regional grouping which led to the formation of the Regional Economic Communities. The OAU, Despite being a political organization, laid the foundations of economic unification by advocating for the collaboration of African states. In later decades, the EACs adoption was followed by the creation of different ones with the objective of enhancing trade, economic cooperation and political order in specific areas. Among the early establish regional economic communities was ECOWAS established in 1975 that concentrated on promoting economic integration and political order in the west African sub region. The basis, which was formed in 1992, the SADC aimed at reducing dependence on apartheid South Africa and supporting regional development and integration in Southern Africa. The East African Community (EAC), which was first formed in 1967 and collapsed a decade later, seeks to establish a confederacy among its members with great economic integration targeting a political federation (UNECA, 2020).

Every REC was designed in accordance with the political and economic endowment of its member states which vary from one Africa region to the other. For example the EAC has pursued a customs union and common market and is the most advanced of the other RECs in terms of political federation. Conversely COMESA, which was formed in 1994, sought to harness the diverse economies of Eastern and Southern Africa by creating a diverse and expansive market. It is however true that the different structures and the different mandates of such RECs have been a hindrance to continental integration as they do so under different set of rules, governance frameworks and varying commitment levels of member states (Brenton & Isik, 2012).

The African Continental Free Trade Area (AfCFTA) was launched in 2018 marking a milestone in the integration of the African market. Through the establishment of a free trade area covering the continent, the AfCFTA seeks to unify such efforts across RECs by lowering tariff rates, eliminating non-tariff barriers and providing an overall structure for trade in goods and services. When fully implemented, the AfCFTA would be the largest free trade area in the world in terms of the number of countries with all 55 African Union member states expected to be varying $3.4 trillion together in GDP (World Bank, 2020). The AfCFTA, according to UNECA (2018), is expected to boost intra-African trade by 52.3% by 2022 as a result of lowered trade costs and enhanced investment in infrastructure, manufacturing and service industries.

The AfCFTA is unique from any other preceding integration efforts by the fact that it does integrate trade in goods and services, but it also includes services, IP, competition policy, and mechanisms for dispute settlements. The AfCFTA aims to establish a single market for Africa, so that African economies can be more competitive and withstand global economic shocks. Wherein a deeper integration within Africa is envisaged to increase the attractiveness of the region to FDI in an otherwise fragmented global market. This transformative vision takes advantage of the success and experience of the RECs which are the building blocks of the AfCFTA but also the challenges of deep integration on a diverse continent (Signé, 2018).

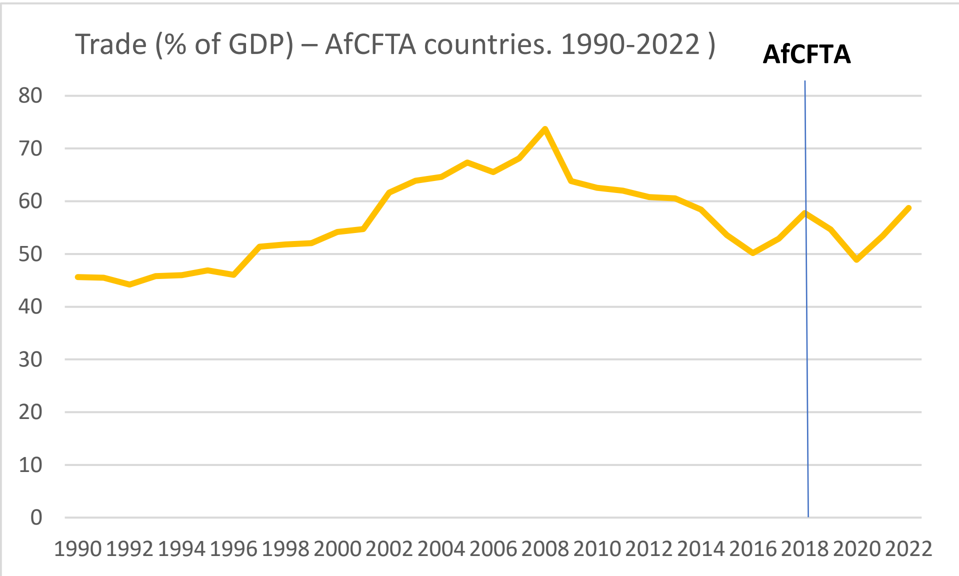
The RECs that are the building blocks of the AfCFTA do not follow the same governance structure and mechanisms of integration. The EAC for example has a fairly centralised governance structure with an established decision making process which has facilitated its achievement of a common market and customs union. This governance model has enabled the EAC to implement policies more uniformly but always under different political and economic realities (Odhiambo, 2011). Other RECs, such ECOWAS and COMESA on the other hand are characterized with more decentralized structures which always feature challenges of disengagement of policy implementation and coordination. For example, ECOWAS has struggled to effectively apply its economic policies because of currency and customs union politics in the region (Elhiraika et al., 2015).

It is also evident that these differences point to a common problem of integration among countries with different political and economic systems. Some RECs such as the SADC are more economic in orientation while others, including ECOWAS has security and political mandate. One would expect that such differences would make it difficult to unify RECs policies within the AfCFTA. Still, the experience of the REC emancipates useful insights for continental integration with respect to the essential aspects of governance, political will and institutional capability in promoting economic cooperation (Mistry, 2000).

4.1.2 Economic Impact of Integration: Trade and FDI Trends

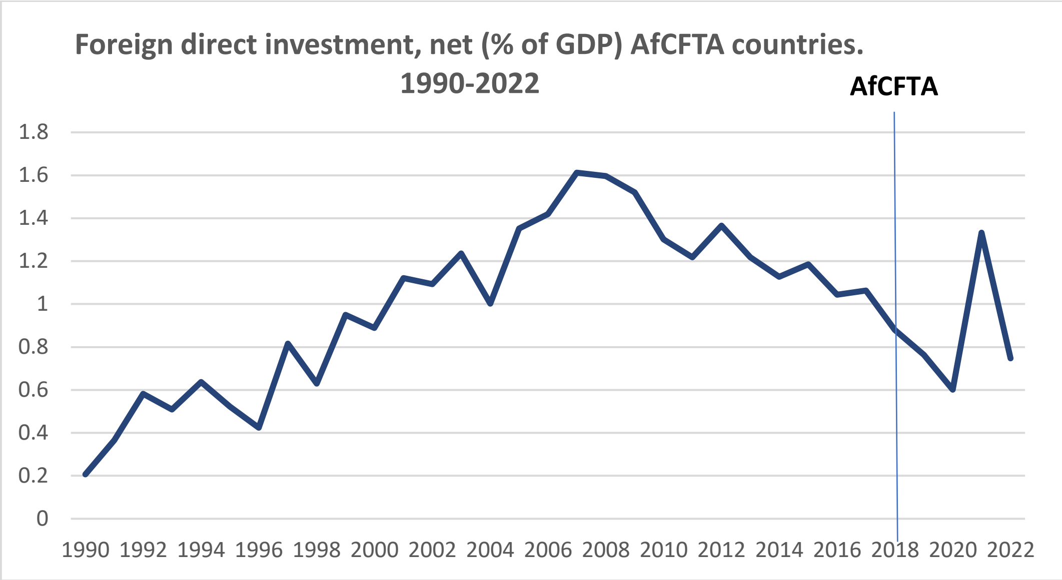
The patterns of trade and FDI flows within REC and AfCFTA countries offer some valuable perspective towards the economic effects of the integration endeavors. The percentage of GDP in AfCFTA nations which was attributed to trade activities grew from the 1990s towards the beginning of the 2010's which can be attributed to the early integration efforts. However, more recent years have witnessed great variability, most likely as a result of both domestic challenges and external forces such as global recessions (Graph 1). For COMESA, a smoother upward trend but with notable fluctuations best describes the trade as a proportion of GDP trend line, implying that integration encouraged trade, however the region is still susceptible to external shocks and policy incoherence (Graph 2) (UNCTAD, 2021).

Graph 1: Trade (% of GDP) – AfCFTA countries. 1990-2022



Source : World bank

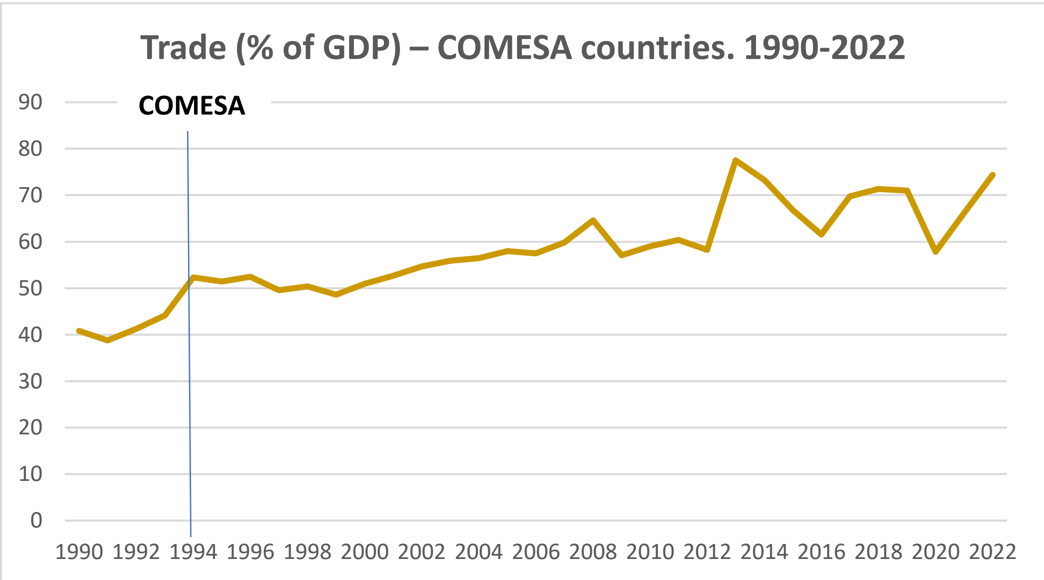
Graph 2 : Foreign direct investment, net (% of GDP) AfCFTA countries. 1990-2022



Source : World bank

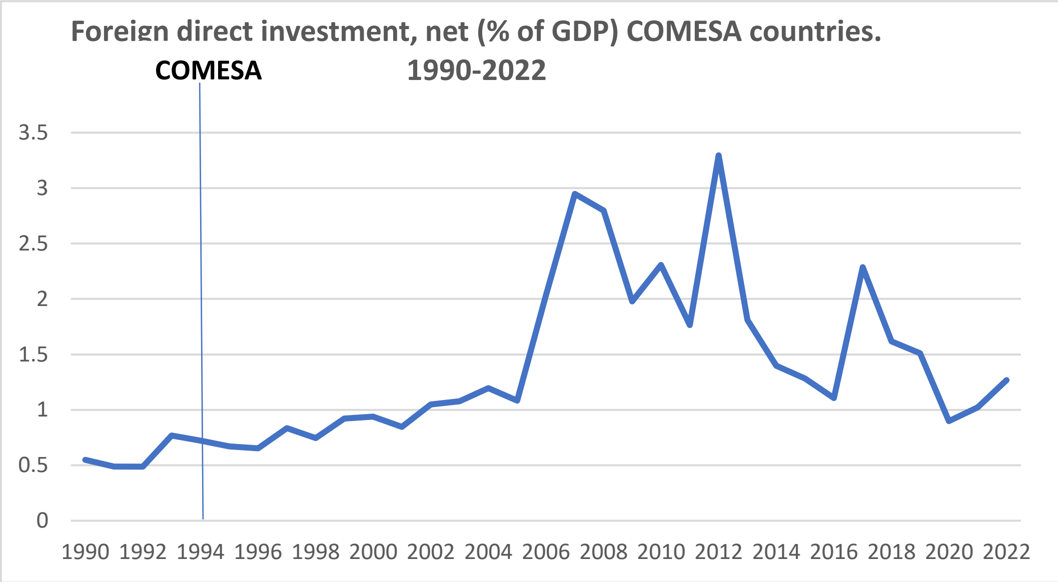
According to FDI trends, the same engagement is noted. Like with the current AfCFTA and COMESA countries, increased FDIs were witnessed in the countries within the COMESA region when there was consistency in the integration. However, FDI has been known to be volatile. More especially in the recent years, further decreases were seen. These movements emphasize the importance of a certain level of stability in the governance and regulatory frameworks in order to maintain investor confidence and improve the attractiveness of African markets in the long term (Graph 3 and 4) (World Bank, 2020).

Graph 3 : Trade (% of GDP) – COMESA countries. 1990-2022



Source : World bank

Graph 4 : Foreign direct investment, net (% of GDP) COMESA countries. 1990-2022



Source : World bank

Stated differently, the second most determinant factor is the level of integration processes in Africa. Furthermore, most African countries experiencing political instability can be a barrier to integration processes as well as business and investment activities. As an illustration, the disturbances in the Great Lakes region [31]have hampered the COMESA's efforts in the unification of the region as political squabbles and security challenges have made active cooperation amongst the members elusive (Elhiraika et al., 2015). On the more positive side, the transformation of member states into an EAC customs union and common market was expedited by its relatively peaceful political environment.

Social public support and social cohesion have also twin roles which are very significant for integration. For example, in regions such as the EAC with public opinion favorable to integration, the pace of the integration processes is enhanced. On the contrary, the other regions where the idea of integration evokes a sense of lost sovereignty and economic inequalities, this can provoke resentment towards integration. In order to resolve these matters, it is important that African authorities consider the importance of redistribution of the gains from the integration and promote policies aimed at social integration (UNECA, 2020).

[31] The African Great Lakes are a series of lakes constituting the part of the Rift Valley lakes in and around the East African Rift.

4.2 ECONOMIC OUTCOMES AND STRUCTURAL GOVERNANCE

The economic performance of the African integration efforts has been mixed, showcasing the fragmented nature of RECs (Regional Economic Communities) vis-a-vis structures of governance, economic objectives or policies. The most relevant and ambitious integration attempt till date, the African Continental Free Trade Area (AfCFTA), was supposed to expand on these existing structures by integrating Africa's fragmented markets and enhancing intra-continental trade, capital and growth of investment. Regardless, the AfCFTA has to grapple with the advantages and disadvantages of every REC, which's diversity in systems and these approaches to integration have equally defined different degrees of success and challenges on trade, investment and governance patterns.

This section focuses on the economic performance of major Regional Economic Communities (RECs) - ECOWAS, SADC, COMESA and the East African Community (EAC) in order to assess the impact of their governance models on the effectiveness of integration. I further consider integration trends such as that spurred by the AfCFTA as an umbrella policy intended to integrate the various RECs, assess trade and FDI patterns and their relationship with governance as determinants of economic performance. Thus, this section explores the question of how designed governance structures affect the economic development of regional integration processes in Africa and how the AfCFTA is likely to alleviate the identified challenges to enable a more integrated and strong continental economy.

4.2.1 TRADE PERFORMANCE AND ECONOMIC GROWTH IN RECS

AfCFTA and Intra-African Trade

The AfCFTA was formed to help tackle the prevailing problem of intra African trade which for many years has been very low. In 2019 intra African trade popcorn accounted for only 15% of the total international volume trade, which is rather low compared to other regions of the world like Europe (68%) and Asia (59%) (UNCTAD, 2019). The African Continental Free Trade Area (AfCFTA) aims to increase intra-African trade by 52 percent within its first few years of implementation, according to UNECA (2018). With this increase, it is expected that the continent will be able to create a unified trading market among Africa's generously large population. Something that should entice trading with fellow countries within the continent rather than relying on countries outside it, consequently creating self-reliance within the continent itself. The AECA appears to have been designed to enhance existing trade relations under the RECs by increasing the scope to the entire continent.

The level of integration, governance, and political characteristics of each group leads to different economic outcomes within the RECs. Since its establishment in 1975, ECOWAS has advanced in regional integration, most notably through the establishment of ECOWAS Trade Liberalization Scheme (ETLS) and the establishment of the ECO. Yet, due to political and economic divergences, the members have not been able to fully implement the ECO, highlighting the difficulty of policy harmonization in a set of heterogonous economies (Elhiraika et al., 2015). In any case, ECOWAS is among the more integrated RECs and has performed quite well in intra-regional trade, especially in agriculture and manufactured products.

The region of the EAC has one of the most well established levels of regional integration as seen by its well-functioning customs union and a common market. Only 20 percent of EAC's trade volume can be regarded as internal trade but even this value is much better than that of other regional economic communities (RECs). As a result, there is a single EAC integrative board which makes it possible for good policies to be implemented across all member countries (World Bank, 2019). Furthermore, the EAC has created a single custom territory where trades and border transaction costs have been eased thereby making the case that good governance hastens economic growth.

In contrast , SADC require a more integrated approach yet their integration efforts seems to be more difficult than COMESA's. COMESA's extensive composition states that include developing countries, the region's priority for regional trade policy implementation has faced some challenges as well. Although COMESA's free trade area has pushed up the volume of trade to some degree, the exchange of goods within the area is still impeded by many factors that include differences in customs and non-tariff barriers (Brenton & Isik, 2012). SADC has also a free trade area but some sort of policies remain un-coordinated as the governance structure leaves so much power to member states rather than to the region. These governance impediments indicate that growth of trade among RECs can be attained but it demands sustained will power and coordinated policies.

4.2.2 Investment Trends and FDI Inflows in Regional Markets

AfCFTA's Potential to Attract FDI

In addition to fostering intra-African trade, the AfCFTA is intended to make Africa more attractive to foreign investors. The creation of a unified market push the AfCFTA to reduce investment risk by offering foreign investors a stable policy environment across multiple countries, in contrast to the fragmented regulations within individual RECs. According to the World Bank (2020), the AfCFTA could increase Africa's income by $450 billion by 2035 and expand exports by $560 billion, partly through increased FDI inflows. This potential growth in FDI is expected to arise from investors' confidence in a larger, more stable market, where harmonized regulations reduce bureaucratic challenges and market entry barriers.

FDI Outcomes Across ECOWAS, SADC, COMESA, and EAC

Furthermore, the AfCFTA aims to help create conditions that would enhance Africa's attractiveness to investors from outside the continent. Its formulation as a single market also aims to reduce the risk of investment to a multi-country model , removing barriers and harmonize the regulations. By 2035, the deal could boost Africa's GNP by $450 billion and six hundred billion dollars worth of new exports will come about partly as a result of increased foreign investment, according to World Bank (2020). Such anticipated growth in FDI is aimed at investors looking for a vast stronger market where integrated regulations will ease the administrative burdens and cost as well as the barriers to entry into the market.

The trends in FDI across the RECs in Africa are very divergent and correspond to the political stability and regulatory and economic imperatives of each REC. For example, there was a marked growth of FDI inflows in the region during the 2000s in COMESA (Graph 4). It is due to the significant amounts of FDI in sourcing countries such as Zambia, Egypt, and the Democratic Republic of Congo (DRC). The dispersion of these patterns suggests the weaknesses associated with the centralized forms of governing models where the country's particular areas of investment policy seemed disparate enough to turn off any investor on the viability and predictability of investing in such countries (Graphic 4). (UNCTAD, 2020)

Due to its mining potential, SADC economies have been the main recipient of FDI, as countries like South Africa, Mozambique, and Angola attracted investments in energy and mining. Nonetheless, internal governance factors of the region for example policy unpredictability in Zimbabwe, have undermined investor confidence. Despite some benefits accruable from being part of SADC free trade area, the continued absence of policy harmonization among sectors is an impediment to FDI growth on a sustainable basis (World Bank, 2018). In a similar manner, within ECOWAS, political frictions especially between Nigeria and the rest of the member countries sometimes limit FDI inflows, as investors try to evaluate the risk of changes in policies and disturbances in regional security.

On the other hand, the FDI inflows in EAC have been gradually consistent and on an upward trajectory due to its political stability and a more integrated regulatory framework. This expansion has been most pronounced in the infrastructure, finance, and manufacturing domains, as unified policies within the EAC promoted investment. Nevertheless, even in the EAC, sporadic political wrangles like the tensions involved in trade relations between Kenya and Tanzania demonstrate that the need for long-term regional collaboration is imperative for investor support (Odhiambo, 2011). FDI trends differentials have a bearing on the impact of governance in the RECs' economy, which suggests that indeed, there is need for uniform governance and policy for efficient investment attraction and retention.

4.2.3 Structural Governance and Policy Harmonization

The governance structures of Africa's RECs are key determinants for the realization of integration objectives. The EAC has been successful in the alignment and the implementation of policies thanks to a centralized governance structure. Through concentrating power and formulating standard policies for its member countries, the EAC has put in place one customs territory which has enhanced trade movements by making trade processes easy, quicker and efficient within the region (Odhiambo, 2011). Such an administrative structure has also been effective in pushing forward the EAC customs union and common market, underscoring the significance of order and simplicity in the governance structures for integration aspirations.

At the same time, SADC as well as COMESA are regionally governed using decentralized models which uphold national interests more than regional integration. Although this model creates room for member states, it frequently leads to policy fragmentation and delayed integration. For example, while SADC has created a free trade area, other member countries are yet to unify tariff policies and lessen the use of non-tariff barriers which have hampered the extent of Intra SADC trade. Such issues constitute as well COMESA, which is characterized by heterogeneous membership and uneven level of economic performance. Policy inconsistencies among the members of COMESA have prevented the achievement of the ideal free trade area as the member states find it difficult to practice trade in consonance with the objectives of the region (Brenton & Isik, 2012). As such decentralization emphasizes the problems of reconciling nation states goals with those which are regional such as economic integration which in most instances are only there in paper.

4.2.4 Impact of Governance on Economic Outcomes

The discussion of governance structures and their relative success in achieving economic outcomes within Africa's RECs points towards integration success factors. Those who look at the EAC, in which governance is centralized, have noted enormous economic benefits as well as enhanced intra-regional trade and increased FDI inflows. It has been noted that such achievements are attributed to the ability of the EAC to coordinate policies at member levels which makes the region more attractive to investors. On the other hand, those looking at RECs, SADC and COMESA which have decentralized governance, stand to wait for an increased pace for integration and long-standing economic development. The reason for this is the absence of a central authority to enforce policies in these RECs meaning trade practices and regulation had become patchy and poorly enforced which negatively affected economic growth.

The AfCFTA's aims of making these RECs one market with no barriers in Africa depend on addressing these issues of governance effectively. The implementation of more organised and structural governance by the AfCFTA can also provide an avenue of bridging the gap created by individual RECs in as far as the economic integration of Africa is concerned. Based on the experience on the RECs, the key determinants for success where economic outcomes are sought include centralized governance structures, political willingness to act and the need for regional policies to be harmonized.

4.3 ANALYSIS OF INTEGRATION CHALLENGES

The creation of regional economic communities (RECs) such as ECOWAS, SADC, COMESA, and the East African Community (EAC) has made possible the achievement of integration, these frameworks are continually having their challenges stemming from political, economic, structural or social dimensions. These challenges not only impair the functionality of the RECs but also act as a considerable threat for the African Continental Free Trade Area (AfCFTA) as it seeks to create an all-inclusive market in Africa.

In this segment, I aim to identify the main factors such as political violence, differential economic development, porous governance structures and regulation, backwardness in infrastructure provision, as well as weak institutional capacity, that hinder African integration. Such understanding is important to serve as a basis for developing targeted policy options on how these constraints can be overcome in order to fulfill Africa's dream of an integrated competitive economic region.

Political Instability and Policy Inconsistency

The degree of political order and cohesion in a region has a significant bearing on the success and processes related to the integration efforts. Many African nations up to today's date, continue to struggle with civil wars, governmental conflict, and civil disobedience. This in extreme scenarios, can even be a strife, directs the activities of RECs and perform below acceptable standards when it comes to cross border trade and economic engagement. Such strife may even lead to border closure which halts free interaction and movement of people and FDI into the region, which hinders the progress of integration as well. Political disorder or conflicts in places such as South Sudan and the Democratic Republic of Congo for example, have negatively impacted stability within EAC and COMESA regions and subsequently their capability to implement comprehensive policies in order to cultivate a sustainable regional economic environment (Elhiraika et al., 2015).

In addition, policy inconsistency, defined as a tendency by governments to revert to old policies when faced by political situations or political change, introduces further uncertainty in the integration process. Such inconsistency undermines the confidence of the member states and creates a volatile environment for business which in turn discourages both domestic and foreign investment. For instance, some of the reasons for the non-implementation of the ECOWAS common currency (the ECO) include some member states' policy shifts and this shows the impact of politics in policy formulation and the ability to achieve such integration (UNECA, 2020).

Economic Disparities Among Member States

The countries that make up Africa's RECs are at different levels of economic development which creates differences that are quite counterfeiting to the integration process. Such economic differences are mostly portrayed in the income, industrial capabilities, technology accessibility and quality of infrastructure. For instance, within the geographical study region of SADC, there existed countries like South Africa which had a more industrialized and diversifying economy contrary to other member states whose economies were highly dependent on agriculture and primary commodities (World Bank, 2019). Such economic differences pose a problem in efforts to harmonize economic policies because rich nations would want to insulate themselves from policies that would compel them to provide palliatives to poorer nations.

Differences in economic standing further result in unequal sharing of the integration benefits. More developed countries from a REC tend to take advantage of the open markets more than less developed countries and even political integration may not alleviate all these disparities. As such, the unbalanced distribution of the endowments yields frustration and even a reluctance to have integration, as the smaller or lagging economies are apprehensive that they will be subsumed by the more dominant economies of the REC. For instance, Nigeria's economic weight within ECOWAS has also on some occasions created tension with smaller states who view this dominance as a threat to their industries (Brenton & Isik, 2012). The assistance or provisions should be able to address the gaps in integration to promote fair sharing of benefits among member states, for example, technical assistance, financial support, or compensation for disadvantaged or less developed economies.

Governance and Regulatory Fragmentation

A very significant challenge towards integration in Africa is the disintegration of governance and regulatory frameworks across member states. Each country within a REC operates within a certain legal and regulatory regime that may be quite distinct from other member countries of the union. This disintegration makes the execution of unified policies more difficult and creates hurdles for business activities which span across countries. For example, different customs procedures, different product and licensing standards among members of SADC have made it expensive and time consuming for companies willing to operate in the region to trade (UNECA, 2019).

In the context of the AfCFTA, the presence of differing policies among the RECs figurates an immense hurdle in the establishment of a common market. Although the aim of the AfCFTA is to improve trade policy and lessen barriers the attainment of these goals cannot be achieved without member countries bringing their policies and enforcement practices in line. Nonetheless, the process of harmonisation of policies is often complicated, being associated with reforms that may be opposed by national actors who are tied to the existing regime. For instance, the competing IPR[32] and competition policy regimes across the African countries present a barrier towards the formulation of harmonised templates of AfCFTA which are indispensable for the industrialisation of the region, especially in technology and manufacturing industries, where IPR regime is central (Signé,2018).

Infrastructural Deficits

Africa’s infrastructural deficiencies are one other fundamental impediment to the process of integration that is primarily based on free trade. Cross-border trade of goods and services as well as movements of people would require a certain degree of efficiency in the infrastructure; yet there is low levels of investment in effective transport, energy and communication within many countries in Africa. The African Development Bank (AfDB) claims that the deficit of infrastructure in Africa stands at 130-170 billion US dollars per year with a deficit of about 68-108 billion dollars (AfDB, 2018). Poor infrastructure increases not only trade costs but also the interconnectivity of regions thus inhibiting the effectiveness of regional trade blocs.

Poor road coverage, limited railway connections and poor ports operations also have adverse effects on the distribution of goods in the region of COMESA. This constraint is mainly felt by landlocked nations like Uganda, Malawi and Zambia as they seek the assistance of their neighbors to access other countries. In the absence of extensive infrastructure developments, the benefits of integration are likely to be achieved only by a few, especially countries in the periphery. Such situations have been noted with the AfCFTA which has recommended better coordination for infrastructure development in order to improve regions connectivity but financing is a major issue(World Bank, 2020).

Limited Institutional Capacity

One key factor that is required for successful integration policies to be fully observed is the need to have high institutional capacity including human resources, technical expertise together with tr efficient administrative processes. Nevertheless, most of these African RECs and the states under them experience capacity issues that may cripple their implementation of monitoring tasks towards regional agreements. This challenge is especially prevalent in critical areas such as the administration of customs, the enforcement of regulations and the collection of information where institutions are not equipped with requisite tools and technical capacities to implement intricate integration movements.

[32] Intellectual property rights

In the case of African states, for instance, the ability to put into practice and comply with trade agreements differs greatly. For allowing reform the smaller states with little budgets may not have the resources, but larger countries with assets are likely to proceed faster and thus create imbalances in implementation . This capacity deficit can result in uneven application of RECs policies with particular regard to that observed in COMESA where variations in customs among its member states aggravate delays and inefficiencies in border crossings (Brenton & Isik, 2012). There is need to enhance institutional capacity in order to facilitate the development of common policies and enable equal sharing of the benefits of integration among the different Member States.

Socio Cultural Limitations

Socio cultural aspects are equally important in making the process of integration successful or its entirety a failure. With regards to Africa's diversity, its plethora of languages, ethnicities and cultural practices may be of hinderance when cooperation or mutual understanding is evoked. Distinct business models, differing societies and certain consumer targeted preferences can affect the reception of integration policies or how they are executed around the different regions. Illegal in some cases may people's views regarding the attempts towards the integration process in some regions be shaped by issues of national sovereignty, risk to jobs or dominance by particular countries in the REC.

One such example is the occasional public opposition to the unrestricted movement of persons within the free movement zone of ECOWAS due to fears of cultural invasions and competition for employment. The EAC is faced with similar challenges, where member states have conflicting views towards one another in the context of migration of labor and competition within domestic markets. In order to foster a strong regional identity, these cultural and social dimensions of the society must be calmed through cross cultural understanding and socio-economic integration in border region emphasizes on the contextual integration (Odhiambo, 2011).

External Economic and Geopolitical Pressures

The integration ambitions of the African sub-regions are taking the shape of the outside economic and geopolitical configurations, further complicating the congruence of interests amongst the member states. Some African countries trade primarily with Europe, USA and China which influence their internal priorities and policies strategies. As an example, the Economic Partnership Agreements (EPAs) signed with EU have brought divergence in sub regional groupings in Africa as they are obliged by the EPAs and also by regional trade treaties.

Moreover, the expanding presence of China in Africa, motivated by initiatives like the Belt and Road Initiative (BRI)[33], has injected new considerations which may alter the integration processes. It’s true that African states appreciate the Chinese developmental involvement in Africa’s infrastructure development, however, it may also create, more or less, an umbrella of dependency which will internally constrain African states efforts towards autonomous strategies within the RECs and the AfCFTA. This foreign influence brings up the importance of development in which African integration frameworks have to come up with measures to promote intraregional trade in Africa while not jeopardizing relations with external countries (Signé, 2018).

4.4 FUTURE DIRECTIONS

As Africa undertakes the process of realising its goal of a self-sufficient and joined economy, it is inevitable that the related structural political, economic and social obstacles which frustrate the enhancement of regional integration should be of primary concern. Despite the progress made by The African Continental Free Trade Area (AfCFTA) in achieiving the African integration, it requires the support and enhancement of existing Regional Economic Communities (RECs) and the redress of some historical constraints that have stunted Africa’s integration drive. In that regard, after globalization ’s negativity has fully been addressed, strategic initiatives and policy reforms will follow to ensure that integration contributes positively to inclusive and sustainable economic development.

In this section, I address the possible ways of enhancing the integration of the African continent, proceed on the basis of a political will, improved governance and institutional framework, infrastructure and economic development. Collectively, these directions articulate a vision for strengthening the African economy, enabling it effectively meet the expectations of international competitiveness while addressing the challenges that are distinctive to the continent.

Strengthening Political Commitment and Policy Consistency

[33] China’s Belt and Road Initiative (BRI), sometimes referred to as the New Silk Road, is one of the most ambitious infrastructure projects ever conceived. Launched in 2013 by President Xi Jinping, the vast collection of development and investment initiatives was originally devised to link East Asia and Europe through physical infrastructure. In the decade since, the project has expanded to Africa, Oceania, and Latin America, significantly broadening China’s economic and political influence.

Perhaps the most important aspect for the prospects of integration in Africa rests on the political commitment of its member states. All the efficacy of the AfCFTA and RECs hinges on the commitment of African leaders to sacrificing immediate nationalisation for the benefit of regional ambitions. Political will is crucial in actualizing the requisite politico-economic policies, harmonizing the legal frameworks and handling of member states disputes which are inevitable. It is when the leaders embrace long range policy views that would accentuate the integration process as an avenue for greater good as opposed to being the enemy to sovereignty.

Consistency of policies is also paramount. To avoid the uncertainty of future integration attempts, governments must be able to create stable regulatory regimes and undertake to implement agreements irrespective of the leaders in place. Such a consistency will go a long way in instilling confidence among the member states and save the investors who are always gun shy for reasons of frequent policy changes in some regions. Politically binding treaties, periodic regional summits and multilateral platforms for decision making may be some of the mechanisms on how political commitment can be enhanced and averting policy mutability which undermines the integration agenda.

Empowerment of Governance and Institutional Capacity

Regional Integration can only succeed where there is effective governance and strong institutions. The absence of a coherent governance structure has in most cases translated to divided policies within the RECs leading to slow progress of integration. Going forward, the focus of RECs and the AfCFTA must include the need for the harmonisation of governance frameworks, establishment of accountable institutions, and the need for transparency in decision making procedures. This will involve capacity building programs towards the improvement of the African institutions' administrative as well as their regulatory abilities.

Such a more centralized governance model can also help to some extent especially in making sure that the member countries are able to adhere to and follow through on the integration policies. This model needs however to be backed by adequate accountability frameworks that ensure monitoring and evaluation of integration initiatives. For example, in the case of AfCFTA, placing a regulatory body which would check monitoring of agreements and regulatory norms by member states could ensure adherence to the agreements made by member states. It is also expected that the development of a structure for inter-REC cooperation would also avoid redundancy, accelerating decision making processes and while at the same time promoting a more consistent approach to the integration process in Africa.

Investment in Infrastructure and Connectivity

Infrastructure still stands out as one of the most critical hindering factors on the African continent's full economic integration. Lack of transportation, energy, and digital infrastructure increases the cost of trade, limits the reach of connectivity, and restricts the flow of people and goods across borders. Future integration efforts should focus on infrastructure development so as to promote intra-Africa trade and connect the continent with the rest of the world.

Building transportation infrastructure such as railways, ports, and road networks is also another key factor in order to link countries with no direct access to the sea to world trade networks. Equally, expanding access to affordable and reliable energy will foster industrialization; hence, draw in investment. Achievable through digital infrastructure, such as the internet, mobile networks, and e-commerce, cross border trade has the potential to transform by replacing physical infrastructure with digital transactions.

Creativity and substantial financial resources will be needed for these investments which can be raised through public-private partnerships, foreign direct investment and from international development finance institutions. The African Development Bank (AfDB) in addition to other development partners can be pivotal in funding and coordinating these infrastructure projects. Moreover, joint undertaking of infrastructure projects by RECs may increase effectiveness, minimize costs and augment the effectiveness of such investments.

Facilitating the Structural Transformation of the African Economy

The African economy has to transform its structure so as to narrow its over dependence on primary commodities to achieve meaningful and sustainable growth. A number of African countries depend on exporting raw materials with low prices and earn few employment opportunities and little value addition. It has been noted that through industrialisation Africa can boost its manufacturing sector, create jobs and expand its export market of value addition.

In the case of supporting the industrialisation process, both the AfCFTA and RECs should adopt policies that stimulate local production and regional value chain. For instance, establishing regional supply chains for agriculture, manufacturing, and energy industries' could enhance competitiveness of African products, reduce imports, and improve resiliency to shocks. Also, measures aimed at nurturing small industries while at the same time promoting competition are very critical to enable African industries grow and expand across the region and the world.

Also, it is important that familiarization with job specifics is done by the government investment in workforce development strategies. Investments can be made in technical and vocational education and training programs in the areas of engineering, manufacturing, and technology which help in narrowing the skill gaps that need to be filled in order to have a competent workforce to pursue industrialization processes. Moreover, the African Union (AU) should be able to spearhead the regional efforts aimed at enhancing economic diversification by encouraging countries to adopt regional industrial policies and best practices.

Leveraging Technology and Innovation

Technology and Innovations are among the enablers of economic integration that help in facilitating trade, enhancing efficiency in processes as well as increasing the reach to services. Platforms such as these can enhance trade across borders by improving the speed at which customs processes are completed and enhancing the level of inspection preventing delays within the process. An example comes with the introduction of online customs and E-payment systems that promote ease and efficiency in border transfer of goods by minimizing the time and cost involved in transfers across borders.

African integration in the future will benefit from tapping into the digital economy and building innovation ecosystems across the continent. There is a need to support the development of technology hubs and start-ups as areas that can create employment and provide solutions to the specific problems faced by the African region. Also, focusing on increasing investments in digital literacy and skills development would allow for more participation in the economy of the African citizens and increase inclusivity.

In agriculture, advanced technology such as precision farming and data analysis can also be embraced to boost food production in the African countries for both internal and external markets. In the manufacturing industry, Africa can also advance due to digital advances like 3D printing and automation. Incorporating such technological characteristics into integration policies allows Africa to promote its economic growth, productivity, and competitiveness on the global marketplace.

Confronting Social and Cultural Challenges of Integration

In order to be effective and durable, integration processes have to deal with social and cultural barriers which may impede interaction among member states. The African continent's richness in languages, cultures, and ethnic groups might pose potential difficulties for the development of a common regional identity and for mobilizing the citizens' support for integration efforts. Certain aversions to the notion of integration such as occupational anxiety, loss of certain dominions or cultures being overshadowed may also provoke a negative response from the public and affect the integration agenda in the long run.

It is shed light on promotion of an African identity and other different cultures in order to create space for these social limitations. Integration and regional unity can be improved through educational interventions, cultural diplomacy and orientation campaigns. For example, free movement of people within RECs and the AfCFTA could for instance be incorporated with measures aimed at promoting inter cultural practices so that people and their society are able to appreciate their counterparts cultures and businesses.

Integration messaging can also be advocated by the Governments with the media and civil society such as job creation and improvement in economy and accessibility to goods and services. By cultivating a feeling of togetherness and having shared vision, the efforts directed toward integration in Africa can enjoy more support from the citizens and surmount any social challenges that might stand in the way of progress.

Enhancing Relationships with International Partners

Despite the focus on African integration which aims at promoting intra trade and self-sustainability, there is need for strong relations with international partners for investment, capacity building and technical assistance. The United Nations, World Bank and International Monetary Fund, as well as regional counterparts such as the European Union and China, enhance African integration processes. These partners can assist Africa by offering capital, technical knowhow, and liberalization of inquiry to assist Africa to deal with the problems and achieve unification objectives.

In the future, integration frameworks of Africa must have some perspective while participating in global partnerships. These collaborations should be geared towards Africa's long term interests rather than creating dependencies. Relationships should be focused on capacity enhancement and transfer, infrastructure development so that African nations are able to create self sufficient economies. The AfCFTA and RECs can also apply these partnerships to broaden their horizons by learning different regions incorporating integration strategies from the European Union, ASEAN & MERCOSUR and modifying the strategies to meet Africa's demands.

Also, the African Union and unreformed RECs should be able to design mechanisms that will regulate foreign investments in a manner that will promote regional integration and economic diversification. In such an environment, Africa will promote equal and win-win relationships and use international resources to establish strong backing for integration movements and other initiatives in order to be competitive internationally.

The comparative analysis of African integration initiatives highlights the significant role of governance structures in determining the success of trade and investment flows within regional economic communities. Governance serves as a fundamental pillar for policy harmonization, institutional efficiency, and economic outcomes, which will be explored in detail in the next chapter.

5. THE ROLE OF GOVERNANCE IN SHAPING TRADE AND INVESTMENT IN AFRICAN ECONOMIC INTEGRATION

Building on the findings from the previous chapter, this chapter delves into the critical role governance plays in shaping trade and investment dynamics within Africa's regional economic integration efforts. Governance not only determines the efficiency of policy implementation but also influences the stability and attractiveness of regional markets for both local and foreign investors.

5.1 RELATIONSHIP BETWEEN GOVERNANCE AND REGIONAL ECONOMIC INTEGRTION IN AFRICA

As measured with the help of political stability, rule of law, control of corruption, governance effectiveness and regulatory quality, governance is one of the primary determinants of a country' s economic prospects. Good governance is fundamental in building an environment of sustainable economic growth and development (Kaufmann et al., 2010). It builds investors' confidence, provides mechanisms for safeguarding property and decreasing transaction costs, which are important in attracting FDI and trade openness (Acemoglu and Robinson, 2012).

Trade openness and FDI are two key building blocks of economic development. Countries that actively participate in international trade and investments have a better economic growth performance (Frankel and Romer 1999). In the same way, market-driven FDI inflows such as those provided by access to the market or investment-friendly regulation, are also important contributors to economic growth (Blomström and Kokko, 2003). The interaction between trade and FDI is intricate; for instance, trade is viewed as an additional factor in attracting FDI while inward FDI also enhances trade (UNCTAD, 2020).

The importance of governance for attracting FDI is also acknowledged in literature. Foreign direct investment is associated with a risk of political instability, contract enforcement and other factors with relied to governance. Good governance is also key to establishing a level playing field and efficient business practices, both of which are vital to foreign investors in a country.

There is also a strong correlation between governance and the ability of a country to trade with the rest of the world. Good governance enhances trade by providing stability and predictability which are crucial to overcoming trade barriers, speeding up customs processes and observing international treaties. However, bad governance breeds corruption, overhead bureaucracy and protectionist practices which negatively affect trade. In the context of Africa, integration efforts at the regional level have become the most popular strategies for increasing FDI and trade openness.

The African Union’s Agenda 2063, the African Continental Free Trade Area (AfCFTA) and various RECs seek to enhance economic integration and improvements to the governance structures (African Union, 2015). Not nevertheless, the efficiency of all these initiatives is different from the area to the area depending on the quality of governance as well as the economic structures (UNCTAD, 2021). Such literature is about relationships between governance and trade openness, and FDI, there is a gap about the continent of Africa such studies are not available for the various regions.

This research addresses this gap by focusing on three diverse regional groups (Eastern and Southern Africa, Western and Central Africa and North Africa) to examine how governance quality influences trade openness and FDI attraction within each context. So doing, this will widen the answers to the question of the role of governance on the economic development of the different African regions.

5.1.1 METHODOLOGY

The research methodology employed in this study aims to comprehensively analyze the role of governance in influencing trade openness and Foreign Direct Investment (FDI) in three distinct regional groups in Africa: Eastern and Southern Africa, Western and Central Africa and North Africa in the period between 2000 and 2020 for 53 African countries. To achieve this, a quantitative methods approach is adopted.

This research intends to develop an empirical study based on, firstly, a Pearson correlation between governance, trade and FDI indicators (table 6,7,8) to detect the presence and strength of a relationship between variables. Secondly it will be a regression analysis based on two models: the first one started from the dataset of indicators of governance quality and the trade indicator: The second one will analysis the effect of governance on the FDI.

During this research, I will make the evidence if other factors like economic growth, natural resource and population growth affect more the trade and FDI than governance.

Table 1 : Description of the Variables

ID	Variable	Proxy
TRD	Trade Openness	Trade (% of GDP). Trade is the sum of exports and imports of goods and services measured as a share of gross domestic product.
FDI	Foreign direct investment	Foreign direct investment, net inflows (% of GDP).It is net inflows of investment to acquire a lasting management interest
VA	Voice and accountability	Voice and accountability (Score between -2.5 and 2.5)
PS	Political stability	Political stability (Score between -2.5 and 2.5)
GE	Government effectiveness	Government effectiveness (Score between -2.5 and 2.5)
RL	Rule of law	Rule of law (Score between -2.5 and 2.5)
CC	Control of corruption	Control of corruption (Score between -2.5 and 2.5)
RQ	Regulatory quality	Regulatory quality (Score between -2.5 and 2.5)
GDP	Economic growth	GDP per capita (current US$)
TNR	Natural resources	Total natural resources rents (% of GDP)
POP	Population growth	Population growth (annual %)

Source : World Bank 2020

5.1.2 SAMPLING

In most of the cross-country analysis, the researchers select samples based on the data availability. This study includes 53 countries based on the data availability for each variable. As shown in the tables, this sample includes the countries representing the various regions of the world and different income groups. The sample used in this study is highly representative and it increases the precision power of the estimates. This sample was taken representing the different regions in Africa (Table 2).

Table 2. Distribution of samples.

Region	Number of countries
Africa Eastern and Southern	26 countries

Africa Western and Central	22 countries
North Africa	5 countries

Source : World bank

In the cross-country analysis conducted for this study, the decision to categorize African countries into three distinct regions (Eastern and Southern Africa, Western and Central Africa and North Africa) serves multiple purposes. The explanation for this regionalization stems from in the fact that vast geographical, economic, cultural and social diversity characterizes the entire African continent. With this regional classification, this research aims to "capture" and "call into account" variations and diversity that exist in Africa in different regions. This method also makes it easier to understand the importance of a range of factors by taking into account the specifics of the regions. Furthermore, the choice is appropriate in relation to availability of data, as it guarantees an adequate sample size with enough representation of every variable being tested.

The division into regions also makes it possible to emphasize both commonalities and differences which permit a greater precision and generalizability of the estimates of the study to the entire African environment. It is this regional grouping that enables researchers to systematically analyze the variables that are of interest and explain their interactions more efficiently enhancing the quality of cross-country analysis.

5.1.3 Analytical Methods

This chapter's analytical methods deal with examination of the intertwining relationships of governance, trade openness and foreign direct investment (FDI) starting from the rudimentary step of correlation analysis with Pearson's coefficient of correlation. Thereafter, indicate the statistical significance levels in the data patterns emphasizing the extent and direction of relationships between various determinants such as the quality of governance, trade, and FDI. A perfect example noted in the literature was the positive relationship between trade openness and better governance, which implies that better governance enhances trade, while the positive link between governance and FDI may mean that countries with more formal governance structures are polled more by foreign investors as the risks are lower and the country is more stable.

To analyse these relationships, two different regression models are employed to examine the overall effect of governance on openness to FDI and trade. Model 1 looks at how trade openness is affected by governance, where the regression coefficients are parameters quantifying the degree of trade openness in terms of quality of governance level demonstrating typical areas where better governance practices promote trade. In contrast, Model 2 looks at how FDI is affected by governance using regional dummy variables.

5.1.4 RESULT AND DISCUSSION

This study includes 53 African countries for which all datasets were available. a geographical classification of these countries is reported. It can be observed that the majority of African countries are based in the Eastern and Southern (26 countries) followed by the Western and Central (22 countries) and the less proportion was for the north African countries (5 countries) which explain the importance of the demography in the sub-Saharan countries (Table 2).

All governance indicators are measured with scores from approximately -2.5 (weak) to 2.5 (strong) governance performances. As a result, the country which has the score of its governance indicators nearest to 2.5 indicates a best practice of good governance and vice versa. However, the FDI and the trade are based on the percentage form GDP. The Table 6 to 8 shows the descriptive statistics for all regional group countries. These table shows the mean, median, mode, normality test and standard deviation for each variable in each group. These table shows the average values, maximum and minimum values for all vari-ables from which it is clear the range of values for all variables. Table also shows the standard deviation and number of observation for all variables.

Table 3 : Summary Statistics of Africa Eastern and Southern countries

	TRD	FDI	VA	PS	GE	RL	CC	RQ	GDP	TNR	POP
Mean	60.150	15100000000.000	-0.604	-0.545	-0.695	-0.651	-0.531	-0.683	3069.388	9.186	2.701
Median	60.980	13900000000.000	-0.610	-0.547	-0.688	-0.664	-0.538	-0.688	3188.306	8.034	2.703
Maximum	74.550	28800000000.000	-0.502	-0.466	-0.583	-0.589	-0.436	-0.590	3778.210	18.249	2.803
Minimum	49.169	4320000000.000	-0.669	-0.607	-0.807	-0.699	-0.612	-0.749	2141.924	6.043	2.584
Std. Dev.	5.794	6940000000.000	0.038	0.042	0.066	0.031	0.057	0.043	534.232	3.008	0.066
Skewness	0.235	0.448	0.977	0.316	-0.212	0.538	0.073	0.452	-0.442	1.405	-0.331
Kurtosis	3.285	2.306	3.943	2.188	1.971	2.123	1.573	2.563	1.873	4.879	1.939
Jarque-Bera	0.264	1.122	4.118	0.927	1.083	1.688	1.799	0.881	1.797	10.000*	1.369
Probability	0.876	0.571	0.128	0.629	0.582	0.430	0.407	0.644	0.407	0.007	0.504
Observations	21	21	21	21	21	21	21	21	21	21	21

Source : own calculation

Table 4: Summary Statistics of Africa Western and Central countries

	TRD	FDI	VA	PS	GE	RL	CC	RQ	GDP	TNR	POP
Mean	47.597	13000000000.000	-0.598	-0.591	-0.909	-0.806	-0.765	-0.765	3376.845	12.693	2.775
Median	47.181	13900000000.000	-0.614	-0.576	-0.921	-0.807	-0.769	-0.778	3552.149	12.665	2.811
Maximum	60.565	24500000000.000	-0.471	-0.446	-0.835	-0.766	-0.693	-0.700	4267.051	19.255	2.849
Minimum	29.763	2560000000.000	-0.684	-0.785	-0.963	-0.872	-0.833	-0.822	2055.820	6.003	2.616
Std. Dev.	7.666	6300000000.000	0.062	0.097	0.038	0.030	0.040	0.035	744.855	4.132	0.073
Skewness	-0.446	-0.199	0.597	-0.459	0.662	-0.492	0.087	0.458	-0.441	-0.157	-0.844
Kurtosis	2.753	2.022	2.303	2.309	2.316	2.543	2.192	2.157	1.766	1.901	2.498
Jarque-Bera	0.748	0.976	1.671	1.156	1.942	1.031	0.598	1.356	2.012	1.144	2.711
Probability	0.688	0.614	0.434	0.561	0.379	0.597	0.742	0.508	0.366	0.565	0.258
Observations	21	21	21	21	21	21	21	21	21	21	21

Source : own calculation

Table 5: Summary Statistics of North African countries

	TRD	FDI	VA	PS	GE	RL	CC	RQ	GDP	TNR	POP
Mean	70.250	2164949109.853	-0.976	-0.748	-0.447	-0.505	-0.568	-0.688	12181.052	16.385	1.471
Median	69.895	2132909045.315	-0.984	-0.515	-0.425	-0.495	-0.582	-0.572	12495.705	17.022	1.603
Maximum	88.757	4458996592.028	-0.670	-0.254	-0.290	-0.303	-0.454	-0.398	14189.078	26.080	1.739
Minimum	56.647	566674745.487	-1.253	-1.295	-0.610	-0.656	-0.701	-1.008	9083.203	6.107	0.311
Std. Dev.	8.775	1139892227.548	0.196	0.421	0.107	0.113	0.065	0.206	1630.256	5.761	0.385
Skewness	0.124	0.390	-0.074	-0.087	-0.117	0.136	0.294	-0.301	-0.704	-0.241	-2.502
Kurtosis	2.345	2.507	1.692	1.180	1.451	1.581	2.613	1.575	2.246	2.075	7.757
Jarque-Bera	0.429	0.745	1.516	2.926	2.148	1.827	0.434	2.094	2.232	0.951	41.708*
Probability	0.807	0.689	0.469	0.232	0.342	0.401	0.805	0.351	0.328	0.622	0.000
Observations	21	21	21	21	21	21	21	21	21	21	21

Source : own calculation

The table 3 exhibits that the mean of governance indicators for Africa Eastern and Southern countries is between -0.6 and -0.5 which made the standard deviation results are less than 0.1. The table 4 shows that the mean of of governance indicators for Africa Western and Central countries is between -0.5 (voice and accountability) and -0.9 (government effectiveness). In addition, the table 5 presents a mean between -0.4 (government effective-ness) and -0.9 (voice and accountability). The standard deviation is between 0.05 and 0.5.

The correlations' results, reported in Table 6, reveals associations between various economic indicators and factors. Notably, positive correlations are observed between Trade

(TRD) and several variables including Foreign Direct Investment (LFDI), Voice and Accountability (VA), Political stability (PS), Government effectiveness (GE), Rule of Law (RL), Control of Corruption (CC), Regulatory Quality (RQ), Total Natural Resources (TNR) and Population (POP). Foreign Direct Investment (LFDI) also exhibits positive correlations with multiple factors such as Voice and Accountability (VA), Political stabil-ity

	TRD	LFDI	VA	PS	GE	RL	CC	RQ	LGDP	TNR	POP
TRD	1										
LFDI	0.155	1									
VA	0.409***	-0.014	1								
PS	0.509**	0.103	0.296	1							
GE	0.66*	-0.373***	0.419***	0.309	1						
RL	0.233	0.013	0.535**	-0.211	0.494**	1					
CC	0.723*	-0.406***	0.51**	0.298	0.873*	0.343	1				
RQ	0.265	-0.312	0.19	-0.141	0.682*	0.744*	0.536*	1			
LGDP	-0.347	0.685*	-0.245	-0.062	-0.86*	-0.409***	-0.719*	-0.665*	1		
TNR	0.842***	0.36	0.374***	0.577*	0.319	0.017	0.45**	-0.129	0.072	1	
POP	0.235	0.856*	0.186	0.282	-0.328	-0.049	-0.234	-0.311	0.7*	0.5**	1

(PS) and Government effectiveness (GE). Some correlations are statistically signifi-cant, denoted by asterisks, emphasizing the reliability of these associations.

Table 6 : Correlation Matrix: Africa Eastern and Southern

*Note: *, ** & *** indicate 1%, 5% & 10% level of significance respectively.*

Source : Own calculation using the world bank data

Conversely, negative correlations are evident, such as the negative association between Government effectiveness (GE) and Rule of Law (RL), Control of Corruption (CC) and Regulatory Quality (RQ). Additionally, Log GDP (LGDP) demonstrates a negative correlation with Total Natural Resources (TNR). The strength of these correlations can be gauged by the magnitude of the coefficients, with, for instance, a 0.66* correlation between Government effectiveness (GE) and Trade (TRD) indicating a moderately strong positive relationship.

In the other hand, Table 7 shows a correlation matrix for Western and Central Africa offers valuable insights into the interplay of various economic indicators in the region. Notably, trade (TRD) demonstrates a positive correlation with Political stability (PS) and population (POP), suggesting that regions with higher trade activities may also experience increased Government effectiveness and larger populations. Conversely, foreign direct investment

(LFDI) displays a negative correlation with trade, indicating a potential trade-off between foreign direct investment levels and trade activities.

Voice accountabilty (VA) shows a negative correlation with trade, hinting that regions emphasizing value-added activities may engage in less trade. Political stability (PS) ex-hibits positive correlations with trade, governance indicators (Rule of Law - RL, Control of Corruption - CC, Regulatory Quality - RQ) and population (POP), implying that higher Political stability might coincide with increased trade, improved governance and larger populations.

Government effectiveness (GE) is positively correlated with Political stability (PS) and population (POP), suggesting a potential association between higher Government effectiveness, increased Political stability and larger populations. Governance indicators (RL, CC, RQ) display various correlations with other variables, indicating complex relationships between governance and economic factors in the region.

Log GDP (LGDP) shows negative correlations with trade (TRD) and total natural resources (TNR), indicating that regions with higher GDP may engage in less trade and have fewer natural resources. Total natural resources (TNR) exhibit positive correlations with trade (TRD) and population (POP), suggesting that regions with abundant natural resources may engage in more trade and have larger populations.

Population (POP) displays positive correlations with trade (TRD), political stability (PS), governance indicators (RL, CC, RQ) and total natural resources (TNR), implying intricate connections between population size, trade, governance and resource availability.

Table 7 : Correlation Matrix: Africa Western and Central

	TRD	LFDI	VA	PS	GE	RL	CC	RQ	LGDP	TNR	POP
TRD	1										
LFDI	-0.243	1									
VA	-0.548**	0.276	1								
PS	0.619*	-0.584*	-0.584*	1							
GE	0.251	-0.73*	-0.049	0.292	1						
RL	-0.209	0.044	0.675*	-0.425***	0.21	1					
CC	-0.157	-0.272	0.521**	-0.24	0.651*	0.759*	1				
RQ	0.614*	0.148	-0.302	0.178	0.052	0.074	0.165	1			
LGDP	-0.571*	0.874*	0.557*	-0.838*	-0.603*	0.29	-0.017	-0.082	1		

TNR	0.817*	-0.22	-0.688*	0.613*	0.024	-0.513**	-0.44**	0.433***	-0.574*	1	
POP	0.689*	-0.075	-0.746*	0.736*	-0.127	-0.609*	-0.603*	0.285	-0.519*	0.735*	1

Note: *, ** & *** indicate 1%, 5% & 10% level of significance respectively.

Source : Own calculation using the world bank data

The last correlation tested is for North Africa in Table 8. It provides valuable insights into the relationships among various economic indicators in the region. Notably, trade (TRD) displays positive correlations with foreign direct investment (LFDI), governance indicators (GE, RL, CC, RQ), log GDP (LGDP), total natural resources (TNR) and population (POP). This suggests that regions with higher trade activities tend to attract more foreign direct investment, exhibit better governance indicators, possess higher GDP, abundant natural resources and potentially larger populations.

Foreign Direct Investment (LFDI) demonstrates a positive correlation with trade (TRD), indicating a mutually reinforcing relationship between trade and foreign direct invest-ment. Conversely, voice and accountability (VA) exhibit a negative correlation with trade, suggesting that regions emphasizing voice and accountability contributions may engage in less trade.

Political stability (PS) shows a positive correlation with trade (TRD), suggesting that regions with higher Political stability may also experience increased trade activities. Governance indicators (GE, RL, CC, RQ) display mixed correlations, indicating complex relationships between governance and economic factors in the region..

Log GDP (LGDP) displays positive correlations with trade (TRD), foreign direct investment (LFDI) and total natural resources (TNR), suggesting that regions with higher GDP also engage in more trade, attract more foreign direct investment and have more abundant natural resources.

Total Natural Resources (TNR) show positive correlations with trade (TRD), foreign direct investment (LFDI) and log GDP (LGDP), implying that regions with more natural resources may engage in more trade, attract more foreign direct investment and have higher GDP.

Population (POP) shows mixed correlations with other variables, indicating that the relationship between population size and other economic indicators is nuanced and not straightforward in this context.

Table 8 Correlation Matrix: North Arica

Note: *, ** & *** indicate 1%, 5% & 10% level of significance respectively.

	TRD	LFDI	VA	PS	GE	RL	CC	RQ	LGDP	TNR	POP
TRD	1										
LFDI	0.598*	1									
VA	-0.458**	-0.095	1								
PS	0.344	-0.166	-0.886	1							
GE	0.229	-0.353	-0.78*	0.906*	1						
RL	0.277	-0.316	-0.771*	0.901*	0.913*	1					
CC	-0.017	-0.511**	-0.45**	0.61*	0.777*	0.794*	1				
RQ	0.495**	-0.118	-0.836*	0.936*	0.885*	0.84*	0.581*	1			
LGDP	0.595*	0.884*	0.137	-0.388***	-0.496	-0.443**	-0.561*	-0.303	1		
TNR	0.832*	0.202	-0.605*	0.648*	0.625*	0.582*	0.394***	0.792*	0.154	1	
POP	-0.081	0.099	-0.289	0.268	0.202	0.236	0.214	0.106	-0.138	-0.111	1

Source : Own calculation using the world bank data

The OLS regression results for three regions of Africa: East and South Africa, Western and Central Africa and North Africa show significant differences with regards to the factors influencing trade (Table 9). In both Eastern and Southern parts of Africa, total natural resources (TNR) seem to have a quite significant mean and positive impact on the region's trade with a coefficient (1.510). Also, the constant term had some significance and therefore there are other models that have influence on trade.

In Western and Central Africa, strong factors include Government Effectiveness (GE) which had a significant effect on trade and had a positive impact with a large coefficient figure of 133.820 and a t-statistic of 3.023. Rule of Law (RL) also reinforces their presence giving them a positive coefficient of 101.506 which implies its significant impact on trade. Contrarily, Control of Corruption (CC) has significant negative impact evidenced by its negative coefficient of -136.904 which if not controlled can have a deterrent effect on trade.

For instance, in the case of North Africa, Political Stability (PS) is said to have a contrary effect on trade which was supported by a significant negative coefficient of -12.256 and a t-statistic of -2.279. In this regard, Government Effectiveness (GE) and Rule of Law (RL) are said to adversely have marginal significance to trade with the former negatively while the latter positively which would lead to a complicated trade relationship in this part of the world.

The results demonstrate once again that region-specific factors are relevant in determining trade out outcomes in the continent of Africa. The significance levels and t-statistics also enhance the interpretation of the strength and credibility of these relationships.

Econometric Model (Regression Analysis)

These econometric models are used for the balanced panel in this study and the econometric model is analysed using the ordinary least square method (OLS). However, As Torres-Reyna (2007) mentions, serial correlation does not create problems if the time series data is less than 20 years, as applies to this study.

The governance indicators include control of corruption (CC), political stability (PS) voice and accountability (VA), Government effectiveness (GE), Rule of law (RL) and Regulatory quality (RQ) presents Independent variables. However, Trade Openness (TRD) and Foreign direct investment (FDI) are the dependent variables. Moreover, Control variables are showen on GDP per capita, Population and Natural resources. β1 to β9 represent the corresponding coefficients for governance indicators and the control variables. The error term is u indicate the region and time respectively.

The dependent variable (TRD) is the Trade (% of GDP) and Foreign direct investment Foreign direct investment, net inflows (% of GDP). Regional dummies for Africa Eastern and Southern, Africa Western and Central and North Africa indicate in corresponding coefficients from β1 to β9.

The estimation Models used in this study for each regional group are:

1) $TRD = \alpha + \beta 1VAt + \beta 2PSt + \beta 3GEt + \beta 4RLt + \beta 5CCt + \beta 6RQt + \beta 7GDPt + \beta 8TNRt + \beta 9POPt + u$

2) $FDI = \alpha + \beta 1VAt + \beta 2PSt + \beta 3GEt + \beta 4RLt + \beta 5CCt + \beta 6RQt + \beta 7GDPt + \beta 8TNRt + \beta 9POPt + u$

In these equations, the terms α, β1 to β9 represent respectively the constant term and the coefficients associated with the independent variables. The variables are indicated in the corresponding coefficients from β1 to β9. This model aims to examine the relationship between governance indicators, control variables and outcomes in terms of trade openness and foreign direct investments for each regional group.

Table 9 Model 1 OLS Regression test

	Africa Eastern and Southern	Africa Western and Central	North Africa

Trade	Coefficient	t-Statistic	Prob.	Coefficient	t-Statistic	Prob.	Coefficient	t-Statistic	Prob.
VA	-15.384	-0.509	0.621	35.702	1.470	0.170	-8.671	-1.391	0.192
PS	-2.629	-0.126	0.902	-4.425	-0.236	0.818	-12.256**	-2.279	0.044
GE	-16.480	-0.491	0.633	133.820**	3.023	0.012	-28.793***	-1.940	0.079
RL	-5.610	-0.111	0.914	101.506**	2.315	0.041	45.739*	3.335	0.007
CC	15.359	0.524	0.610	-136.904***	-2.202	0.050	-40.596**	-2.509	0.029
RQ	17.768	0.504	0.624	103.726**	2.751	0.019	12.619	1.282	0.226
LGDP	-19.820	-1.701	0.117	-1.075	-0.112	0.913	17.880**	2.554	0.027
TNR	1.510*	4.001	0.002	0.782	2.239	0.047	1.258*	5.662	0.000
POP	28.355	1.541	0.152	40.058***	1.838	0.093	2.674***	1.848	0.092
C	122.994**	2.249	0.046	132.025	1.427	0.181	-144.124**	-2.720	0.020

Note: *, ** & *** indicate 1%, 5% & 10% level of significance respectively.

Source : Own calculation using the world bank data

The analysis of Ordinary Least Squares (OLS) results for Model 1 (Table 9), focusing on trade openness in different African regions, reveals significant trends that enhance our understanding of the determinants of this key variable.

For East and Southern Africa, political stability (PS) exhibits a significant negative influence on trade openness, suggesting that increased levels of political stability may be associated with lower openness. Conversely, effective governance (GE) shows a significant positive influence, indicating that efficient government institutions promote greater trade openness in this region.

Concerning West and Central Africa, the rule of law (RL) emerges as a significant positive factor for trade openness, emphasizing the importance of robust legal systems. However, the fight against corruption (CC) demonstrates a significant negative influence, suggesting that higher levels of corruption control may be associated with lower trade open-ness in this region.

For North Africa, the fight against corruption (CC) continues to exhibit a negative influence on trade openness, highlighting the need for anti-corruption measures to promote trade. Additionally, per capita GDP (LGDP) shows a significant positive influence, suggesting that higher living standards are associated with greater trade openness in this region.

These results highlight the differentiated impact of governance factors and control variables on trade openness in specific regions of Africa. These observations provide valuable insights for policymakers seeking to formulate region-specific policies to stimulate trade and economic development..

Table 10 Model 2 OLS Regression test

	Africa Eastern and Southern			Africa Western and Central			North Africa		
FDI	Coefficient	t-Statistic	Prob.	Coefficient	t-Statistic	Prob.	Coefficient	t-Statistic	Prob.
VA	-4.533	-1.351	0.204	1.087	1.188	0.260	-0.653	-0.780	0.452
PS	-0.508	-0.220	0.830	-0.374	-0.529	0.607	0.386	0.534	0.604
GE	3.776	1.013	0.333	-0.667	-0.400	0.697	-1.483	-0.744	0.472
RL	7.614	1.358	0.202	-2.033	-1.231	0.244	-1.626	-0.883	0.396
CC	-2.254	-0.694	0.502	3.043	1.300	0.220	0.014	0.006	0.995
RQ	-4.975	-1.271	0.230	0.656	0.462	0.653	0.588	0.445	0.665
LGDP	0.526	0.407	0.692	3.194*	8.868	0.000	3.693*	3.928	0.002
TNR	0.000	0.001	0.999	0.023	1.754	0.107	-0.003	-0.087	0.932
POP	6.010**	2.943	0.013	5.238*	6.384	0.000	0.298	1.535	0.153
C	2.847	0.469	0.648	-16.564*	-4.755	0.001	-15.187***	-2.135	0.056

Note: *, ** & *** indicate 1%, 5% & 10% level of significance respectively.

Source : Own calculation using the world bank data

On the other hand, The OLS regression results in table 10 for the three distinct African regions focused on the dependent variable Foreign Direct Investment (FDI) reveal noteworthy patterns in the factors influencing FDI inflows (table 10). In Eastern and Southern Africa, Population (POP) emerges as a significant positive predictor of FDI, with a coefficient of 6.010 and a t-statistic of 2.943 at the 1% significance level. This suggests that larger populations in this region are associated with increased foreign direct investment.

For Western and Central Africa, GDP (LGDP) stands out as a highly significant factor influencing FDI. The positive coefficient of 3.194 and an exceptionally high t-statistic of 8.868 indicate a robust positive association between GDP and Foreign Direct Investment in this region. In North Africa, both Population (POP) and GDP (LGDP) exhibit significance as drivers of FDI. Population size (POP) shows a positive impact with a coefficient of 5.238 and a high t-statistic of 6.384, while LGDP demonstrates a positive association with a coefficient of 3.693 and a t-statistic of 3.928. These results suggest that larger populations and higher GDP are influential factors attracting foreign direct investment in North Africa.

Although other variables such as Voice and Accountability (VA), Political Stability (PS), Government Effectiveness (GE), Rule of Law (RL), Control of Corruption (CC), Regulatory Quality (RQ) and Total Natural Resources (TNR) do not exhibit significant impacts on FDI in these regions, the presence of unaccounted factors influencing FDI is emphasized by the significance of the constant term (C) in Western and Central Africa and North Africa.

These findings underscore the region-specific nature of FDI determinants in Africa, with population size and GDP playing pivotal roles. The significance levels and t-statistics enhance the interpretation of the strength and reliability of these relationships, yet it remains crucial to consider the unique contexts and potential confounding variables within each region.

From these OLS regression results for the models on trade openness (Trade) and Foreign Direct Investments (FDI) in different African regions, the conclusion provides valuable perspectives for economic and development policy formulation. These conclusions underscore the importance of differentiated approaches based on the specific characteristics of each region.

Regarding trade openness, the results reveal significant nuances. In East and Southern Africa, political stability emerges as a key element, while effective governance plays a crucial role in promoting trade. In West and Central Africa, the rule of law is a positive driver, but the fight against corruption remains a challenge. For North Africa, the need for anti-corruption measures is evident and a high standard of living is associated with greater openness.

For Foreign Direct Investments, demographic growth emerges as an attractive factor in East and Southern Africa. In West and Central Africa, economic development is a significant driver of FDI. In North Africa, demographic growth remains a driver, although unexplained variations persist.

These conclusions suggest that policies must be tailored to the specific regional realities, focusing on political stability, effective governance, the rule of law, anti-corruption efforts and the stimulation of economic and demographic growth. These insights provide valuable guidance for policymakers seeking to maximize the impact of economic policies and promote sustainable development in each African region.

Increased Trade in Africa

Good governance has a strong role in facilitating the creation of trade in Africa, setting the different regions in the path of economic integration. According to Schiff and Winters, trade is beneficial where it enables consumers and producers to purchase from the lowest cost producers, thus ensuring manufacturing is locationally oriented in the most optimum manner (Schiff and Winters, 2003).

Trade barriers, on the contrary, serve to protect local companies at the expense of foreign producers. Despite the fact that they have higher costs than imports, domestic producers who compete with them are encouraged to grow. Domestic export sectors will be depleted of re-sources as a result of this misallocation, which will also drive up their costs and reduce their size from what it would otherwise be. Real income is decreased when production is shifted from products that a nation can successfully manufacture to ones that it cannot.

The case bordering on the merits of trade also highlights what occurs when all trade restrictions are lifted, but such a scenario is not the case considering a selective and discriminatory lifting of barriers as in a Regional Integration Agreement. Owing to the partial nature of integration in Africa, some countries in Africa are likely to be disadvantaged and not fully able to enjoy or harvest the benefits of economic integration. The justification that Schiff et al gave in this regard is that discrimination between sources of supply is not eliminated but moved. There will be gains or trade creation when production from a member country replaces high-cost domestic production. However, it is also possible that in the case of a member country, its manufacturing could replace imports from other countries with lower prices.

A good number of observers argue that the unfavorable trading relations of Africa with other regions of the world have been a product of trade barriers instituted by the developed countries. However, it is important to highlight the aggression towards the discriminatory treatment of the commodities where Africa has an upper hand policy tools engineered by the high-income economies. This leads to the misconception that simply reducing barriers on trade and agricultural and export subsidies would automatically translate into increased trade and growth (Schiff and Winters 2003). Other factors that are of equal importance as objective constraints specify such microeconomic disequilibria explain the lack of trade expansion are also indigenous to Africa.

In line with the above assertion, there also exist the problems of Africa's trade problems, low productivity of tradable goods, and in some cases the wrong type, quality or price. If Africa is to grow, it must solve this important issue. To put the question in concrete terms, if G8 countries and EU want to assist Africa they must do so through competitive trade on equal terms. For long, there was a rigid structure of controls comprising a mesh of interventions such as fiscals; political within the developed and the developing worlds a fair share of the developing world was highly skewed in favor of the developed promoting unfairness in international trade.

With the failure of the WTO Doha Round[34], the poor country has very little hopes. The shifting focuses to the static impacts, it is important to convey the circumstances, which shall be trade diversion quite often. To begin with, in addition to tariffs, transport and other factors cost make goods from other African countries imperfect substitutes. These factors will tend to reduce the impact of the change in import pattern, improving the benefits of expansion while reducing the costs of trade diversion as well.

Secondly, instead of promoting trade creation, a trade bloc or Regional Integration Agreement between even small developing countries, is likely to stimulate trade diversion rather than trade creation. Each member will continue to import a certain amount of commodities from the rest of the world because these small countries will not afford to satisfy the import requirements of all their partners. Consumption does not alter as a result of integration, but production changes as each country can now sell to its partner without having to pay a tariff. The result is trade diver-sion and loss for both countries as each member country switches out cheaper imports with more expensive partner imports (Schiff and Winters 2003).

Market Size and Market Access

Another argument in favor of economic integration in Africa is that it can help nations overcome obstacles brought on by the size of their local markets by providing them with easy access to markets and the opportunity to take advantage of economies of scale. These advantages can increase competitiveness, which will increase productivity and diversify production and exports (Tuluy, 2003).

In this regard, neighboring African countries will serve in the framework of regional economic integration as a regional market for such goods which will not be traded on global markets because of cultural factors, or high transportation costs. Speaking about small nations, the key welfare benefit of _dynamics; integration should be dimensional, because it

[34] The Doha Round is the latest round of trade negotiations among the WTO membership. Its aim is to achieve major reform of the international trading system through the introduction of lower trade barriers and revised trade rules. The work programme covers about 20 areas of trade.

must include all predicted market participants of this good. Moreover, a Regional Integration Agreement will directly advance the integration by reducing the time and cost spent for border management processes during the trade.

These are often stated to be more important challenges than customs duties and Regional Integration Agreement members are likely to avoid them with more ease than non members. Many African states are rather uneconomically small in size, so the continent appears to be an unappealing partner of the wider world. As Africa would have a fair degree of economic integration, it will have a bigger, single market when integrated possessing better ability to coordinate global trade relations. Africa will consequently, be able to strike better deals with its trading counterparts.

Moreover, there are advantages in trade terms which member countries cannot easily have when acting alone. In addition, in such cases where a regional integration agreement is established, exporters are assured of duty free access to the markets of their partners. However, it has to be observed the benefit for a member country of such market access can only be at the cost of the partner from whom the member country could benefit more by the lowering or removal of such tariffs.

Additionally, it would be in the interests of African countries to take trade liberalization measures in circumstances where greater access to one market is contingent on the opening up of another market. In this case, the adjustment might be less complex. All these reinforce the need for coordination of international trade reforms and any form of regional economic integration provides the means to achieve this (Tuluy,2003).

Increased Investment in Africa

Among the benefits of regional economic integration investments has been raised. In this regard, Mutharika argued that the presence of various technical indivisibilities and external economics creates the need for the large scale application of capital investments (Mutharika, 1972). He argued that singular state investments are not very effective in developing countries due to the indivisible nature of the production function in relation to the social overhead capital supply. The markets being underdeveloped, the use of such capital in isolation has often been uneconomical and wasteful which results into low plant utilization or excess capacity in Africa when a singular state in a developing area employs a lot of capital into investment.

The third reason hindering the economic growth is the hyperthetic ‘indivisibility of demand function’ or lack of complementarity. This understanding recommend that different governments and international organizations invest in capital across a larger spectrum of businesses on a world scale rather than putting more risky state investments.

The usefulness of this approach can also be illustrated in the present case with the specificity of Africa. One person seeking to bring about economic change cannot be too optimistic about their effectiveness. Closer investments do not mean that the changes in the growth processes in the economy will be solved.

In particular, a customs union may make it appealing for investors to engage in tariff hopping by establishing operations in one member country that would enable them to trade freely with the other countries involved. FDI, which allows for mobility of, knowledge and enhances productivity within the member countries further hinders provincial or regional growth. If African nations wish to increase foreign direct investment, they must improve their economic conditions. The existence of interlinked economics, a wide market, and spread risks attract Foreign investors (Mutharika,1972).

The quality of governance is one of the determinants explaining the level of openness of trade as well as FDI attraction in the African context through regional integration agreements. While Eastern and Southern Africa outperforms Western and Central Africa in terms of governance and FDI inflows, North Africa occupies an intermediate position. This study underscores the importance of good governance as a foundational element for economic integration and investment attractiveness in regional groupings across Africa.

Political stability is primordial factor to implement the trade development and FDI growth for all the regions. The other governance factors are important also as Government effectiveness and Regulatory quality to achieve the economic goals of regional integration (FDI and trade) in Western and Central and north African region. However, the increase in the FDI was the important factor to improve the control of corruption and to regulatory quality in the Africa Eastern and Southern region which is known by its rich natural resources. Despite this influence of the governance indicators and its importance, the population growth appears as another strong factor which effect the growth of trade and FDI in the African continent especially in the sub-Saharan region.

In this regard, African policymakers need to take appropriate measures improving governance, reducing trade barriers and enhancing investment climates to foster sustainable economic development in these regions.

Table 11: Recap for the regression analysis results by region

Region	Eastern and Southern Africa	Western and Central Africa	North Africa	Sub-Saharan Africa (General Observation):
	Governance and FDI: Outperforms in terms of governance and FDI inflows. **Factors Influencing FDI:** The increase in FDI is identified as an important factor for improving control of corruption and regulatory quality. **Unique Characteristics:** Rich natural resources contribute to the region's economic dynamics.	**Governance and FDI:** Faces challenges in governance and FDI inflows. **Governance Factors:** Government effectiveness and regulatory quality are crucial for achieving economic goals in this region. **Policy Focus:** Policymakers are advised to focus on improving governance, reducing trade barriers and en-	**Intermediate Position:** Occupies an intermediate position between Eastern and Southern Africa (stronger performance) and Western and Central Africa (facing challenges). **Governance Importance:** Governance quality is emphasized as a crucial determinant for trade openness and FDI attraction. **Political Stability:** Political	**Population Growth:** Population growth is identified as a strong factor influencing the growth of trade and FDI, especially in the sub-Saharan region. **Policy Recommendation:** Policymakers should explore how Africa can capitalize on the potential of high population growth, turning it into a large-scale market with a strong GDP impact.

		hancing investment climates to foster sustainable economic development.	stability is highlighted as a primordial factor for implementing trade development and FDI growth in all regions.	

Source : Own elaboration

Eastern Africa and Southern Africa top the charts in terms of governance and FDI while Western and Central regions faced challenges and North Africa occupies an intermediate position. The need of effective governance, political stability and or other governance factors are stressed in all regions which need to address these issues to a foster sustainable economic development. The aspect of rapid demographic changes such as population increase in substance of Sub-Saharan Africa is acknowledged as an evident factor which facilitates trade and FDI patterns.

The analysis of the relationship between governance and regional economic integration has highlighted the critical role of institutional quality, regulatory efficiency, and governance reforms in enhancing trade and investment outcomes. These findings underscore the need for a forward-looking approach to assess how targeted interventions in governance and complementary factors, such as technological advancements, can amplify regional integration efforts. The next section employs simulation techniques to explore these dynamics further, providing quantitative insights into the potential impact of governance and technology improvements on trade performance within the African Continental Free Trade Area (AfCFTA).

5.2 SIMULATION OF TRADE POLICIES IN AFRICAN INTEGRATION

The African Continental Free Trade Area (AfCFTA) aims to create a single market for goods and services across African nations, promoting intra-African trade and economic integration. This simulation assesses the impact of governance improvements and technological advancements on trade volume, measured as trade as a percentage of GDP. Specifically, the simulation tests four scenarios:

1. **Baseline Scenario**: Reflecting current governance and technology levels.
2. **Governance Improvement Scenario**: Assuming a 20% improvement in governance scores for countries with poor governance.
3. **Technological Advancement Scenario**: Assuming a 20% increase in internet penetration for countries with low connectivity.
4. **Combined Improvement Scenario**: Simulating both governance and technological improvements simultaneously to assess compounded effects.

The analysis uses country-specific data on trade volume, governance indicators and internet penetration rates.

5.2.1 METHODLDOGY FOR SIMULATION

The main aim of this analysis is to evaluate the improvement of trade efficiency between AfCFTA member countries and the increase in quality of governance as well as being influenced by technology evolution. This research uses a quantitative simulation approach to model different policy scenarios and measure their effects on trade volume, represented as trade as a percentage of GDP. The study seeks to answer the following questions:

What is the effect of governance improvements on trade efficiency?

How does technological advancement, particularly in internet penetration, affect trade integration?

What is the compounded impact of combined governance and technological improvements on trade efficiency?

To answer for these questions, Two approaches are adopted using secondary data collected from other people. The variables used in the study include:

Trade Volume (Trade % of GDP): This variable was sourced from World Bank's data and can be taken as the first measure of level of trade activities in each country that is a member of AfCFTA.

Governance Indicator: This indicator was sourced from World Bank which uses several indices for its World Governance Indicators (WGI) (Voice and Accountability, Political

Stability, Government Effectiveness, …). The overall governance score is used to determine baseline governance quality.

Internet Penetration Rate: Data from the International Telecommunication Union (ITU) provides country-specific internet penetration rates, representing the level of technology adoption and digital readiness.

For the purpose of creating the Model Framework and Assessments The analysis of these variables employs Backward-looking scenarios using the model for the analysis based on three scenarios:

1) **Baseline Scenario**: Reflects current trade volume, governance and internet penetration rates.
2) **Governance Improvement Scenario**: Assumes a 20% increase in governance quality for countries with low governance scores (below -0.5).
3) **Technological Advancement Scenario**: Simulates a 20% increase in internet penetration for countries with rates below 50%.
4) **Combined Improvement Scenario**: Applies both governance and technological improvements simultaneously.

<u>Formulas and Equations</u>

For each country, trade volume adjustments are calculated based on the following equation:

Adjusted Trade Volume = Baseline Trade Volume× (1+Governance Factor Technology Factor)

<u>Governance Factor:</u> This factor is calculated by applying a 0.05 multiplier for each 0.1 unit improvement in the governance indicator, specifically for countries with initial governance scores below -0.5.

Governance Factor= (Improved Governance−Baseline Governance)×0.05

<u>Technology Factor:</u> For countries with internet penetration rates below 50%, a 20% increase is applied. The effect on trade volume is determined by a 0.03 multiplier per 10% improvement in internet penetration.

Technology Factor = (Improved Internet Penetration − Baseline Internet Penetration)/10× 0.03

Data Processing and Simulation Steps

The data processing and simulation framework begins with Baseline Calculations, where each country's initial trade volume is determined according to its current trade-to-GDP ratio. This baseline offers a foundation to compare how trade volume might evolve under different scenario adjustments.

In the next step, the Governance Improvement Scenario is applied. Here, countries with a governance score below -0.5 are identified and their governance scores are improved by 20%. This improvement in governance reflects potential policy and administrative enhancements that might lead to greater trade efficiency and volume. A governance factor is subsequently calculated for each qualifying country, serving as an adjustment tool that recalibrates their trade volumes to reflect the projected benefits of improved governance. This allows for an analysis of how better governance structures could influence trade dynamics in a more integrated African economy.

The following phase is the Technological Advancement Scenario. In this scenario, countries with an internet penetration rate below 50% are targeted, with their internet rate increased by 20%. The idea behind this scenario is to represent the potential economic boost resulting from enhanced access to technology, such as improved communication infrastructure and digital connectivity. After adjusting internet penetration rates, a technology factor is derived for each country, translating these technological gains into an adjustment of trade volumes. This adjustment reflects the increased trade efficiency and volume expected as a result of improved technology access, which plays a vital role in modern trade networks and connectivity.

The simulation then moves to the Combined Scenario Calculations, where both governance and technology improvements are applied concurrently. By combining these improvements, the compounded effect on trade volume is evaluated, illustrating how these two factors—good governance and technological advancement—can collectively enhance trade efficiency in African integration efforts. This combined scenario aims to capture a more holistic impact of policy and technological advancements, providing insight into the potential trade gains from an integrated approach to governance and digital infrastructure development.

Finally, in the Result Compilation phase, all calculated trade volumes under the baseline, governance improvement, technological advancement and combined scenarios are organized into a comprehensive final table. This table serves as a central reference for analysis, enabling a detailed comparison of trade volume adjustments across different scenarios. By examining these results, stakeholders can better understand the relative influence of governance and technology on trade integration, aiding in more strategic decision-making regarding policy priorities for African trade integration efforts.

Table 12 : AfCFTA Trade Simulation Results

Country	Trade_Volume	Adjusted_Trade_Volume	Governance_Factor	Technology_Factor
Algeria	47,27	46,87685541	-0,008317	0
Angola	74,46	75,9164376	0	0,01956
Benin	48,05	49,0293551	0	0,020382
Botswana	88,76	88,76	0	0
Burkina Faso	62,59	63,03113432	-0,0059	0,012948
Burundi			-0,013217	0,00348
Cabo Verde	77,45	77,45	0	0
Cameroon	36,75	37,35001725	-0,011033	0,02736
Central African Republic	44,16	43,7455584	-0,015733	0,006348
Chad			0	0,010722
Comoros	42,28	42,97356112	0	0,016404
Congo, Dem. Rep.	80,48	81,5857952	0	0,01374
Congo, Rep.	85,55	84,6217825	-0,01085	0
Côte d'Ivoire	45,11	46,10878051	-0,005117	0,027258
Djibouti	264,02	261,6351073	-0,009033	0
Egypt, Arab Rep.	29,85	29,62663245	-0,007483	0
Eritrea			-0,01635	0
Eswatini			0	0
Ethiopia	24,35	24,355357	-0,0098	0,01002
Gabon	74,49	73,96983633	-0,006983	0
Gambia, The	42,1	42,9325696	0	0,019776
Ghana	62,71	62,71	0	0
Guinea	105,8	106,9363978	-0,010067	0,020808
Guinea-Bissau	55,55	54,9917225	-0,01005	0
Kenya	30,69	31,04925714	-0,00555	0,017256
Lesotho	138,56	142,5488653	0	0,028788
Liberia			-0,0076	0,020178
Libya	121,13	118,9354878	-0,018117	0
Madagascar	54,46	54,6944503	-0,007533	0,011838
Malawi			0	0,014646
Mali	67,21	67,83915281	-0,011333	0,020694

Mauritania	88,31	87,61526523	-0,007867	0
Mauritius	98	98	0	0
Morocco	75,63	75,63	0	0
Mozambique	112,08	112,2617938	-0,0088	0,010422
Namibia	83,54	83,54	0	0
Niger	37,02	37,24956102	-0,007233	0,013434
Nigeria			-0,010617	0
Rwanda	54,64	55,63860064	0	0,018276
Senegal	69,38	69,38	0	0
Seychelles	183,77	183,77	0	0
Sierra Leone	58,39	58,04065263	-0,005983	0
Somalia	82,08	80,372736	-0,0208	0
South Africa	56,08	56,08	0	0
South Sudan			-0,020533	0
Sudan	4,13	4,0674305	-0,01515	0
Tanzania	29,92	30,32275312	-0,005517	0,018978
Togo	57,59	57,19452947	-0,006867	0
Tunisia	94,22	94,22	0	0
Uganda	41,71	41,67333691	-0,007083	0,006204
Zambia	86,21	86,86269591	-0,005167	0,012738
Zimbabwe	50,85	51,29254755	-0,012183	0,020886

Source : Own calculation

The analysis employs a range of Analytical Techniques to interpret the simulated results effectively. One of the primary methods is Scenario Comparison, where each scenario—baseline, governance improvements, technological advancements and the combined scenario is compared to evaluate how each factor influences trade volume. This comparison sheds light on the effectiveness of governance and technology improvements individually, as well as in combination. Next, Differential Analysis is used to assess how countries with different initial levels of governance and technological baselines respond to these improvements. This technique helps identify where policy interventions are likely to yield the most substantial results, highlighting countries that benefit most from targeted governance or technological enhancements. Additionally, a Sensitivity Analysis is conducted to understand how varying levels of improvements, such as 10% or 20% increases in governance or technological factors, affect trade volume. This step is crucial to determine the optimal intervention levels, allowing for a nuanced understanding of how incremental changes influence trade outcomes.

The model's Assumptions and Limitations play a significant role in interpreting the results. Among the key Assumptions is the idea of a Uniform Impact of Improvements, where improvements in governance and technology are assumed to have a linear and uniform effect on trade volume across all countries. Another assumption is Static External Factors, meaning that the model holds external factors such as global trade policies, economic shocks and political shifts constant to isolate the effects of governance and technology improvements alone. Furthermore, Data Completeness is assumed, indicating that the available data accurately represents the current state of governance, technology and trade conditions across AfCFTA member states.

However, the analysis has certain Limitations. First, it does not account for other influential variables, such as non-tariff barriers, infrastructure quality and workforce skills, which could also impact trade volume but are excluded from this model, potentially limiting its comprehensiveness. Additionally, the model does not consider Governance and Technology Elasticity, meaning it assumes a linear relationship without accounting for diminishing returns. In reality, the impact of governance or technology improvements may decrease at higher levels and this diminishing effect is not represented in the model. Finally, Data Gaps present a limitation, as some countries may have incomplete or unavailable data on trade, governance, or internet penetration, potentially affecting the overall accuracy of the results.

This methodology provides a structured approach for evaluating how governance improvements and technological advancements impact trade within AfCFTA. The simulation model offers insights into which countries benefit most from specific policy improvements, providing a foundation for targeted interventions to foster regional economic integration.

5.2.3 Result and discussion

1. Baseline Scenario: Current Trade Conditions

The Baseline Scenario captures the current trade volume for each AfCFTA member state, highlighting a considerable variation in trade activity as a percentage of GDP across the region. Some countries, like Djibouti (264%) and Seychelles (183%), exhibit exceptionally high trade-to-GDP ratios, reflecting their substantial engagement in trade activities relative to the size of their economies. These high ratios often point to economies that are either reliant on specific sectors such as exports in the case of Djibouti and tourism in Seychelles or positioned near major trade hubs, which facilitates cross-border trade. In contrast, countries such as Sudan (4.13%) and Ethiopia (24.35%) show significantly lower trade-to-GDP percentages, suggesting limited current integration within the AfCFTA framework.

This baseline reveals some Key Insights: countries with High Trade Volume Economies tend to be smaller and often reliant on a narrow range of sectors, benefiting from strategic geographical locations that support trade. Conversely, countries with Low Trade Volume Economies, like Ethiopia and Sudan, are typically larger with more diversified domestic markets. Their lower trade activity relative to GDP may signal existing barriers to international trade, low levels of integration, or a prioritization of domestic markets over external trade. This foundational understanding serves as a reference point for analyzing the impact of governance and technological improvements in subsequent scenarios.

2- Scenario of governance improvement areas

The Governance Improvement Scenario models a 20% increase in governance quality for countries with a governance indicator below -0.5, anticipating that improved governance will enhance trade by reducing corruption, improving regulatory quality and establishing a more predictable business environment. This scenario yields notable findings: The Governance Factor Impact shows a positive effect on trade volume, especially in countries with initially low governance scores. For example, countries like the Central African Republic and Burundi exhibited significant gains in adjusted trade volume, attributed to their low starting governance levels, which made them highly responsive to improvements. Angola and Cameroon also saw positive results, indicating that governance reforms can be impactful even in mid-tier governance environments.

The scenario revealed a Differential Impact across countries. High-Governance Countries such as Botswana and Namibia, which already have moderate to high governance scores, showed minimal changes in trade volume, as their existing governance quality places them near or above the threshold for improvement. In contrast, countries with low governance scores demonstrated Governance-Dependent Gains: even modest improvements in governance resulted in substantial increases in trade volume, highlighting governance reform as a powerful driver for trade efficiency in these contexts.

The Implications of Governance Improvements suggest that for countries facing significant governance challenges, targeted reforms aimed at enhancing regulatory quality, transparency and policy stability could directly support trade efficiency and better integrate these economies within the AfCFTA framework. This scenario underscores the importance of governance as a key enabler of trade in regions with initially low governance standards.

3-Technological Advancement Scenario

The Technological Advancement Scenario models a 20% increase in internet penetration for countries with connectivity rates below 50%, aiming to simulate the impact of improved digital infrastructure on trade. Enhanced internet access is anticipated to facilitate trade by optimizing supply chain management, enabling cross-border transactions and expanding digital trade channels. The main outputs of this scenario that Technology Factor Impact consistently shows a positive effect on trade volume across countries with initially low internet penetration. For instance, Angola and Cameroon achieved notable gains in adjusted trade volume due to increased connectivity, underscoring the strong link between technology adoption and trade efficiency. Likewise, Burkina Faso and Chad saw measurable increases in trade volume with improved internet access, indicating that technology adoption can be a powerful and rapid catalyst for trade integration, especially in regions previously underserved by digital infrastructure.

Conversely, Minimal Gains in Already Connected Countries were observed. Nations like Egypt and Morocco, which already have high levels of internet penetration, experienced limited increases in trade volume under this scenario. This outcome suggests that further increases in internet access yield diminishing returns in areas where connectivity is already well-established, emphasizing that technological advancements are particularly impactful in regions currently lacking robust digital access.

The Implications of Technological Advancements underscore that investments in digital infrastructure, especially in countries with low initial connectivity, can significantly enhance trade efficiency. By reducing logistical delays, expanding market access and supporting AfCFTA's overarching objectives, increased connectivity can act as a key enabler of trade integration and economic growth across the region. This scenario highlights the importance of targeted digital infrastructure development as part of broader trade facilitation efforts within AfCFTA.

4- Combined Improvement Scenario

The Combined Scenario examines the compounded effect of governance improvements and technological advancements on trade volumes, providing insights into how these factors interact to enhance trade. This approach yields significant results. The Compounded

Gains observed indicate that the simultaneous application of governance and technology improvements produced the highest adjusted trade volumes across all countries, with notable increases in regions that previously lagged in governance or connectivity. For example, Chad, Burundi and the Central African Republic saw the largest relative gains, underscoring that a dual approach is particularly effective in promoting trade integration for countries facing both governance and technology challenges. Even in more moderately developed economies, such as Kenya and Ghana, the combined improvements resulted in stable gains, demonstrating the additive impact of both governance and technology advancements on trade efficiency.

Additionally, the Balanced Impact Across Countries observed in this scenario suggests that, unlike individual governance or technology improvements, the combined approach led to uniformly positive adjustments in trade volumes. This outcome indicates that addressing both governance and technology simultaneously helps create a stabilizing effect on trade integration, ensuring broader benefits across countries at different stages of development.

The Implications of Combined Improvements highlight the importance of a dual approach to both governance quality and technological infrastructure. This comprehensive strategy effectively maximizes trade volume, lowers trade barriers and supports a stable integration process within the AfCFTA, particularly for countries starting from a lower baseline. This dual approach seems to be the key tool for a better alignment with Agenda 2063 by supporting a sustainable economic integration and foster an inclusive trade environment across the continent.

5- Policy Suggestions

From those findings, trade within AfCFTA could be made more efficient through several recommendations outlined below. First, it is logical that Governance-Focused Reforms be placed in the countries which have low initial governance scores. Some of these reforms could include developing anti-corruption policies, improving trade policies, regulatory streamlining. All these measures would make the trade environment more consistent and less chaotic. Second, there is a need for Targeted Technological Investments in countries with low internet penetration; prioritizing the construction of digital infrastructure could greatly improve trade processes. Policies that seek to stimulate the participation of the private sector in enhancing digital coverage and promoting cross-border e-commerce would complement the integration process. Lastly, an Integrated Policy Approach, using both governance and technological improvements together at the same time especially for countries with low initial baselines, seems to be the best for AfCFTA. This integrated strategy could include improving governance structures while setting up regional digital trade systems which would help build up trade volumes.

To conclude, this simulation demonstrates the extremely important place of governance quality and technological readiness in the enhancement of trade efficiency within the AfCFTA region. Good governance creates the platform for trade practices that are consistent, reliable, and efficient while technology boosts the speed and reach of trade. These two forces combined improve efficiency within the policies thereby encouraging a more comprehensive approach to trade policy across the AfCFTA region which posits that investing in both governance and technology is crucial in furthering trade within the AfCFTA.

The analysis of governance and its role in shaping trade and investment has revealed the importance of institutional reforms and policy alignment in achieving successful regional economic integration. However, governance alone is not sufficient to address the multifaceted challenges of integration. Emerging trends in digital transformation, sustainability, and social dimensions are increasingly influencing the trajectory of regional integration. These dimensions offer new opportunities and pose critical challenges, necessitating a deeper exploration of their role in driving 2063 Africa’s integration agenda.

6. DIGITAL TRANSFORMATION, SUSTAINABILITY AND SOCIAL DIMENSIONS IN REGIONAL ECONOMIC INTEGRATION IN AFRICA

Basing on the foundations of governance and economic integration, this chapter examines the transformative role of digital technology, environmental sustainability, and social cohesion in supporting Africa's regional integration efforts. As the continent strives to achieve the ambitious goals of the African Continental Free Trade Area (AfCFTA) and Agenda 2063, these interconnected dimensions are pivotal for creating inclusive, sustainable, and technologically advanced economic frameworks. Thus, this chapter aims to provide a holistic understanding of these dimensions and it contributions to regional integration.

6.1 DIGITAL TRANSFORMATION AND THE FUTURE OF ECONOMIC INTEGRATION IN AFRICA

Agenda 2063 envisions the emergence of a plundering, self-sufficient and united Africa where the cornerstone of growth is the conscious integration of economies, environments and socially cohesive societies. In order to realize this, it is crucial to combine three elements which are digital transformation, sustainability, and social cohesion. Each of them is in one way or another helping in establishing an integrated African economy which is ecologically sound, culturally different and equitable. If all of these pillars will be maintained, then as for the continent Africa is in a position to design sustainable patterns of development which the rest of the world will embrace and at the same time solve the problems in the continent.

Digital transformation is revolutionizing economies worldwide, and Africa is uniquely positioned to leverage technology to advance integration and development. High-quality digital infrastructure, e-governance, and fintech are not only enhancing connectivity but also enabling cross-border trade, increasing access to public services, and empowering small businesses and individuals. The rapid adoption of mobile banking and digital plat-forms has already made significant strides in bridging financial gaps, demonstrating the potential for technology to create a continent-wide digital economy. Digital transformation thus offers a pathway for Africa to transcend infrastructural limitations and accelerate economic integration on a continent-wide scale.

Besides digital innovation, another challenge that should be addressed is the environmental factor so that Africa can develop economically and at the same time protect its environment. Africa possesses rich ecological systems, however these are also very vulnerable to over-exploitation and consequences of climatic changes. Integration measures that advocate further development towards the integration of Africa such as green trade, increasing the share of renewable energy technologies in the energy mix and strengthening climate adaptation & mitigation strategies all aim to conserve the natural resource endowment of Africa while promoting sustainable development. Environmental sustainability, thus, is no longer simply seen as a matter of being 'good,' but becomes a core factor for an economy sufficiently developed and able to safeguard Africa against significant future challenges of environmental and economic nature.

Africa's integration agenda includes social cohesion and cultural integration as things that are basic. Africa's languages, cultures, and traditions are in abundance. Thus, Africa's unity depends on fostering social harmony and ensuring that economic integra-tion benefits all communities. To close income gaps, and promote gender and youth participation in the economy mean that the conflict of interest will reap inclusivity with the citizens contributing to, and benefiting from economic development. Such interactions or policies aimed at cultural protection and social welfare achieve an African goal which then creates more unity of societies in a peaceful manner.

This chapter is concerned with the role of digital transformation, sustainable development, and social dimensions in the African regional integration process. Focusing on these pillars will enable Africa to construct a more competitive economy that is open markets and resource efficient while being fair and even environmentally friendly. Prioritizing these three dimensions also offer the framework for the establishment of an economically thriving, environmentally sustainable and socially responsive Africa, which achieves Africa's current and future strategic vision of Agenda 2063.

6.1.1 DIGITAL INFRASTRUCTURE IN AFRICAN ECONOMIES

Digital infrastructure is a vital pillar of Africa's economic structural transformation and integration aspirations as captured in the Africa 2063 Agenda. It includes physical and digital systems that enable connection and accessibility such as internet networks, mobile penetration, broadband infrastructure, data centers, cloud computing…. Robust digital infrastructure is essential for fostering trade, improving government ser-vices, supporting businesses, and enhancing the overall connectivity across the continent. As Africa progresses towards a more unified digital economy, digital infrastructure can bridge historical divides, create equitable access to markets, and position the continent as a leader in digital innovation (African Union Commission, 2015).

The Current State of Digital Infrastructure in Africa

The digital infrastructure in Africa has improved the landscape significantly with regard to mobile connectivity as well as other forms of connectivity. More than 60% of the population residing the continent uses mobile phones while devices penetration is generally high. Countries like Kenya, Nigeria and South Africa have been at the forefront of mobile growth and were the first to develop things like mobile banking. In Kenya's case for instance, M-Pesa, which is a mobile phone service, has as a result economically empowered millions of individuals, ably demonstrating how mobile platforms can engender socio-economic developments (Jack & Suri, 2011).

Nonetheless, there still exists a digital gap that is more pronounced between rural and urban areas. There is sustainable and economical internet connectivity in urban agglomerations but rural regions face difficulties in terms of data affordability and broadband access. It is noted that in 2021, only approximately 28% of the total population in Africa had access to broadband internet and the percentage was even less in rural regions (World Bank, 2021). The digitally disadvantaged regions of Africa certainly point to a major barrier in respect of country's efforts towards economic integration, as the lack of digitisation limits the ability for a significant part of the population to partake in the digital economy (UNECA, 2019).

Differences in digital infrastructure also vary greatly between countries. For example, countries like South Africa, Egypt, and Morocco boast relatively advanced digital infrastructure, while nations in Central Africa, such as Chad and the Central African Republic, have some of the lowest rates of internet access on the continent (International Telecommunication Union, 2020). These inequalities make it difficult for the African countries to engage in regional integration efforts as they also discourage the dream of a connected Africa. Furthermore, internet access is still out of reach for a large proportion of the African population due to the high cost of data. In some regions, for example, it is reported that the price of one mobile data GB exceeds 10% of the average monthly income, , making internet access prohibitive for low-income populations.

The Influence of Digital Infrastructure on Economic Integration

Improving accessibility, lowering transaction costs, and enabling trade in the movement of goods and services , these are examples of how the digital infrastructure can improve regional trade and economic integration through a transformative role. At the same time, it is the adequacy of internet and digital infrastructure that facilitates cross-border e-commerce, incorporating small and medium enterprises (SMEs) outside their borders. The African Continental Free Trade Area (AfCFTA), for example, can benefit significantly from enhanced digital infrastructure, which can help SMEs reach larger markets and simplify logistics for cross-border transactions (UNCTAD, 2020).

Improved digital technologies and transactions in trade do not also incur high costs because procedures are simplified, and operational activities and data are shared in real time. For example, with regard to cross-border trade, customs-cleared exporters and importers using digital logistics platforms can track shipments, get status notifications to see what customs has processed, and interact with warehousing/loading practices. This aspect is important for minimizing the time losses affiliated with administrative activities, which were often attached to trading over borders (UNECA, 2019).

In addition, the digital platform allows the interconnection with mobile money and online banking such as other digital payment systems. This reduces the need of engaging in cash transactions and decreases the dependence on foreign currencies, thereby establishing an efficient financial structure that assists individual and inter-business trade. Digital infrastructure also simplifies cross-border payment systems, more specifically the African Export–Import Bank's initiative, Pan African Payment and Settlement System [35](PAPSS) allows completing fast payments between African states thus supporting AfCFTA goals (AfDB, 2021).

Challenges to Developing Digital Infrastructure

Despite its potential, the development of digital infrastructure in Africa faces several challenges, including high costs, regulatory inconsistencies, and limited technical expertise. High capital costs associated with establishing telecommunications networks, constructing data centers, and maintaining fiber optic cables deter investment, especially in low-income and rural areas where the return on investment may be minimal. For example, building broadband networks in remote areas can be up to three times more costly than in urban areas, further contributing to the digital divide (World Bank, 2021).

Regulatory barriers are further contributing factors to the limitations in the development of digital infrastructures. It includes measures that are inconsistent and fragmented in areas such as data privacy policies, security regulations or even in areas such as digital taxations. Several African countries have not yet formulated even basic regulatory policies that would be conducive for the growth of a digital economy that is necessary for the integration of economies within the region. The African Union Malabo Convention [36]on Cyber Security and Protection of Personal Data is one of the efforts made to try and establish uniform standards across the continent but has faced slow adoption due to varying levels of digital maturity and legal readiness among member states (AU, 2014).

The digital skills gap is another challenge that also needs to be solved. There is a wide gap in the ability to use digital tools and services, especially in rural areas, among Africans. According to a 2019 survey, only around 30% of the adults residing in sub–Saharan Africa possess basic digital literacy skills which is a risk for using online platforms for e-government, electronic learning and even electronic financing services, amongst other activities within the digital economy (ITU, 2020). Without adequate digital education, investments in digital infrastructure may not translate into meaningful participation in the digital economy, which is crucial for integration goals.

Opportunities and Future Directions

[35] Pan-African Payment and Settlement System – is a cross-border, financial market infrastructure enabling payment transactions across Africa
[36] African Union Convention on Cyber-security and Personal Data Protection

Despite these obstacles, there are opportunities in terms of public-private partnerships (PPPs) and regional cooperation which are potential avenues for deepening the digital infrastructure across Africa. PPPs can access financial resources, utilize technical skills and mitigate risk which invariably comes with any infrastructure project, making it more viable for remote or disadvantaged areas. The Smart Africa Initiative, which seeks to foster partnership between African governments and private sector, has helped in the advancement of construction of broadband networks and other digital system projects (Smart Africa, 2020).

Furthermore, such regional policies will help in the formation of an integrated digital economy. In particular, a common approach to policy on data protection, cross border data flow, and network security would not only draw out investors but also instill assurance of operational space for businesses in different jurisdictions. Regional Economic Communities (RECs) are important institutions in addressing this policy coordination for they see to it that the development of digital infrastructure is part of the integration aims of the Agenda 2063.

Enhancing skills in the digital economy will also be aided by investment in digital skills training and education. The need for an education strategy on the continent is also underscored by the AU's Continental Education Strategy for Africa (CESA) as a fact : 'The effective use of information and communication technologies is a key competency for the 21st century'. Towards this aim, expanding digital literacy programs and ICT access in schools will enable citizens of African states to engage in opportunities available in the digital economy and further enhance the returns on investments in the digital infrastructure (African Union, 2016).

6.1.2 E-Government and Digital Governance in Integration

As Africa progresses toward achieving the integration goals of the Africa 2063 Agenda, digital governance and e-government have emerged as critical tools for advancing transparency, efficiency, and cross-border collaboration. E-government refers to the use of digital platforms to deliver public services, enhance communication between citizens and the government, and improve administrative effi-ciency. Digital governance goes beyond service delivery to encompass frameworks and policies that regulate how governments manage and protect data, implement technology standards, and promote cybersecurity. Together, these tools create a more accessible and accountable government environment, strengthening Africa's ability to harmonize poli-cies, reduce corruption, and enhance integration (African Union Commission, 2015).

This part investigates the challenges concerning the objectives of the e-governance and the digital governance advancement towards the realization of the goals of Agenda 2063, showcasing some best practices, their contextual factors, challenges and future plans towards e-governance in Africa.

The Role of E-Government in Economic Integration

E-government provides several advantages that assist Africa's integration objectives. digitizing public services enables African authorities to reduce bureaucratic processes, reduce administrative costs, and improve service delivery. For instance, digital systems for business registration, tax payments, and customs processing make it easier for businesses to operate across borders, supporting regional trade and fostering a unified market under the African Continental Free Trade Area (AfCFTA) (UNECA, 2019).

The provision of these digitized services also facilitates trade in terms of customs and border management which improves and quickens trade activities. For example, digital customs clearance system permit traders to electronically transfer necessary documents, eliminating excessive waiting for borders and significantly streamlining logistics. This efficiency is essential for intra-African trade, as it encourages businesses to operate beyond their national borders and facilitates the free flow of goods and services (World Bank, 2020).

Boosting Transparency and Combating Corruption

One of the most strategic advantages offered by e-government is its ability to reduce the level of corruption and improve transparency within the interactions involving the public administration. Traditional bureaucratic processes, which often rely on face-to-face interactions, can cre-ate opportunities for bribery and misuse of public funds. E-governance services reduce the physical contact requirements by providing operating services to the public, and therefore the probability of practicing corrupt practices is lowered. For instance, Services like e-procurement and e-taxation provide digital records of transactions, making it easier to track financial flows and ensuring accountability (Heeks, 2001).

For example, in Rwanda, the Irembo platform [37]has allowed people to apply for passports as well as obtain other services like business licenses and made it possible to do so from one place without having to reside in the country. The platform has made service provision easier, taken a short time for service provision and minimized the avenues of corruption by developing a transparent and simpler platform for the citizens and businesses (Ndung'u & Signé, 2020). By encouraging such initiatives, the African countries will cement the confidence that the people have in the government agencies and enhance the conditions necessary for economic integration.

Enhancing Cross-Border Collaboration Through Digital Governance

In the African context, it is necessary to create a cross-border digital governance framework to tackle issues of policy coordination and integration efficiency. Challenges such as data sharing, data protection, cybersecurity, and the interoperability of digital services can be resolved through cross border digital governance. Due to regional standards, African countries would allow the provision of e-government services regardless of where the recipient is located, enhancing regional integration and addressing legal and regulatory barriers (Poku & Mdee, 2018).

A major step in this regard is the African Union Convention on Cyber Security and Personal Data Protection which seeks to establish a harmonized approach to implementation of cybersecurity and data privacy across the African continent. The pace of adoption has been slow, however, the convention outlines a mechanism for ensuring citizens' data is secure while enhancing cross border digital transactions. African governments, through the adoption of similar policies, can enhance the trust of the people in digital services, and foster the development of e-commerce and other digital economies which are key to the achievement of AfCFTA (AU, 2014).

Case studies in E-Government and Digital Governance

Progress in the e-government aspects of some other African countries has improved relatively well with the global trend and serves as invaluable cases for the practice of digital governance to acheive regional integration. Firstly, Kenya's Huduma Centers [38]which enable citizens to access government services through physical centers and online access, all

[37] Irembo is an eGovernment platform which enables the access and provision of government services in Rwanda, built within a PPP framework

[38] The platforms provide self-service, assisted and Digital Government Services under one roof from various Ministries, Counties, Departments and Agencies. Huduma Kenya is celebrated for its transformative and citizen-centric approach to Public Service Delivery

in one place. These places bring together services from several ministries for more efficient and transparent administrative operations. The use of Huduma Centers in the urban and rural informed areas of the region entails how e government in Kenya can be effective in lowering the administrative load and increasing people's confidence in the adoption of digital services (World Bank, 2021).

Second, Ghana which has put in place an Integrated e-Government Portal that enables both businesses and individuals to undertake tax returns, customs duties payment and obtain licensing online. This portal has enabled e-government delivery of services, reduced incidence of corruption and has made business transactions simpler by facilitating regulatory and compliance regimes. Ghana's experience gives evidence to show the impact of digital governance, and how it can be used to ease cross-border business (UNCTAD, 2020).

Next example is Morocco's PortNet system, a digital trade platform, links maritime operators, customs officials, and logistics providers, making import and export procedures more efficient. PortNet has reduced port clearance times, lowered costs, and enhanced Morocco's competitiveness in international trade. This system illustrates how e-government can play a critical role in trade facilitation, supporting integration within regional markets (UNECA, 2019).

Challenges to E-Government and Digital Governance Implementation

The implementation of e-government and digital governance in Africa has faced significant challenges despite its potential advantages, primarily due to issues like inadequate infrastructure, data privacy concerns, and a digital skills gap. Many African countries, particularly in rural areas, lack sufficient digital infrastructure, with limited internet connectivity and electricity supply hindering access to online government services, creating unequal opportunities for e-governance. Bridging this gap requires extending digital infrastructure through public-private partnerships (Smart Africa, 2020). Furthermore, data privacy and cybersecurity remain critical concerns, as trust in e-services is undermined by cyber threats. While initiatives like the Malabo Convention are positive steps, achieving a robust digital ecosystem necessitates stronger cooperation, political will, and unified cybersecurity standards (AU, 2014). Additionally, the digital skills gap limits the adoption of e-government platforms, as citizens lacking basic digital literacy struggle to engage effectively. Investing in digital education programs is essential to ensure inclusivity across all demographics, irrespective of age, education, or location (ITU, 2020).

Strategies for Promoting E-Government and Digital Governance

To maximize the benefits of e-government and digital governance in Africa, a multifaceted approach is essential. Strengthening regional collaboration through frameworks like the African Union and Regional Economic Communities (RECs) can harmonize digital governance policies, promote interoperability, and streamline cross-border e-government services under the AfCFTA (African Union Commission, 2015). Expanding digital infrastructure through public-private partnerships and investments in broadband access, especially in underserved areas, is critical for equitable service delivery (UNECA, 2019). Equally, enhancing cybersecurity and data protection by implementing frameworks such as the Malabo Convention can build trust in digital services and protect citizen data from cyber threats (AU, 2014). Additionally, promoting digital literacy through targeted education programs in rural and marginalized communities will help close the digital skills gap and ensure inclusivity (Smart Africa, 2020). These strategies align with Africa's Agenda 2063 vision, as e-government fosters transparency, reduces corruption, and strengthens regional integration. By addressing challenges related to infrastructure, data privacy, and literacy, African nations can unlock e-government's potential, driving sustainable development and creating a unified, digitally connected continent.

6.1.3 Role of Fintech and Mobile Banking in Cross-Border Trade

The rapid growth of financial technology (fintech) and mobile banking is transforming Africa's financial landscape, bringing financial services to millions of previously un-banked individuals and reshaping cross-border trade dynamics. African consumers and businesses have witnessed an expansion of access to secure and efficient financial services through Mobile money, Digital wallets, Online banking, and payment Platforms. Such technologies enhance cross border trade, increase financial access and foster small and medium enterprises which are important for the realization of the economic integration objectives of Agenda 2063. This part analyses how fintech and mobile banking affect cross border trade, looking at their impacts on financial inclusion, the economy of the SMEs, and trade in relation to Africa's economic integration.

The Expansion of Mobile Banking and Financial Inclusion

Fintech, particularly mobile banking, has been pivotal in improving financial access across Africa, where traditional banking infrastructure is often limited, especially in rural areas. In Kenya, M-Pesa, launched in 2007, pioneered mobile money and quickly became one of the continent's most widely used financial services platforms. M-Pesa has expanded financial access to millions of previously unbanked individuals, demonstrating the transformative power of fintech for financial inclusion (Jack & Suri, 2011).

Mobile banking solutions like M-Pesa, MTN Mobile Money in Uganda, and Orange Money in West Africa allow users to send and receive funds across borders. These services enable remittances, business transactions, and personal payments to be conducted more efficiently and affordably than traditional banking. By providing secure, accessible, and low-cost financial services, mobile banking facilitates cross-border trade and supports Agenda 2063's objectives of economic inclusivity and empowerment (World Bank, 2021).

According to the GSMA Mobile Money Report 2020, Africa remains the largest market for mobile money, with nearly half of the world's mobile money accounts. The widespread adoption of mobile banking reduces the need for physical bank branches, particularly in regions with limited infrastructure, thus overcoming a significant barrier to financial access and promoting regional integration (GSMA, 2020).

Facilitating the Growth of SMEs and international Trade

Small and medium-sized enterprises, which employ 80% of labor in the African Region (International Finance Corporation, 2018), are key contributors to the economy of the continent. There has been a long history of remote SMEs being able to access credit facilities and to engage in cross border activities. Modern trends in the economy, which embrace Fintech, are changing this situation as businesses can be able to access digital solutions that will enable them to participate in credit, operations and transactions that would otherwise be a barrier for SMEs venturing into cross-border trade.

For instance, digital lending platforms use the borrowers' mobile transaction history to determine their credit scores, enabling SMEs to obtain credit from non-bank sources. Examples of these types of providers include Jumo in South Africa and Branch in Kenya, which were created in order to provide digital loans to SMEs and satisfy the demand for working capital and expansion of these businesses (UNECA, 2019).

In addition, fintech solutions offer a much greater saving on the numerous international banking fees for cross-border payments. The African Export-Import Bank [39](Afrexim

[39] The African Export-Import Bank (Afreximbank) is the foremost Pan-African multilateral financial institution devoted to financing and promoting intra- and extra-African trade. The Bank was established in October 1993 by African governments, African private and institutional investors, and non-African investors. Its two

bank) has established PAPSS, allows African businesses to make instant payments across borders without relying on foreign currencies. Because it encourages trade settlements in local currencies, PAPSS reduces exchange rate risks and transaction fees, making it easier for SMEs to conduct cross-border business within the African Continental Free Trade Area (AfCFTA) (Afreximbank, 2021).

Digital platforms also allow SMEs to access e-commerce and digital marketplaces where they can achieve broader local and international customers. Konga[40] in Nigeria and Jumia [41]in a number of African countries provide SMEs with online shops enabling them to increase their range of operations to regional trade and subsequently avoid national borders.

Utilization of Fintech in Promoting Cross Border Trade

Fintech has made cross-border transactions more accessible and affordable, addressing some of the traditional challenges of African trade, such as high transaction fees, long processing times, and reliance on foreign intermediaries. Blockchain technology is an emerging tool in this area, offering decentralized solutions that eliminate intermediaries, enhance transparency, and expedite trade transactions. Blockchain-based platforms, such as BitPesa in Kenya, allow businesses to settle payments in real-time across borders, re-ducing dependency on intermediaries and cutting down costs associated with currency exchanges (GSMA, 2020).

Mobile money solutions also promote trade since they enable payments in the local currency thus avoiding unnecessary dollar valuations that increase costs. By lowering these transaction costs, fintech promotes trade within regionals blocs such as East African Community (EAC) and Economic Community of West African States (ECOWAS). This ease of transaction aligns with Agenda 2063’s vision of an integrated African market where goods, services, and capital can move freely across borders (African Union Commission, 2015).

Challenges in Leveraging Fintech for Cross-Border Trade

Fintech has played a transformative role in cross-border trade, but it still faces significant challenges. Regulatory inconsistencies across countries hinder the seamless operation of

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basic constitutive documents are the Establishment Agreement, which gives it the status of an international organization, and the Charter, which governs its corporate structure and operations

[40] Konga Online Shopping Limited is Nigeria's Online Mall. Using several payment systems such as 'Cash on Delivery' , "Debit Cards", etc, Konga Online Shopping Limited is a pioneer in the changing face of the retail industry in West Africa

[41] Jumia is a marketplace, logistics service and payment service, operating throughout Africa. The logistics service enables the delivery of packages through local partners while the payment services facilitate the payments of online transactions. It has partnered with more than 100,000 sellers and individuals

global fintech solutions, as services like mobile money may not be recognized universally, limiting interoperability and cross-border functionality. Aligning regulatory frameworks across African nations is critical to enabling fintech to operate effectively on a continental scale (Poku & Mdee, 2018). Additionally, the growth of digital transactions has heightened cybersecurity risks, including fraud, identity theft, and cyberattacks, which undermine user trust, especially in cross-border transactions. Adopting global cybersecurity standards and enhancing regional capacity to manage digital threats are essential to maintain service reliability and user confidence (AU, 2014). Moreover, while mobile connectivity is widespread, limited internet and broadband access in rural areas restricts fintech's reach, creating disparities in financial inclusion. Investments in broadband infrastructure and improved connectivity are necessary to bridge the digital divide and ensure equitable access to fintech services across Africa (World Bank, 2021).

Policy Recommendations for enhancing the role of Fintech in Cross Border Trade

To maximize the benefits of fintech and mobile banking for cross-border trade, African policymakers and stakeholders can implement key strategies. Harmonizing regulatory frameworks is critical, as aligning policies across countries through Regional Economic Communities (RECs) and the African Union can standardize regulations for mobile money, digital lending, and cybersecurity, fostering a cohesive environment for seamless fintech operations (UNECA, 2019). Investments in cybersecurity are also paramount; governments must strengthen cyberspace sovereignty, develop robust cybersecurity measures, and adhere to the African Union's Malabo Convention to ensure data privacy and protect users from cyber threats (AU, 2014). Enhancing digital infrastructure, particularly in marginalized regions, is essential to bridge the digital divide and provide rural and low-income populations access to the digital economy. Collaboration between governments and private sectors can expand broadband connectivity and digital infrastructure (Smart Africa, 2020). Finally, promoting financial literacy and inclusion is vital to increase public understanding and acceptance of fintech. Programs focused on educating individuals and businesses about mobile payments, e-payments, and cybersecurity can empower more Africans to participate in cross-border trade and harness the full potential of fintech (International Finance Corporation, 2018).

6.1.4 DIGITAL TRADE POLICIES AND CYBERSECURITY CHALLENGES

While many African countries now embracing digital trade, there is an urgent need to create strong legal and cyber infrastructural frameworks for the region. Digital trade can be defined as the transfer of products, services, or information via an electronic medium. This trade has significance in developing e-commerce businesses, financial services, and international trade in Africa. However, as the volume of digital transactions increases, so do the issues of cybersecurity, which can undermine trust, create havoc in business operations, and allow breach of confidential information. To fully leverage opportunities of digital trade while avoiding the dangers associated with it, there is a need for the African countries to streamline policies on digital trade as well as reinforce cyber security policies. This section explores the importance of digital trade policies for economic integration, the cybersecurity challenges associated with increased digitalization, and strategic recommendations for building a resilient digital trade environment across Africa.

The Significance of Digital Trade Policies for Integration

Digital trade policies set the foundation for facilitating cross-border digital transactions, managing data flows, and securing electronic payments. For Africa's digital economy to thrive, a standardized set of policies is required to enable seamless trade across borders and encourage investment in digital infrastructure. A unified approach to digital trade policies also aligns with the African Continental Free Trade Area (AfCFTA), as it aims to establish a single African digital market and enable businesses to operate smoothly across national borders (African Union Commission, 2015).

The components of digital trade policies include data privacy regulations, intellectual property rights for digital products, taxation of digital goods and services, and consumer protection. These policies are essential for creating a secure and predictable digital environment that fosters trust in online transactions and encourages businesses and consumers to engage in digital trade. By harmonizing digital trade regulations, African nations can simplify cross-border e-commerce, reduce administrative barriers, and improve interoperability between digital platforms, contributing to the overall economic integration goals of Agenda 2063 (UNECA, 2019).

A significant step toward creating a standardized digital trade policy framework is the AU Data Policy Framework, which aims to ensure that data is managed in a way that respects privacy, promotes transparency, and enables safe data flows across borders. This framework supports the development of policies that protect data while allowing businesses to operate effectively in multiple jurisdictions, thereby enhancing cross-border trade and integration (AU, 2021).

Cybersecurity Challenges in Digital Trade

The expansion of digital trade in Africa has brought about significant cybersecurity threats, including data breaches, phishing attacks, ransomware, and digital fraud, which jeopardize businesses, financial institutions, and governments. These threats undermine trust in digital platforms and hinder the adoption of digital trade, with cybercrime costing the African economy billions annually (Interpol, 2020). Key challenges in this landscape include data privacy and protection, as vast amounts of sensitive information are transmitted across borders. The absence of comprehensive data protection laws in many African countries exacerbates this issue, while the African Union's Malabo Convention provides a framework yet to be widely adopted, leading to inconsistent standards (AU, 2014). Regulatory fragmentation further complicates cross-border trade, as varying cybersecurity regulations across countries create compliance difficulties and leave gaps in protection, hindering interoperability and secure trade networks (GSMA, 2020). Additionally, limited cybersecurity capacity and infrastructure, coupled with a shortage of skilled professionals, leave many countries ill-equipped to address threats effectively, as highlighted by low rankings in the ITU Global Cybersecurity Index (ITU, 2021). Moreover, the rise of digital financial fraud, including SIM swaps and online payment scams, poses risks to consumers and businesses, eroding confidence in digital financial systems. Tackling these challenges is critical to fostering a secure and robust environment for digital trade in Africa (Poku & Mdee, 2018).

Policy Recommendations for Strengthening Digital Trade and Cybersecurity

To create a safe and unified digital space for trade in Africa, collaborative efforts among governments, regional entities, and private organizations are essential. Harmonizing digital trade policies across borders, particularly within Regional Economic Communities (RECs), is a priority to standardize the digital trade environment, streamline cross-border transactions, and align with AfCFTA’s digital trade objectives. The African Union should accelerate the adoption of frameworks like the AU Data Policy Framework (UNECA, 2019). Protecting data is another critical step; adopting the Malabo Convention and implementing national data protection laws that align with international standards will secure personal and business data, fostering trust in digital trade (AU, 2014). Investments in cybersecurity infrastructure and capacity building are equally vital; establishing national cybersecurity agencies, training professionals, and collaborating with private and international partners can bolster defenses against cyber threats (ITU, 2021). Developing a continental cybersecurity strategy will help African nations coordinate efforts to address shared threats, with measures such as guidelines on threat response, regular assessments, and the creation of cybersecurity incident response teams (CSIRTs) (Interpol, 2020). Public-private partnerships (PPPs) should be leveraged to enhance innovation, infrastructure, and knowledge sharing in cybersecurity (Smart Africa, 2020). Finally, raising public awareness and promoting digital literacy through targeted campaigns and programs can help citizens and businesses adopt secure online practices, reducing vulnerabilities and strengthening the digital trade ecosystem (World Bank, 2021).

The achievement of Africa's targets with regard to its digital trade and economic integration will highly depend on the existence of appropriate digital trade policies as well as cybersecurity measures. As more countries jump into the bandwagon of digital trade, the development of frameworks that regulate data movement, uphold confidentiality, and safeguard consumers will be necessary for a safe and interoperable digital economy. Thus, Africa can leverage digital trade as a tool for economic growth, increased financial inclusion, and the application of Agenda 2063 which outlines the prospects of the country as an integrated and competitive continent.

6.1.5 Smart Cities as Catalysts for Regional Integration

In particular, the idea of the smart city presents a new approach to the development of the cities of the future, regarding the interaction between technology and governance principles in an efficient and sustainable manner. Within the scope of Africa's economic development framework, the smart cities constitute a great opportunity in realizing the vision of Agenda 2063 that seeks to create an integrated, prosperous and digitally enhanced continent (African Union, 2015). Smart city initiatives make use of latest technologies, such as Internet of Things (IoT), big data and artificial intelligence (AI), to manage resources and governance, as well as service delivery to the citizens. Such qualities would be of great importance especially for Africa where urbanization trends are rising and where efficient and modern cities would serve as centers for cross-border trade expansion, reduction of bureaucracy and achievement of sustainable development (UN Habitat, 2020).

Digital Infrastructure and Cross-Border Connectivity

Smart cities have a notable characteristic, and that is their dependency on strong digital infrastructure. The infrastructure of smart cities includes high speed internet, encompassing databases, and the internet of things devices which allow for quick monitoring and evaluation of situations and rendering of urban service management and governance. For Africa, where digital infrastructure is at most cases disjointed, smart cities are an all-out effort to create a network of regions that can be integrated and enhance economic interdependence. According to the International Telecommunication Union (2020), regions with advanced digital infrastructure report higher levels of economic activity and cross-border trade, as seamless connectivity facilitates the movement of goods, services, and data.

Kigali in Rwanda and Nairobi in Kenya have made the use of IoT networks, mobile connectivity and data centers for streamlining urban services because their vision is to build smart cities as part of the initiatives to enhance digital transformation (Bourdeau-Lepage, 2019). These cities can be viewed as a network of urban agglomerations which facilitate regional trade. The "Smart Africa" initiative, a pan-African effort to drive digital innovation, envisions similar models for other cities, with the goal of fostering a unified digital economy across African borders (Smart Africa, 2021). Therefore, even the 'smart cities' that emerge in Africa will encourage the gradual evolution of interdependent 'smart regions' where there is an optimal level of digitalisation among urban centres facilitating international business and investment.

E-Governance and Transparency

Smart cities, which have been defined as a model city where the integration of e-governance enables greater efficiency in the operating processes, rely heavily on e-governance. When the citizens as well as the government itself adopts e-governance, African countries are more likely to increase transparency, accountability and efficiency, all of which are key to promoting economic integration. Platforms such as e-business registration and online customs procedures are part of e-governance applications that cool down the frustration that comes with trading and encourages businesses across international boundaries. A report by the World Bank in 2020 indicates shared electronic systems also lead to shortening transaction times which makes it more efficient for many businesses to operate.

An excellent example of this is Kenya TradeNet, the country's trade single electronic window system (National Electronic Single Window System). To optimize the processes of trade documentation and customs clearance, Kenya TradeNet has cut down the cargo average processing time at the Port of Mombasa by slightly below 50%, which allevates the cost of trade and appeals for investment (Kenya Revenue Authority, 2020). Additionally, Rwanda’s e-governance model, which includes digital platforms for public services, has made Kigali a case study in transparency and efficiency, increasing public trust and reducing corruption (Rwanda Development Board, 2021). Such systems encourage regional trade by making regulatory processes more predictable and reliable, benefiting both local and international businesses.

Regional Networks of Smart Cities as Integration Hubs

On the other hand, establishing networks of smart cities across Africa is likely to promote regional economic growth. By ‘smartenizing’ cities across borders, African countries can build a framework for regional collaboration on economic, environmental, and technological issues. These interconnected cities act as integration hubs, sharing digital infrastructure, harmonizing standards, and jointly devel-oping policies that facilitate cross-border activities. Such networks are aligned with the East African Community’s (EAC) vision of a connected economic region, where cities in Kenya, Uganda, and Rwanda collaborate on technology-driven projects (East African Community, 2019).

Smart city networks can also foster "smart corridors" that enhance the movement of goods, people, and information across borders. For instance, the East African Regional Electronic Cargo Tracking System (RECTS) allows real-time tracking of goods moving across Kenya, Uganda, and Rwanda, drastically reducing border crossing times and enhancing trade security ( ). By scaling similar models across other regions, smart cities could form economic corridors that strengthen intra-African trade, aligning with the African Continental Free Trade Area (AfCFTA) objectives.

Sustainability and Inclusive Urban Development

Sustainability and Inclusive Urban Development Resource efficiency is one of the key elements of smart cities since such cities have systems and green infrastructure type that would minimize the environmental impacts. In Africa, where climate change is a big challenge, smart cities are a way towards achieving sustainable urbanization that will help promote regional integration. UN Habitat, 2020 reports that the cities of Africa do not have much sustainability, and greening the economies is the way to go for urban growth which is resilient. Smart cities address these challenges, by using green power, green transportation, and good waste management, and these can be good indicators of environmental goals.

For instance, with regards to Cape Town South Africa, the smart energy management policies implemented in this city have promoted power saving and utilization of renewable sources of energy such as solar and wind which are aimed at contributing towards sustainability goals (Cape Town Smart City Initiative, 2020). Besides, communities of smart cities address inclusiveness by allowing people to access public services digitally and this could eliminate social disparities and encourage cohesion. Internet accessibility, learning opportunities, and e health services make smart cities more encouraging which facilitate the overall partaking of the population in the digital economy thus enabling economic development (World Economic Forum, 2020).

Placing smart cities within the context of the regional economic strategy for Africa is therefore a more futuristic approach to the goal of creating sustainable and prosperous cities that are also well integrated. Smart cities can therefore lower trade costs through economies of scale, provide the coordination necessary for cross-border cooperation and foster inclusive growth. As Africa pursues its Agenda 2063 goals, smart cities offer opportunities to achieve the objectives of a digitally connected and resilient Africa. Smart city networks aimed at addressing the twin objectives of regional integration and pan-African trade complement the development and socio-economic integration of the African continent in an increasingly digital world.

6.1.6 FUTURE DIRECTIONS FOR DIGITAL INTEGRATION

For the continent to realize the same ambitious goals of integration in Africa 2063, there has to be a digital transformation in Africa which is strong, broad-based and secure. The much sought integration of Africa's digital space will not only bring together markets but will also serve as a backbone of economic resilience, innovation, growth and development in an equitable way. As digital infrastructure and services develop, it is critical for governments, Regional Economic Communities (RECs), private sector and international development partners to join hands in establishing the systems, capacities and policies to promote a digital Africa.

First, strengthening digital infrastructure is essential. Public-private partnerships (PPPs) offer an effective approach, allowing governments to partner with technology firms and telecommunication providers to fund and deploy the necessary infrastructure. Initiatives such as the Smart Africa Alliance exemplify the value of PPPs in scaling digital projects across regions. Increasing access to broadband and exploring 5G deployment will support reliable high-speed connectivity, which is essential for digital services, remote learning, and e-commerce. Regional infrastructure projects, including cross-border fiber optics and data centers, should be prioritized to promote connectivity between countries and reduce costs (Smart Africa, 2020).

A cohesive regulatory environment is equally important. Harmonizing digital trade policies across African countries will support seamless cross-border transactions and data exchanges. Regulations on data privacy, digital taxation, and consumer protection should align with frameworks like the AU Data Policy Framework and the African Union Convention on Cyber Security and Personal Data Protection (Malabo Convention) to foster trust and protect data. A unified approach to digital identity verification could facilitate secure cross-border transactions and access to e-government services, improving financial inclusion and enhancing the ease of doing business (AU, 2014; AU, 2021).

With the expansion of Africa's digital economy, cybersecurity must be a top priority. Cyber threats such as data breaches and digital fraud can undermine confidence in digital trade. Establishing national cybersecurity agencies, investing in secure infrastructure, and building capacity in cybersecurity are essential for ensuring a resilient digital economy. A continental cybersecurity strategy, coordinated through RECs and the African Union, would strengthen defenses and enhance cross-border security responses. Regional cybersecurity centers can play a key role in monitoring threats, training professionals, and raising awareness on best practices to secure Africa's digital landscape (Interpol, 2020).

Expanding digital skills is essential to support the workforce required for a digital economy. Integrating ICT education into school curricula and vocational training programs will help build a generation of tech-savvy professionals capable of driving innovation. Specialized training for small business owners can improve their capacity to engage in e-commerce and digital trade, allowing SMEs to expand their markets. Digital literacy programs are particularly crucial in underserved rural areas to bridge the digital divide and ensure that all citizens have the skills to participate in the digital economy (ITU, 2021).

Digital inclusivity is also vital for ensuring equitable access to opportunities in the digital economy. Reducing internet costs and providing subsidized access for low-income populations will enable more citizens to access digital services. Inclusive digital policies should also address the gender gap, as women often face additional barriers to accessing digital tools and opportunities. Promoting financial inclusion through mobile money platforms and digital wallets can expand economic participation, particularly in remote areas. Governments can support fintech innovation by creating regulatory sandboxes and offering incentives to digital startups (Alliance for Affordable Internet, 2021).

Finally, fostering innovation through regional digital hubs will position Africa as a leader in digital technology. Digital innovation hubs, like iHub in Kenya and CcHub in Nigeria, offer valuable spaces for tech entrepreneurship and collaborative problem-solving, driving job creation and local innovation. Supporting research and development (R&D) in emerging technologies, such as artificial intelligence and blockchain, can provide Africa with tailored solutions to its unique challenges. By encouraging entrepreneurship and creating startup-friendly policies, governments can strengthen the digital ecosystem and promote sustainable economic growth (Poku & Mdee, 2018).

In closing, Africa's path to digital integration requires strategic investments in infrastructure, a cohesive regulatory framework, and a focus on cybersecurity, digital skills, and inclusivity. In so doing, Africa can harness partnerships between the public and private sector, integrate strategies, increase levels of digital literacy and foster innovation and thus fulfill the benefits of digital transformation for economic integration and for resilient growth. The success of this digital journey will depend on coordinated efforts from all sectors, laying the foundation for an Africa that is unified, innovative, and ready to lead in the global digital economy.

6.2 ENVIRONMENTAL SUSTAINABILITY AND ECONOMIC INTEGRATION

Environmental sustainability is essential for advancing Africa's regional integration, particularly as the continent confronts significant environmental challenges such as climate change, deforestation, water scarcity, and biodiversity loss. As African countries pursue economic integration under frameworks like the African Continental Free Trade Area (AfCFTA) and the African Union's Agenda 2063, the inclusion of sustainable practices is critical for balancing growth with long-term environmental health. By embedding sustainability into these frameworks, African nations can pursue integration in a way that promotes both economic prosperity and ecological resilience, aligning with global goals like the Sustainable Development Goals (SDGs).

Africa is becoming more developed and advancing towards the pursuit of renewable energy sources and green infrastructure. To this end, Africa's many countries are increasing their renewable energy projects that tap on solar, wind, and hydropower resources in order to foster secure energy availability. In this regard, the Africa Renewable Energy Initiative (AREI) that sets out to enhance the capacity of renewable energy by additional 300 gigawatts by the year 2030 demonstrates this change. As such, projects aimed at the development of clean energy do not just offer energy but also create green job opportunities while enhancing Africa's development efforts in the sustainable economic front (AREI, 2020). Therefore, it can be said that Africa's industrial development can suitably be enhanced through enhancing investments of sustainable energy without negative effects to the environment.

Furthermore, the sustainment of recent practices concerning infrastructure projects has been well incorporated within regional frameworks in an environmentally friendly manner in their transport systems and construction activities as well. For example, Desert to Power Initiative being implemented by African Development Bank (AfDB) is an example of a project that attempts to implement solar energy on a large scale in the Sahel region [42]with the aim of providing power to millions in a sustainable manner and without reliance on fossil fuel. Such type of investment in infrastructure assists in Africa's transition towards a low carbon economic growth path while strengthening its ability to withstand energy shocks, therefore, fulfilling both sustainability and integration objectives (African Development Bank, 2021).

Within the AfCFTA framework, environmental policies and green standards are increasingly part of Africa's trade agreements. As countries harmonize regulations on emissions, waste management, and resource use, they create a foundation for sustainable regional trade. The AfCFTA's unified market presents an opportunity to encourage green trade practices, allowing member states to adopt environmental standards that safeguard eco-systems while facilitating economic growth. For example, various regional economic communities (RECs), such as the East African Community (EAC) and the Economic Community of West African States (ECOWAS), have introduced environmental frame-works that promote sustainable resource management. ECOWAS's West Africa Clean Energy Corridor initiative, which aims to diversify energy sources across the region, un-derscores the role of RECs in promoting sustainable policies that benefit multiple coun-tries (ECOWAS, 2020).

[42] The political region of the Sahel, as defined by the United Nations strategy (UNISS), covers 10 countries (Senegal, Gambia, Mauritania, Guinea, Mali, Burkina Faso, Niger, Chad, Cameroon and Nigeria).

A key global environmental focus is the integration of circular economy models into Africa regional integration processes. In the economies of the African Circular Economy Alliance, waste and its resource reuse as well as recycling are viewed as factors for achieving economic sustainability in the nations of Africa. To achieve this goal, the Africa Circular Economy Alliance is one of such initiatives that seek to have African countries implement circular business models specifically in agriculture, manufacturing, and waste management. In agriculture integrated organic farming, for example by applying organic waste to the soil, improves soil quality while reducing the use of chemical fertilizers. Wastes and resources recovered in manufactured products provide job opportunities locally and lessen the need to import products. Both practices mitigate adverse environmental impacts of the different stages of the production processes as well as foster interregional trade by ensuring that resources are only sourced from the respective region (African Circular Economy Alliance, 2020).

To prevent further damage on the continent from climate change consistent adaptation and resilience is key while integrating the economy in a sustainable manner. Africa has been experiencing different climatic change consequences in form of droughts and floods which have worsened agriculture, water resources and public health. In turn however the African countries are gradually taking an adaptation approach in the construction of climate resilient public assets and undertaking climate resilient agriculture. Such adjustment measures are even directed by the African Adaptation Initiative which is coordinated by the African Union and aims at encouraging Africa's farmers to adopt climate smart agriculture which aim to develop drought resistant crops. Such steps not only improve food security of the continent but also foster economic stability which are critical for successful integration (African Union, 2019).

One of the other undertakings outlined by the African states in their strategy for integration is the preserving of the biodiversity and natural resources of the continent that is endowed with exclusive ecosystems and various animals. The mobilization of resources among RECs is intended to secure areas that are rich in biodiversity and to advocate for environmentally friendly land use. The Great Green Wall Initiative in the Sahel region is one such trans-boundary approach which aims at sustainably managing deserts and the people within them. This project unites countries from Africa and illustrates how environmental conservation can strengthen economies through land restoration for agriculture and ecosystem balance and as a result create sustainable economic activities (UNCCD, 2020).

Africa seamlessly integrates sustainability into its regional development agenda but also as part of the international obligations towards Paris Agreement and other SDGs. Therefore, if African countries achieve these goals, it also means international assistance in funding and partnership for the sustainability endeavors will be there, including the transfer of technology for renewable energy and environmental management systems training respectively. Countries in Africa, in partnership with institutions such as the European Union, are being helped to implement environmentally sustainable strategies and programs for economic development that do not undermine the environment.

Integrating sustainable development into regional plans, policies and institutions in Africa in the short/medium/long run is critical towards addressing goals of policies, programs and projects whose objective is to promote development and economic growth without compromising the environment. In this regard, the leverage of integrating sustainable infrastructure, renewable energy, circular economy models and climate adaptation into their economic targets will enable African countries to achieve an environment friendly and resilient economy. When countries in the AfCFTA and the RECs endorse or practice such sustainable approaches, it allows the continent to focus on strategies of economic growth while protecting the environment in Africa for future generations.

6.3 SOCIAL COHESION AND CULTURAL DIMENSIONS

Social cohesion and cultural dimensions play a vital role in Africa's journey toward regional economic integration. While trade agreements, infrastructure, and policy alignment are essential for economic development, a successful integration process also requires a strong foundation of unity, cross-cultural understanding, and social inclusion. Building social cohesion and respecting Africa's diverse cultural heritage strengthens the bonds between African nations, fosters trust, and enhances cooperation across borders. This approach aligns with the African Union's Agenda 2063, which envisions a peaceful and united Africa where economic growth benefits all segments of society

The promotion of inclusive social policies within the region that aims at addressing the existing inequalities and majority of the disadvantaged groups in the society are able to take advantage of the benefits that regional integration offers, is one of the critical facets in the building of social trust within African integration. Other socio-economic factors like income inequality, gender disparity, and poor education and healthcare are evident in most countries in Africa. It is short-sighted not to focus on these concerns as they will be the guide in the integration process for the communities in the future. Programs such as the African Continental Free Trade Area (AfCFTA) focus on creating employment opportunities in an effort to improve access resources, thereby improving the livelihoods of the vulnerable communities and reducing the economic gaps across the continent (UN Economic Commission for Africa, 2019).

Another opportunity for integrating African countries is through educational and cultural exchange programs. Such programs make it possible for African states to strengthen cultural bonds by promoting exchanges among students, artists and other professionals, which, in turn, increases respect for and understanding of shared histories and values. For instance, language or culture and art export programs allow for interconnectedness that aids communicative understanding across borders. One such initiative is the African Union Youth Volunteer Corps which recruits young Africans to work in foreign nations fostering Africa-wide cohesion despite diverse cultures (African Union, 2020).

In strengthening social cohesion, it is essential that social policies that are concerned with inclusion and equity are also implemented in such societies. Such incentives also enhance the possibility of gender equality, youth inclusion, and even integration of rural development in the process of integration. Take for example, through support for female entrepreneurs and gender-sensitive policies, has a broad eco-nomic impact. Studies show that improving gender equality in the workforce can increase GDP and reduce poverty rates, making these policies not only socially beneficial but also economically advantageous (World Bank, 2021). Thus, if social policies are made to address the felt needs of all demographic groups in African countries, it would ensure a common sense of purpose and a collective effort towards regional integration.

As Africa moves toward integration, cultural heritage and preservation remain an indispensable factor within the continent's social cohesion. Languages, traditions, art, and music, Africa's multi-facetted cultural heritage is the source of pride to millions. Enshrining these cultural aspects within the integrated framework enables African nations to appreciate their differences in pursuit of common objectives. For instance, programs in the Southern African Development Community (SADC) promote cultural heritage and cross-border cultural festivals, which strengthen the feeling of cultural wealth, encouraging tourism and economic development. Such efforts contribute to a more gradual and balanced process of integration, when peoples do not lose their cultural identity but rather gain from it (SADC, 2020).

Equally important in this regard, is the role that regional media and communication networks play in the processes of social integration and unity. Pan-African media help raise awareness on regional concerns, help provide understanding across divides, and help combat negative characterizations. Africa News and other similar platforms cover Africa-related news and issues while providing the continent with various other stories, which better represents its diverse communities. In this way, Africa's creation of media which extends beyond its territorial borders can help foster pan-Africanism and strengthen the bonds of social and cultural nature that support regional integration (Africa News, 2021).

Social cohesion is also dependent on migration policies that respect human dignity and promote mobility of people across borders. As the integration of the region deepens, borders are crossed in search of employment, education, or to reunite with family members. A more synchronized approach to migration policies within frameworks like AfCFTA facilitates safe and easy cross-border movements which result to stronger community relations and minimization of xenophobia and discrimination. There are initiatives under the framework of Economic Community of West African States (ECOWAS) like the ECOWAS Protocol on Free Movement of Persons which allows citizens of member countries to travel work and live across the borders facilitating economic and social integration of the region (ECOWAS, 2019).

Finally, in order to strengthen African integration processes, there is need for community engagement and participation. Having people actively engaged in the planning and implementation phases of regional economic integration processes grants ownership to the people and makes such processes of a greater value. Local organizations, together with community leaders and civil society organizations help to represent community interests, spread awareness about integration policies, and seek solutions to social problems. Integrating communities in such integration efforts can also allow governments to create effective and adequate structures that correspond to the realities of Africa's populations.

To conclude, as much as social cohesion, the cultural dimensions are also significant components in the integration of Africa, giving its people a common sense of purpose across the continent as well as respect for one another. The African countries will lay the right conditions for success of integration for all the people by implementing cohesive social policies, facilitating the exchange and preservation of cultures . The development of social integration and cultural appreciation support Africa to reinforce it possibility to be aligned with the pillars of 2063 Agenda and being an integrative, democratic and a resilient continent.

The exploration of the governance quality, digital transformation, sustainability, and social dimensions highlights the critical need for innovative solutions, sustainable practices, and inclusive development in driving regional economic integration. However, achieving these ambitious goals requires not only internal reforms but also strategic external partnerships. Europe, with its experience in regional integration and its established collaborations with African nations, plays a pivotal role in supporting these transformative efforts. The next chapter examines the scope, impact, and future prospects of European support for Africa's integration agenda.

7. EUROPEAN SUPPORT FOR THE REGIONAL ECONOMIC INTEGRATION IN AFRICA

External support has been a critical element in shaping the path of African regional integration. Over the past decades, Africa has engaged with international partners to address the continent's complex development challenges and to accelerate efforts towards economic integration. Among the key external actors, the European Union (EU) has been one of the most influential, providing substantial support in the form of financial assistance, technical expertise, capacity-building programs and trade agreements aimed at promoting regional integration across the continent.

The relationship between Africa and the EU is historically rooted in the colonial period but has evolved over time to encompass a more collaborative and mutually beneficial partnership. While initial engagements were centered around development aid and trade preferences, the modern EU-Africa relationship focuses on fostering regional economic integration, strengthening governance and facilitating market access. Initiatives like the African Continental Free Trade Area (AfCFTA) and various Regional Economic Com-munities (RECs) have benefited from EU's financial and technical support, yet there re-mains an ongoing debate about the implications of such external influence in the Africa's long-term integration and development goals.

In this chapter, an examination of the impact of EU external support in Africa's integration process. It explores the historical context of European engagement, the objectives behind EU poli-cies toward African integration and the impact of EU assistance on African economic autonomy and institutional capacity. Moreover, this chapter will make a comparative analysis between the regional integration in Africa and EU and will especially highlight the lessons which can be taken and adopted from the successful experience of EU.

Then, It concludes by recommending how EU-Africa partnership relations could evolve in the future to be more equitable and sustainable, promoting African-led integration while promoting true economic independence. Through this exploration, I aim to understand how EU support has shaped African integration and what changes are needed for more effective collaboration moving forward.

7.1 HISTORICAL CONTEXT OF EUROPEAN SUPPORT

The historical trajectory of European support for African integration is inextricably linked to the legacy of colonialism, post-independence development assistance and evolving partnerships in a globalized world. This has been changing over the years, having moved from direct colonial exploitation to a more cooperative. In this context, the European Union has been actively contributing towards the integration of Africa through providing funds, enhancing trade relations, and aiding in the development of institutions. But even with the progress made, questions still exist as to the degree that EU support has to African-led development and whether it fosters economic sovereignty or merely perpetuates dependency

The involvement of the Europeans in Africa started since the colonial period where the European powers struggled over the control of the great parts of the continent. The colonial economy was structured to serve the economic interests of European powers, with African territories being exploited for raw materials, agricultural products and cheap labor (Rodney, 1972). Also, the European colonizers formulated the basic infrastructure (railroads, ports, and roads) for the purpose of extracting and exporting these resources back to Europe, rather than supporting intra-Africa trade or the development of local economies.

The impacts of this economic extractivism were indeed lasting. Africa's economies were largely export oriented and focused on a goods with little value addition. The colonial set up more often than not disintegrated African nations and economies, imposed artificial borders and affected possible regional integration. Following the independences wave in the late 1960s and early 1970s, most African countries did take off, but were ill equipped to deal with socio-economic and governance issues created by the colonialist. For all the African states, even after independence was attained, colonial origins still loomed large whereby Africa was politically independent but economically dependent on European countries for trade, assistance and investment.

The newly formed African states after the colonial rule required substantial economic support to overcome the economic and structural challenges that were left by the colonizers. As it turned out, the European Economic Community (EEC)[43] that transformed into the European Union (EU) was a strategic partner for Africa after the attainment of independence. The first official treaties establishing relations between the EEC and the African countries, known as the Yaoundé Conventions (1963-1975), were designed to provide European markets with a preferential trade access to African goods, mainly raw materials and agricultural products. The context of these agreements was set in the rationale of development aid, but the imbalance of trade relations was mostly sustained. African nations were still treated as suppliers of raw materials and trade was primarily structured around the export of commodities to Europe, with little effort to industrialize African economies or develop diverse sectors.

The Lomé conventions replaced the Yaoundé conventions, which were in place between 1975 and 2000, and which deepened the framework of Africa's partnership with the EEC. These conventions continued to provide preferential trade access to African exports but also introduced financial aid and technical assistance to support development. The Lomé Conventions were wider in scope covering education, infrastructure and agricultural development. However, these agreements still maintained a patron-client dynamic, with Europe providing financial aid and access to European markets, while African countries continued

[43] The European Economic Community was a regional organisation created by the Treaty of Rome of 1957, aiming to foster economic integration among its member states. It was subsequently renamed the European Community upon becoming integrated into the first pillar of the newly formed European Union in 1993.

to face limited economic diversification. African economies remained heavily dependent on Europe for development assistance and market access, further entrenching the dependency that was established during the colonial period.

While the European Union's support was crucial in addressing Africa's post-independence challenges, the continued dependence on Europe for both trade and aid meant that Africa was unable to fully establish economic sovereignty. The Lomé Conventions, while a step toward a more comprehensive engagement, still left African countries in a subordinate economic position in relation to Europe. This set the stage for African leaders to seek more self-reliant pathways for development and economic integration.

A major transformation in the EU-Africa relationship took place at the turn of the 21st century, where the EU changed it approach from a donor-recipient model to an active partner. The Cotonou Agreement (2000) formalised this change when it replaced the Lomé Conventions and provided for a partnership approach instead of the dependency on aid.

The aim of the Cotonou Agreement was to create a better developed partnership which would emphasize economic cooperation, trade liberalization and promoting good governance and democratization in African countries. The treaty primary recognised the need of regional cooperation integration as a necessity for sustainable economic growth of African countries before embarking on a wider continental integration. While the EU agreed to support initiatives for developing capacity, trade and institutional development, the Cotonou accord also implied that African countries need to institute liberalising reforms, including trade and the privatization of state-owned enterprises.

The intention of the Economic Partnership Agreements (EPAs) contained in the Cotonou Agreement was to foster free trade between the EU and Africa. The EPAs have nevertheless been controversial as they required the African countries to liberalize their markets in exchange for cordial access into the EU market. For instance, Critics, including Gibbon (2012), argue that these agreements reinforced Africa's dependency on European exports, particularly in the agricultural sector, where African countries could not compete with heavily subsidized European goods. The liberalization of African markets under the EPAs exposed African industries to fierce competition from European producers, thereby hindering efforts to industrialize and diversify African economies. African countries found themselves still locked in the export of raw materials rather than being able to add value through manufacturing or processing industries.

The critics notwithstanding, the Cotonou Agreement was a bold bid by the EU to change the focus of its interaction with African countries towards regional integration. While the EU's preferred economic model continued to emphasize liberalization and structural reforms, the agreement's provisions on institutional capacity enhancement and governance reforms showed a growing appreciation of development from the African continent. However, As Tadesse (2017) observes, the partnership was unequal, and Africa's contribution was limited most of the time by the EU's economic interests. Once the African countries made attempts to deepen the African regional integration with the introduction of the African Continental Free Trade Area (AfCFTA) in 2018, EU has still been supportive in terms of infrastructure development, institutions' strengthening, and trade facilitation. As the AfCFTA intends to form a single market for all goods and services in Africa, the EU has endorsed projects aimed at improving the trade facilitation facilities, modernizing the customs systems and strengthening the African regional economic communities like ECOWAS, SADC, and the EAC.

Key infrastructure programs funded by the EU-Africa Infrastructure Trust Fund (ITF) and the Pan African Programme are crucial in enhancing the mobility of goods, services and people within the African region. The EU also assisted in developing regional conflict resolution and customs management systems which are prerequisites for the effective operation of the AfCFTA. (UNCTAD, 2020).

7.2 RATIONALE FOR EUROPEAN SUPPORT

The rationale for European Union (EU) support to Africa can be explained by multiple inter-related reasons: historical ties, economic self-interest and geopolitical strategy. The EU's relationship with Africa has changed over the years from one based on colonial exploitation to a more collaborative partnership designed to foster Africa's economic development. This section will seek to explain the motivations for European assistance, making use of the relevant academic and policy literature to demonstrate how the European Union has historically been concerned with several factors in its relations with Africa.

The political reason for conservative European assistance to Africa is in many respects linked to the security dimension of EU relationships. With the increasing globalization process, the European Union's engagement in Africa is seen as a core element of global peace and security and regional stability (Borelli, 2016). The EU's intention and resolve to actively participate in the promotion of political democracy and development in Africa is based on the argument that instability in Africa is likely to affect Europe itself and its people through migration, terrorism and conflicts.

It's a known fact that the European Union is constantly trying to foster democracy and good governance in Africa and other regions. Together with the African Peace Facility (APF), the EU has joined its voices to prevention of conflicts, peacebuilding and election observation in several African countries, providing financial and technical assistance. The Union has engaged in peacekeeping activities in the example conflicted regions: South Sudan, Central African Republic and Mali due to their potential regional and European security destabilization (Gomes, 2015). This assistance to African states helps institutionalize the democratic processes and structures and create sustainable political systems.

The EU also supports African regional organizations, such as the African Union (AU) and Economic Community of West African States (ECOWAS), recognizing that African-led initiatives in peace and security are crucial for long-term stability. This is exemplified in the EU's participation in the African Standby Force and its partnership with the AU in addressing security challenges (Cohen, 2017).

Lastly, the European Union regards Africa as a trade and investment partner in the global market, as a supplier of resources and a developing consumer market (Adebajo, 2015). It can be noted for this reason, the European Union has always stressed the need for Africa-focused economic relations and undertook activities supporting regional integration, industrialization, and infrastructure development.

One of the key frameworks for EU-Africa economic cooperation is the Economic Partnership Agreements (EPAs), signed between the EU and various African regions. These agreements provide African countries with preferential access to European markets, encouraging trade liberalization and fostering economic growth (European Commission, 2020). The EU has also supported the establishment of the African Continental Free Trade Area (AfCFTA), which aims to create a unified continental market. The EU sees regional integration in Africa as a win-win scenario, benefiting both Africa and Europe by facilitating trade, reducing barriers to investment and increasing the flow of goods and services between the two regions.

However, there are critics of the EU's economic policies in Africa, particularly with respect to the EPAs. Scholars such as Gibbon (2012) argue that these agreements have often favored European industries by encouraging African countries to open their markets without providing sufficient support for local industries to develop. African countries, under the terms of the EPAs, have faced unfair competition from subsidized European agricultural products, leading to the undermining of local industries and economic diversification in African economies. While the EU promotes the idea of trade liberalization as a means of driving growth, critics suggest that it often neglects the need for industrial protection and strategic support for African economies to become competitive in global markets.

Furthermore, the EU's interests extend beyond development as it is faced with intense competition for geopolitically influence in Africa from rising powers such as China, India and the United States. In recent years, China, through its Belt and Road Initiative (BRI), has extended its reach into Africa with heavy investment in infrastructure and acquisition of strategic resources. The new dynamics in global power relations have forced the EU to revise its strategy towards Africa, as it seeks to deepen political and economic relations in order to remain relevant to the continent's development (Borelli, 2016).

The EU's support for African integration (particularly through initiatives like the AfCFTA and regional trade agreements) can be understood as part of a broader geostrategic effort to ensure that African economies are aligned with European norms and interests. EU seeks to create a strategic partner in Africa that can help shape global trade rules and contribute to global governance (Cohen, 2017). In this context, Africa's geopolitical significance is not only based on its natural resources but also on its growing economic power and its potential to be a major player in global trade and diplomacy.

This geopolitical rationale is evident in the EU's support for multilateralism and the promotion of Africa's voice in global institutions. For instance, the EU has actively supported African countries' efforts to be more engaged in UN climate negotiations, trade discussions, and international peacekeeping efforts, recognizing that a stable and integrated Africa is crucial for the future of global security and economic development.

The other reason is that development policies adopted by the EU are based on outstanding humanitarian principles, irreplaceable Africa human rights and social justice. Importantly, European engagement in development cooperation focuses on the strengthening of education, strengthening the health care sector, poverty alleviation and gender equality in the continent. The EDF[44] and the EU Trust Funds have enabled the European Union to fund

[44] European Development Fund

programs addressing African’s most urgent problems such as health, agriculture, social services and climate change. These programs seek to deliver basic care and services that are a prerequisite for sustained economic growth and developmental progress.

Also, the EU’s focus in decreasing inequalities and integrating sustainability into their practices is in tandem with the UN Sustainable Development Goals (SDGs) and reinforces Africa’s position within global environmental governance. The EU’s aspiration is to assist Africa in transforming into a not only resilient but also an inclusive economy which aids in achieving global sustainability by advocating for green energy, climate change response, and social policies (European Commission, 2020).

The last factor pertains to the migration which has turned out to be one of the strongest challenges in the relations between Europe and Africa, while the EU has a lot of problems regarding irregular migration from Africa. Europe does not only pay more attention to the causes of migration (conflict, poverty, climate change, political instability), but also concerns about the migratory pressure these factors bring to its borders. The EU has come to the decision that in order to address the factors which lead to migration from Africa, it is necessary to invest in improving the economy and the governance of African nations which takes time.

The EU's development policy aims at minimizing migration forces by creating employment opportunities within Africa. The EU is now implementing a new strategy that seeks to promote regional integration, job opportunities, education, and health care so as to minimize the movement of Africans to Europe in an irregular manner. Besides, the EU has equally backed such initiatives that would promote legal migration and mobility within Africa, thereby allowing more internal migration of Africans rather than to Europe (Kerr, 2018).

7.3 ANALYSIS OF DEPENDENCY VS. PARTNERSHIP MODELS

The relationship between the European Union (EU) and Africa has been shaped by two major models of engagement (dependency and partnership). These models not only reflect the historical and ongoing dynamics of EU-Africa relations but also frame how Africa perceives its integration efforts within global trade networks. The dependency model posits that African economies have remained dependent on external powers, particularly Europe, which has historically maintained an unequal relationship that benefits developed economies at the expense of Africa’s economic autonomy.

On the other hand, the partnership model emphasizes a more collaborative and mutually beneficial relationship, in which Africa's development is guided by African priorities, with Europe playing a supportive role. This debate is particularly relevant in the context of African regional integration and the AfCFTA, as both models suggest different pathways for how Africa's economies could engage with external powers while striving for greater economic autonomy and self-sufficiency.

The dependency theory emerged in the mid-20th century as a critique of traditional development models that focused solely on economic growth and industrialization. Scholars like Andre Gunder Frank (1967) and Raul Prebisch (1950) argued that developing countries, especially those in Africa were locked into a cycle of dependence on developed economies. In the case of Africa, the historical roots of this dependency were laid during the colonial era, when European powers systematically structured African economies to serve their own interests. Colonial trade systems focused on the extraction of raw materials, such as minerals, timber, and agricultural products to feed Europe's industrial machinery. Africa's economies were not built to be self-sustaining; instead, they were woven into global economic networks where they served as suppliers of resources to the colonial powers, while being excluded from the high-value-added sectors of manufacturing and technology.

Even after independence, African countries found it difficult to break free from this structure. Newly independent states, faced with economic and political challenges, remained heavily reliant on foreign aid and trade with former colonial powers, particularly in Europe. As Africa's trade relations were largely defined by exporting raw materials and importing finished goods, the continent remained vulnerable to the fluctuations of global markets and the interests of foreign powers (Rodney, 1972). Under this model, the relationship between Africa and Europe was seen as exploitative, with African economies serving as peripheral regions that supplied cheap labor and raw materials, while Europe's industrialized economies grew wealthier from the profits derived from Africa's natural resources.

The EU's trade agreements, such as the Economic Partnership Agreements (EPAs), have been viewed through the lens of the dependency model. While these agreements were designed to promote trade liberalization, critics argue that they have locked African countries into a pattern of economic dependency on Europe, reinforcing their roles as suppliers of commodities rather than creators of value-added products (Sachs, 2005). The EPAs incentivized African nations to open their markets to European goods, which were often subsidized, creating an uneven playing field. African industries, unable to compete with cheap

European exports, were further stifled in their attempts to diversify and industrialize. The dependency model thus suggests that EU policies, while promoting economic growth in some sectors, ultimately keep African countries in a subordinate position within the global economic system, hindering their ability to develop competitive economies and manufacturing sectors that can thrive independently of European markets.

Contrarily, the partnership model, which is the actual model today, proposes a more equitable framework for EU-Africa relations. The partnership model envisions Africa and Europe as equal partners working together toward shared goals of economic development, sustainability, and social progress. This approach emphasizes mutual respect, where both parties recognize each other's development priorities and work collaboratively to address common challenges such as poverty, climate change, conflict, and economic inequality. The EU-Africa Strategy, first articulated in 2007 and revised in 2017, provides a framework for this kind of partnership. It emphasizes that the relationship between Africa and Europe should not be based on aid dependency but should focus on fostering economic cooperation, regional integration, and shared prosperity (European Union, 2017).

Under the partnership model, EU support is intended to complement Africa's development goals, particularly those outlined in Agenda 2063 of the African Union (AU). This framework aims to promote Africa's economic self-sufficiency, industrialization and regional integration through initiatives such as the African Continental Free Trade Area (AfCFTA), which seeks to create a single market for goods, services and capital across the continent. The EU has supported this initiative through funding, technical expertise and capacity-building in areas such as infrastructure development, trade facilitation and cus-toms management which are essential for the successful implementation of the AfCFTA.

Support for Africa's regional economic communities (RECs) (such as ECOWAS, SADC, and the East African Community (EAC)) also reflects the EU's commitment to a partnership-based model. These RECs serve as building blocks for Africa's broader integration strategy, and EU support has focused on strengthening their institutional capacity to manage trade, resolve disputes and implement economic reforms. For example, the EU-Africa Infrastructure Trust Fund (ITF) [45]has financed cross-border infrastructure projects aimed at

[45] Created in 2007 by the European Commission and European Union Member States, the EU-Africa Infrastructure Trust Fund (EU-AITF) was the first EU "blending instrument" with the objective of promoting infrastructure projects in Sub-Saharan Africa with a regional impact.

improving transportation and energy connectivity between African countries, which is critical for fostering regional trade and integration (European Commission, 2020).

In this model, the EU's role is less about providing aid and more about being a partner that helps African nations build their capacity to manage their own development. The partnership model recognizes that Africa's future lies in its own hands and the EU's role is to provide the resources and expertise needed to empower African countries to lead their own economic transformation. As Moyo (2009) argues, the partnership model promotes inclusive growth and self-reliance, focusing on long-term structural changes that are owned and driven by African countries themselves.

While the dependency model is grounded in a critique of the global capitalist system and the ways in which external powers perpetuate Africa's economic vulnerability, the partnership model offers a more optimistic vision of international cooperation that recognizes the importance of joint solutions and shared interests. However, even within the partner-ship framework, concerns persist about the power dynamics at play. Critics argue that the EU, despite its rhetoric of mutual cooperation, often imposes trade conditions that align with European interests, leaving African nations with limited autonomy (Adebajo,2015).

The implications of these models for African regional integration are profound. Under the dependency model, African integration would be stifled by the continued dominance of external actors, such as the EU, which prioritize their own economic interests over Africa's goals of economic sovereignty and industrialization. African countries would remain trapped in a cycle of trade imbalances, exporting raw materials, and importing finished goods. The dependency model would likely result in a fragmented integration process, where African countries continue to face barriers to intra-African trade and developmental challenges due to their continued reliance on Europe.

On the other hand, the partnership model provides a pathway for self-reliance and economic sovereignty. It emphasizes African ownership of the integration process, with a strong support from the EU. If implemented correctly, this model can lead to deeper regional integration, where African countries collaborate to build a single market, develop competitive industries, and enhance trade facilitation. The partnership model could allow Africa to leverage its resources, human capital, and geopolitical positioning to assert itself on the global stage.

The debate between the dependency and partnership models highlights the fundamental challenge of external support for African integration. While the dependency model warns of the risks of continued economic exploitation and unequal trade relations, the partnership model offers a vision of collaboration that focuses on mutual benefit, respect, and African-led development. Moving forward, it is essential that EU-Africa relations evolve in a way that truly supports Africa's goals of self-sufficiency, economic autonomy, and inclusive growth. For AfCFTA and other integration initiatives to succeed, the EU must adopt a partnership approach that aligns with Africa's priorities and Agenda 2063 vision.

7.4 EUROPEAN-AFRICAN PARTNERSHIP IN REGIONAL INTEGRATION

The European Union (EU) has played a key role in Africa's regional integration efforts, especially in the areas involving economic cooperation, political stability, and sustainable development. This partnership, rooted in historical ties, has evolved from a relationship based on colonial legacies and trade dependencies into one focused on mutual benefit and shared prosperity. The EU supports African regional integration through a variety of mechanisms, including bilateral and multilateral agreements, policies, programs, and significant financial and technical assistance. These initiatives aim to enhance Africa's intra-regional trade, economic cooperation, and institutional capacity, all of which are essential for achieving economic self-sufficiency and sustainable growth.

The European-African relationship in regional integration on the other hand, is anchored on a series of bilateral and multilateral agreements. These agreements not only address trade liberalization but also focus on peace, security, and development. Bilateral agreements between the EU and various African countries or regional blocs have played an instrumental role in enhancing economic ties and facilitating Africa's regional integration.

One of the most significant bilateral agreements is the Economic Partnership Agreements (EPAs), which the EU has signed with different African regional economic communities (RECs). The primary aim of the EPAs is to promote trade between EU countries and African countries, through the reduction in tariffs and through providing easier access to the European market for African goods. These agreements were initially seen as a tool to provide African countries with preferential access to the EU market, underlining the EU's commitment to development cooperation. However, the EPAs have been a subject of debate. Critics argue that while the agreements open European markets to African goods, they can also undermine local industries in Africa by exposing them to unbalanced competition from European products, often subsidized or highly competitive (Gibbon, 2012). Despite these concerns, the EU has continued to provide technical support to help African countries navigating the complexities of these agreements and enhance their trade capacities.

Apart from these bilateral treaties, the EU is also engaging in multilateral agreements throughout the African region. For example, the Cotonou Agreement (2000) between the EU and African, Caribbean, and Pacific (ACP) countries laid the groundwork for multilateral partnerships that go beyond trade to include human rights, governance, and political dialogue. The Cotonou Agreement aimed to align EU-Africa cooperation with the UN's Sustainable Development Goals (SDGs), ensuring that trade, development, and governance were addressed comprehensively. Additionally, the EU-Africa Strategy, launched in 2007, further deepened EU engagement with the African continent, emphasizing regional integration, capacity-building, and sustainable development (European Commission, 2017).

Similarly, assistance towards the African Union (AU) and its efforts to build synergies among the continent’s regional economic communities such as ECOWAS, the EAC and SADC has been core of EU aid. In this respect the EU has provided assistance towards strengthening the structures of the AU, enhancing inter-regional governance, trade facilitation and transnational relations. This particular collaboration between EU and AU is aimed at creating a single economic space in Africa to promote the African Continental Free Trade Area (AfCFTA) by eliminating market access and tariff barriers and encouraging economic growth on a regional basis.

There are a number of policies and cross-cutting initiatives that comprise areas of interaction between the EU and Africa which are meant for regional integration, economic growth and development. The EU-Africa Partnership which has remained one of the critical tools in the foreign policy of the EU since the early 2000s is one of the key policy strategies of EU engagement with the African continent. Common priorities such as the achievement of economic integration and enhancement of trade as well as the promotion of peace and security, good governance and sustainable development underpin this partnership.

Another significant area of the integration process at the regional level in Africa and at the African Union is the EU strategy for African regional integration is its support for trade liberalization and economic cooperation. The EU supports the AfCFTA efforts to create a continental free trade area, promoting intra-Africa trade and regional economic cooperation. The European Union's support in the African Continental Free Trade Area is very important since this agreement tries to create a common market of goods, services and investments across Africa, hence enhancing the region's competitiveness both in trade within the region and outside it (European Commission, 2020). In addition, the EU also offers assistance in the customs development, trade regulation as well as with standards harmonisation for the AfCFTA signatories.

The EU has also promoted governance and institutional development across Africa through policies that encourage transparency, accountability, and democratic governance. Programs like the European Instrument for Democracy and Human Rights (EIDHR) have supported African nations in strengthening governance structures, which is essential for maintaining political stability and supporting economic growth. However, the pressure to adopt Western-oriented governance structures can sometimes conflict with African countries' unique political and cultural contexts, posing challenges for nations attempting to create governance frameworks that align with both local values and global standards (Borelli, 2016).

In recent years, the EU has prioritized sustainability and climate resilience in its African partnerships, aligning with its Green Deal [46]and commitment to global sustainability. This has included funding and technological support for renewable energy projects and climate adaptation initiatives, which are vital given Africa's vulnerability to climate change. However, the EU's emphasis on environmental sustainability sometimes creates tensions with African countries' needs for rapid economic development and industrial growth. Balancing the EU's high environmental standards with the realities of Africa's development stage can be challenging, as African governments must consider both environmental imperatives and their economic aspirations.

There has always been active financial and technical assistance from Europe. In fact, European Union has allocated billions of euros in different developmental assistance programs aimed at promoting regional integration and economic development in African continent.

[46] The European Green Deal – A commitment to future generations
The European Commission has adopted a set of proposals to make the EU's climate, energy, transport and taxation policies fit for reducing net greenhouse gas emissions by at least 55% by 2030, compared to 1990 levels

As part of its development assistance to Africa, the European Development Fund (EDF) has focused on a number of areas including: improving infrastructure, trade relations, social services and building of capacities. For instance, construction of transport corridors, energy and power grids, and digital infrastructure are all covered under infrastructure development programs of Africa supported by the EDF.

In addition to the financial aid, the EU also contributes to the African states and organisation by providing significant technical assistance. This includes, fostering trade negotiations, economic policymaking and governance. The EU, through projects such as the Technical Assistance Facility (TAF) and the EU-Africa Capacity-Building Programme works with African countries to create institutional frameworks for the successful implementation of regional integration mechanisms like the AfCFTA. Some of the key areas where the EU supports African states to better their management of cross border trade and logistics include modernization of borders and their processes, trade facilitation programs and technical education of the officials.

More to that, it turns out that the EU also plays an important role in the private sector development on the African continent via the EU External Investment Plan (EIP) for instance. The main aim of the EIP is to push the private investors to African countries through funding projects in different fields such as infrastructure, renewable energy and technology transfer. Investment from the private sectors supported by the EU enhances globalization, industrialization and development of new local businesses which are crucial for the efficient growth and integration of regions.

Once again, these policies were more relevant to the outcome of African Integration as they have shaped Africa's economies, trade patterns and governing structures, which are both enablers and constraints to the aspirations of integration in the continent. African integration has been facilitated in some respects by the European Union through the conclusion of trade agreements which EPAs were the most relevant. Aimed at promoting free trade policies, the EPAs have tended to favour African countries' access to European markets due to the growing exports and increased prominence of African brands in Europe's many markets.

Nonetheless, if these agreements have promoted exports then it is possible that they would have the effect of compelling Africa countries to implement policies which lower the trade barriers for Europe's goods which pose a threat to the existing local industries that are not yet globally competitive. This means that at times slows down the capacity of most African economies to be able to broaden and build strong industries that can stand on their own (Gibbon, 2012).

Also, the EU in addition to it trade relations has been able to support some tangible results including the AfCFTA and the REC's through its financial and technical resources. The participation of the EU in these initiatives has augmented the institutional capacity of African organisations, harmonisation of policies, reduction of trade barriers and ease of cross-border trade. Surely, these efforts had boosted African institutions and empowered them to lay their hands on integration activities and coordination of economic policies of member countries. However, there are also those who argue that the EU's models and policy norms now and then pull in different directions to what Africa wants in terms of integration and may limit the scope for African countries to determine the regional development model. This focus on standards which are all in compliance with the EU requirements while in some aspects does enhance, does restrict as to how the African leaders would want to pursue strategies of integration which are relevant to their regional contexts (European Commission, 2020).

The policies have further promoted good governance needs such as the likelyhood for the EU to have incorporated other policies to steer African nations toward governance and institutional development. Some programs like the European Instrument for Democracy and Human Rights (EIDHR) have managed to enhance the governance structures of African countries which is crucial for the sustainability of politics and for faster economic advancement. On the other hand, the imposition or the need to develop western models of governance seems to be at odds with the political and cultural contexts of African states and introduces problems for those states that seek to integrate the local and global governance contexts and value systems as well (Borelli, 2016).

Furthermore, the EU declared on 2020 its focus on climate adaptability as well as sustainability in the context of its GVC Africa Strategy[47]. This has included provision of development assistance as well as technological expertise in renewable energy's project and climate change adaptation initiatives which are very critical considering the fact that Africa is the continent most affected by climate change. However, in some instances, the EU's strict environmental standards are at odds with the short-term development goals of many Afri-

[47] GVC integration could accelerate structural transformation in Africa if combined with upgrading. Trade in value added serves to measure global value chains

can countries. It is difficult to reconcile the strict EU environmental standards with the development stage of Africa which is presented with several growth opportunities at the expense of the environment.

7.5 EUROPEAN GOVERNANCE MODELS AND THEIR IMPACT

The European Union (EU) represents one of the most successful examples of regional integration in the world. Over decades, European nations have developed governance structures that enable them to work together economically, politically and socially. It overcoming the challenges of cultural, linguistic and economic diversity. These govern-ance models, particularly within the EU framework, have been central in promoting not only economic cooperation but also political stability, security and long-term growth. As Africa embarks on its own journey toward regional integration, there are important les-sons to be learned from Europe's experience. However, the application of these lessons requires a careful understanding of the unique challenges and opportunities within the African context. This section provides a comparative analysis of European and African governance structures, evaluates the lessons learned from European integration, and dis-cusses the applicability of these lessons to the African context, particularly in terms of regional cooperation and economic integration..

7.5.1 Comparative Analysis of European and African Governance Structures

At the core of Europe's successful integration lies the EU governance structure, which combines supranational and intergovernmental elements to balance the interests of member states with the need for collective action. The European Commission, which is responsible for policy initiation and enforcement, plays a central role in ensuring the coherence of the European Single Market and Common Policies. Alongside the European Parliament, which represents the citizens of EU countries, and the Council of the European Union, which represents national governments, the EU has created a complex system of checks and balances that allows for shared decision-making and responsibility.

The EU's success in promoting economic integration through institutions like the European Court of Justice and the European Central Bank has helped create a robust framework for managing not only trade but also social policies, environmental regulations and economic reforms across a diverse set of countries. The Single Market, which allows for the free movement of goods, services, capital, and people, has been instrumental in reducing trade barriers and promoting economic interdependence among EU members (Baldwin, 2016). This economic cooperation is coupled with institutional support aimed at social cohesion, reducing inequalities, and promoting inclusive growth.

In contrast, African governance structures face significant challenges that stem from both historical legacies and contemporary political dynamics. The African Union (AU), established in 2002, represents Africa's effort to create a unified political and economic entity, but it lacks the institutional depth and enforcement mechanisms seen in the EU. The AU primarily serves as an intergovernmental organization, where decision-making power rests largely with national governments, often hindering the effectiveness of regional policies and agreements. African Regional Economic Communities (RECs), such as ECOWAS, EAC, and SADC, have made strides toward regional cooperation, but they often struggle with weak institutional frameworks, political instability and lack of enforcement power to implement policies uniformly across member states.

Africa's political landscape is characterized by a high level of diversity, both in terms of economic development and political systems. While the EU's governance model relies heavily on supranational institutions that can implement decisions across all member states, Africa's regional integration efforts have been more state-centric, with national sovereignty often taking precedence over collective action (Borelli, 2016). African countries are often reluctant to cede sovereignty to regional institutions, which creates challenges in creating a coherent governance framework for economic integration and policy harmonization across the continent.

One of the key differences between European and African governance structures is the level of institutional capacity. The EU has invested significantly in building strong administrative structures capable of managing complex economic policies and ensuring compliance with the EU acquis communautaire (the body of EU law). Contrarily, many African institutions, such as the African Union Commission and regional bodies like ECOWAS, are often underfunded and lack the political backing required to enforce regional agreements. The EU's success has been driven by its ability to combine shared sovereignty with strong supranational institutions, whereas African institutions often operate within the confines of intergovernmental cooperation, making it difficult to achieve policy uniformity across member states.

7.5.2 Lessons Learned from European Regional Integration

The European experience provides several key lessons for African regional integration, particularly in terms of institutional design, economic cooperation and political cohesion. The EU's model is considered as leader in term of how regional integration can be successfully managed. However, these lessons must be adapted to Africa's specific political and economic realities.

Institutional Strengthening

A critical lesson from the EU's experience is the importance of institutional strength in managing regional integration. The European Commission and the European Parliament are the driving forces behind EU policy development, ensuring that policies are coherent, enforceable and aligned with the overarching goals of the EU. For African regional integration to succeed, the AU and the RECs must build stronger institutional frameworks that can facilitate policy implementation and coordination across diverse member states. Strengthening the African Union Commission and ensuring that it has the necessary financial resources and technical expertise to implement policies is essential for fostering economic integration and ensuring regional stability (Adebajo, 2015).

Commitment to Economic Cooperation

Another lesson is the EU's commitment to economic cooperation. The European Single Market is a testament to the power of trade liberalization and economic interdependence. The actions made by the EU including the remove of trade barriers, harmonization of regulations and creation of single market, promote economic growth and enhance competitiveness within the region. For Africa, the AfCFTA (African Continental Free Trade Area) offers a similar opportunity to create a unified market for goods, services and investment. The EU's success in promoting economic cooperation through customs unions, free trade areas and trade facilitation programs provides a valuable framework for intra-Africa trade and can help African economies reduce their dependence on external markets and industrialize.

Political and Social Cohesion

The EU's approach to political and social cohesion has been another key to its success. The EU has made significant strides in creating a sense of European identity while respecting cultural diversity. This social cohesion has been integral in reducing nationalistic tensions and promoting political stability within the union. For Africa, political cohesion is equally important, especially given the continent's history of colonial divisions, ethnic conflicts, and political instability. African regional integration efforts must focus not only on economic cooperation but also on fostering political stability and social inclusion. Ensuring that the benefits of integration reach marginalized groups, such as women, youth, and rural populations, is essential for creating a more cohesive and inclusive Africa.

7.5.3 Applicability to the African Context

Despite the success of The EU governance model, It application in the African context must be approached with caution. Africa's political, economic and social realities differ significantly from those of Europe, which makes the replication of European models difficult without significant adaptation.

Institutional Context

African countries have to be the primary drivers of their integration processes and in the process localize EU styled governance systems. African countries should prioritize the important African regional governance institutions such as the African Union and RECs and ensure those are properly supported to oversee such complexities existing on the continent. These institutions must be part of the enhancement process to strengthen and empower regional trade and cooperation policy implementation. It is these political and financial resources that will determine their effectiveness. For the success of the African integration process, the African Union's role in advocating peace, security and governance needs to be enhanced as well.

Political Will and Sovereignty

One of the problems that has continued to impede effective regional integration in Africa is the ever-present issue of regional sovereignty. In Europe, for example, member states relinquished some of their sovereignty to EU institutions voluntarily but in Africa, countries are fiercely protective of their sovereignty which makes it difficult for them to cede authority to supranational institutions. African countries remain deeply invested in their national sovereignty and are often reluc-tant to give up authority to supranational institutions. Economic Cooperation and Market Integration Within Africa, the objective of greater economic integration is hampered by the fact that regional trade infrastructure needs to be established accompanied by the reduction of non-tariff barriers as well as the adjusting of regional economic policies to the objectives of the AfCFTA. For integration to succeed in Africa, cooperation and voluntary pooling of sovereignty will be necessary, but it must be done in a way that respects national interests while pursu-ing the common good of the continent

7.6 EVALUATION OF EUROPEAN SUPPORT

The European Union (EU) has been quite active in improving the development of Africa and its regional integration for a number of years now. The Union has been able to contribute tremendously to Africa's economic development, institutional building and regional integration through various programs, policies and financial aid mechanisms that are available. Even so, with Africa still battling with such challenges as economic dependency, politics, social and even ethnic divisions, it is necessary to assess the impact of EU support. Within this section, I analyze how European integration has contributed to the integration of African countries into the global economy, providing examples of achievements, problems and perspective directions for enhancement of EU Africa partnerships.

7.6.1 POSITIVE IMPACTS OF EUROPEAN SUPPORT

The positive impact of European assistance to Africa can be noted on trade facilitation, institutional development and infrastructure investments. For decades, Africa has received foreign assistance from the EU and this was done through various means including the European Development Fund (EDF) and trust funds based in the EU.

Trade and Economic Cooperation

Nations have succeeded in coordinating trade cooperation as demonstrated by the successful relations between the EU and Africa and which stems from all forms of trade. Due to the Economic Partnership Agreements (EPAs) which promote trade between EU and the African countries, these countries now have a preferential status to access EU markets. Such agreements have facilitated the importation of different categories of products into Europe from Africa (agriculture products, industrial products and minerals) leading to expansion of African exportation into European countries. In addition to this, the EU provided support to these kinds of African development initiatives aimed at intra-regional economic integration by offering both technical and financial resources to relevant African countries in order to pursue trade liberalization and regulatory reform measures across the region (European Commission, 2020).

Institutional Strengthening and Capacity-Building.

The European assistance has equally located the African institutions firmly. The EU has played an instrumental role in supporting good governance, rule of law and democratic reforms across Africa. There are a number of programs, including the EU Instrument for Democracy and Human Rights (EIDHR) and Africa's Governance Facility, which focus on strengthening the democratic systems of African countries and regional organizations. The EU also provided funds and technical support for the capacity development of AU and RECs so as to enhance their contribution towards the economic integration of the continent (Borelli, 2016).

Infrastructure Investment.

The European Union has been in the forefront of advocating for infrastructure development in Africa. For instance, the African Infrastructure Trust Fund (AITF) has allowed the EU to fund the building of transportation means, energy systems and communication systems that have enhanced economic integration and connectivity of African sub regions. Such investments have gone a long way in reducing trade costs and free movement of goods, services and people across borders which are necessary for optimum regional integration in Africa.

7.6.2 Challenges and Criticisms of European Support

Despite the positive aspects, it has been seen that the EU aid to Africa has attracted much criticism, especially regarding the impact of the assistance on Africa's development problems, dependency as well as sustainability concerns.

Trade and Economic Dependence

One of the main arguments towards the EU support is that trade relations, particularly the EPAs, have resulted into dependency on Europe. While these agreements give African countries the opportunity to access the European market, they tend to encourage African countries to lower trade and tariff barriers which may open up local markets to competition of subsidized European goods. This will stifle the growth of local industries in Africa especially agriculture and manufacturing and will negatively affect the diversification efforts of the continent's economies (Gibbon, 2012). It is alleged that the EU's pursuit of free trade has been at the expense of African governments and other bodies as it often overlooked the need for industrial protection and policy space for African governments to support nascent industries and economic diversification.

Furthermore, insufficient support for industrial development in the continent when trade restrictions are eased means that the African economies are perpetually locked in raw material and commodity exports, instead of embracing the creation of value added industries. Therefore, African countries have found it hard to shift their dependency on European outlets for manufactured products which also presented an opportunity to broaden inter African trade and establish regional value addition chains.

Implementation and Effectiveness of Aid Programs

Despite the EU's significant investment in Africa's development, there are concerns about the effectiveness of some of its aid programs. Africa's governance structures are often criticized for their lack of cohesion and coordination, which hampers the implementation of EU-backed initiatives. The African Union and regional organizations such as ECO-WAS, SADC, and EAC often struggle with bureaucratic inefficiencies, insufficient fund-ing, and weak political will, which make it difficult for them to fully implement EU-supported programs (Borelli, 2016). Donor fragmentation has also been a challenge, as multiple EU member states and agencies provide support in overlapping sectors, leading to inefficiencies and lack of coordination on the ground.

Sustainability and Long-Term Impact

Another important objection relates to the sustainability and long-term effects of European support. While the EU has contributed significant resources to infrastructure projects and capacity-building, critics presents that these efforts have often been short-term and did not lead to long-lasting structural changes in African economies. Many of the infrastructure projects funded by the EU have relied on external contractors and have not created sufficient local ownership or capacity-building to ensure their long-term sustainability.

7.6.3 Recommendations for improving EU-Africa Partnership

In order for the forthcoming EU–Africa partnerships to be more constructive and equally beneficial to both parties, several recommendations can be made to address the challenges identified above. Firstly, The EU should reframe its approach to trade liberalization in Africa to focus on economic diversification and industrialization. This means supporting African countries in building local industries, particularly in the manufacturing and agriculture sectors, through target-ed industrial policies and trade protections that help nascent industries grow and become competitive. The EU should focus on technology transfer, skills development and investments that foster value-added production and regional value chains within Africa. This will help African countries reduce their dependence on raw material exports and enable them to take advantage of regional integration as a means of creating sustainable economic growth.

Secondly, Strengthening Institutional Capacity of African regional institutions like the African Union (AU) and regional economic communities (RECs), but with a focus on ensuring that these institutions are more effective and accountable. This means providing financial support for institutional reforms, increasing the transparency of governance processes. The EU must ensure that African institutions have the political backing and financial resources to implement regional integration policies effectively. This approach will also involve fostering stronger partnerships between European and African institutions to create joint decision-making processes that reflect the needs and priorities of African nations.

In addition, the EU must prioritize coordination and local ownership of development initiatives to improve the effectiveness of its aid programs. This includes working closely with African governments, local communities, and regional organizations to ensure that EU-backed programs are aligned with the development priorities of African countries. The EU should support bottom-up development initiatives that engage local stakeholders and build local capacity to manage and sustain development projects over the long term. EU-Africa partnerships should also focus on reducing donor fragmentation, aligning EU and African development goals, and ensuring that financial support is well-targeted and impactful.

Finally, the EU should integrate long-term sustainability into its development cooperation with Africa, with a focus on environmental sustainability and inclusive growth. This includes supporting African countries in their efforts to transition to green economies, address climate change, and promote social inclusion through gender equality, youth empowerment, and poverty reduction programs. The EU Green Deal and EU-Africa partner-ship on climate change provide a strong framework for collaboration on sustainable development, with a focus on energy access, climate adaptation and resource efficiency in Africa.

7.7 FUTURE PROSPECTS AND EMERGING TRENDS

As the African continent and the European Union (EU) integrate beyond this relationship, there are several emerging areas that are likely to transform their relationship. The expectation of a balanced, win-win partnership will depend on how these regions deal with the digital transformation, climate change, competitive geopolitics, intra-African trade, migration, health issues, and the new leadership of the African countries. These issues are not only essential for Africa’s integration and development but also highlight the helpful role the EU may play in helping Africa achieve self-sufficiency and sustainable development.

Digital Transformation and Innovation embodies perhaps the most viable opportunity for economic growth and integration for Africa. There have been increases in Africa’s uptake of digital technologies, from mobile bank services to e-commerce platforms, broadening opportunities for economic participation and employment. The EU has also supported Africa’s digital initiatives through various programs such as the D4D Hub. This support was founded on the conviction that Africa must be digitally connected engenders economic stability and integration (European Commission, 2020).

Future EU-Africa cooperation in this space can facilitate the establishment of a “Digital Single Market” across Africa, enabling free data flow, cross-border digital services, and regional e-commerce. This focus aligns with Africa’s Agenda 2063, which envisions a continent that leverages innovation to drive inclusive and sustainable development (African Union, 2015). With the EU’s support in infrastructure, digital skills, and regulatory frameworks, Africa could become a digital powerhouse, enhancing productivity, trade, and regional integration.

Climate Action and Green Transition are also determining factors on how the future relationship between the European Union (EU) and African nations could look like. The EU’s Green Deal, which contains as its ultimate goal the net-zero emissions of carbon by the year 2063, contains a model of sustainable transition and provides a framework for supporting African green initiatives (European Commission, 2019). The European union has collaborated with some African countries in the areas of renewable energy projects, sustainable agriculture and biodiversity conservation by providing both funds and technological knowhow.

Nurtured under the auspices of this Initiative, the EU-Africa Green Energy Initiative [48]aims to enhance Africa’s access to clean and affordable energy, thus promoting Africa’s own objectives of achieving a resilient and sustainable economic transformation. This green partnership helps to accomplish not just the reduction of climate impacts but also contributes to Africa’s strategy of achieving diversity within the continent’s economy while reducing the over-reliance of extractives (European Commission, 2020). But at the same

[48] The Africa-Europe Green Energy Initiative aims to engage European and African public and private sector actors to increase electricity production and access to energy, promote energy efficiency, support reforms for a conducive regulatory environment for private investment, and foster market integration.

time, it has to be understood that in realizing this transition, Africa's economic requirements must be given due consideration in terms of achieving growth which is eco-friendly.

The evolving Geopolitical Alliances bring further complexity to the EU-Africa relations. Over the last decade, China, via its Belt and Road Initiative, has become a dominant funder of African infrastructure which focused mainly on transport, energy, and telecommunications. Though the willingness of the Chinese to come to Africa has offered some alternate ways of funding, this too has ratcheted up the competition for control. As a result, the EU has restated its Africa strategy arguing for a new model based on transparency, sustainability, and local capacity as opposed to just building infrastructure (Borelli, 2016).

Intra-African Trade as well as Economic Diversification are in the same nexus of Africa's economic aspirations and a key dimension in European Union-Africa relations. The launch of the African Continental Free Trade Area is another landmark achievement in the quest for an African single economic market which is projected to enable cross-border trade among African countries to surge by as much as 52 per cent by the year 2022 (African Union, 2018).

EU allows African nations to add value to their commodities to become less dependent on foreign markets and increase their economic strength. In light of Africa's vision of developing regional value chains, the EU focus on improvement of trade and industrial development can help develop a more balanced economies of African countries which will be more competitive on the global markets thus decreasing dependance on raw materials exports and making Africa a production and service center (Gibbon, 2012).

Development and migration remain tangled and sensitive issues in the context of EU-Africa relations. Migration and the factors that underpin conflict, poverty, and climate change are interrelated issues that Europe still grapples with. EU Compacts on migration further recognize the need to address factors for migration through the development of African countries (European Commission, 2020). Pro-active measures should include making Africa self sufficient by creating more jobs, increasing educational opportunities, and improving healthcare to lower the irregular migration.

The COVID-19 pandemic promoted Public Health and Resilience as it was the most revealing illustration of areas of weakness in the health systems and the apples that there is need to secure health across the globe. In this regard, the EU and Africa have a lot to gain in working together in the enhancing of their health systems and disease surveillance and control as well as procurement and distribution of essential health commodities. For instance, the EU expressed willingness to assist in the improvement of Africa’s health care system and access to vaccines through such programs as Team Europe which aided during the pandemic with provision of vaccines and health support (European Commission, 2021). Additional funds towards health systems in Africa will be vital in building an active and resilient workforce that will in turn enhance progressive growth in the region. Such health responsiveness is consistent with the aims for both regions with regard to embracing a global approach to health and equity in health service delivery.

Lastly, African agency and leadership are shaping the parameters of the future relations between the EU and Africa, as African countries are now taking charge of their own development paradigms. African leaders through, for example, Agenda 2063 and the African Continental Free Trade Area are naturally defining their integration and development objectives as well as attracting collaborating partners who honor their autonomy while upholding African agenda. For EU-Africa relations to thrive, Europe must recognize and support this agency, providing assistance that aligns with Africa’s vision for economic independence, social cohesion and sustainable growth. A partnership that genuinely respects African leadership will enhance cooperation and foster trust, laying the foundation for a more balanced relationship.

The evaluation of European support for African regional economic integration underscores the importance of strategic partnerships in addressing governance challenges, fostering technological advancements, and promoting sustainable development. While these collaborations provide valuable lessons and resources, achieving Africa's long-term integration goals under Agenda 2063 requires a proactive and scenario-based approach to policy design.

8. SCENARIO ANALYSIS 2063 FOR AFRICAN INTEGRATION: POLI-CY RECOMMENDATIONS

Africa, today, has some opportunities and it is quite near to achieving its ambitious goal of integrating the continent at the regional level and pursuing economic advancement as well. The African Continental Free Trade Area (AfCFTA) represents one of the most ambitious and promising initiatives to unify the continent’s economies under a single market framework, aiming to boost intra-African trade, enhance competitiveness, and foster sustainable economic growth. However, the success of this transformative agenda depends on overcoming a complex web of challenges that vary significantly across the continent. Each country presents a unique combination of strengths and weaknesses in areas such as governance, technological infrastructure, and trade volume, which are all vital compo-nents for a functioning integrated market.

The year 2063 is a turning point in Africa’s bite into the integration effort as it coincides with the vision 2063 of the African Union Agenda. This Agenda 2063 articulates the African commitment to economic cohesion as a means of deepening political relations enhancing socio-economic development and competitiveness in the global setting. This vision of 2063 embodies not only the economic ambitions of African nations but also their shared aspirations for unity, resilience, and self-reliance. Yet, realizing this vision necessitates a clear understanding of each country’s readiness to engage in a continental free trade area and the policy interventions required to bridge existing gaps.

There is great potential for regional integration especially with the combined population of more than 1.3 billion people and over 54 countries that are in the continent. If well undertaken, integration can enhance economic structural changes, employment generation, poverty alleviation and foster political stability. It would enable African countries to trade on fairer terms internationally as well as internalizing strong integrated inter-country African business so as to decrease reliance on external countries. But such vision is faced with diverse challenges which include variation in governance efficiency, level of technological evolution and the flows of economic development among the nation states.

Chapter 8 presents a data-driven scenario analysis that evaluates the varying capacities of African countries to achieve successful regional integration by 2063. This chapter sheds light on the readiness of each country to participate in and benefit from AfCFTA. Governance is a cornerstone for any integration process, as it influences political stability, transparency, and the efficiency of regulatory frameworks. Technology, particularly digital infrastructure, is crucial in modern economies to facilitate efficient cross-border transactions, communication, and the seamless movement of goods and services. Trade volume, meanwhile, reflects a country’s level of economic engagement and willingness to integrate with neighboring markets. Together, these factors offer a comprehensive picture of each country's potential to align with the objectives of AfCFTA.

The scenario analysis in this chapter is structured around three primary categories: High Integration Potential, Moderate Integration Potential, and Low Integration Potential. These categories reflect the relative readiness of each country to integrate, based on their current standings in governance, technology, and trade. High-potential countries are those that excel across these dimensions and are poised to lead the way in regional integration efforts. Moderate-potential countries have some foundations in place but require targeted improvements to fully engage in AfCFTA. Low-potential countries face significant structural challenges and may need substantial foundational reforms to participate meaningfully in the integration process.

This chapter's objective is not only to provide a snapshot of the current landscape but also to project possible future scenarios that Africa may encounter on its path to integration by 2063. These scenarios aim to offer policymakers insights into the specific areas where interventions are most needed, whether that involves strengthening governance, investing in digital infrastructure, or enhancing trade networks. The use of a nuanced approach recognizes each country's unique context. This analysis seeks to highlight pathways that could accelerate Africa's collective progress toward Agenda 2063.

The analysis reveals several key insights. For instance, only a handful of countries exhibit high integration potential, underscoring the importance of using these nations as regional anchors to support and drive broader integration efforts. A larger group of countries falls into the moderate-potential category, signaling that, with targeted investments in technology and governance, these nations could quickly enhance their integration capabilities. However, a notable portion of countries faces low integration potential, often due to limited governance frameworks, inadequate infrastructure, and minimal engagement in trade activities. For these nations, incremental progress will be essential, supported by international aid and partnerships focused on building foundational capacities over time.

In the policy recommendations section, the chapter provides actionable strategies tailored to each scenario category. High-potential countries are encouraged to lead AfCFTA-related initiatives, potentially acting as hubs for trade, technology, and governance reforms. Moderate-potential countries are advised to focus on closing specific gaps to enhance their integration readiness. Low-potential countries are advised to concentrate on foundational reforms and capacity building, supported by international development programs to overcome fundamental barriers to participation. Ultimately, This section serves as a roadmap for realizing the aspirations of Agenda 2063.

8.1 METHODOLOGY

The methodology for this scenario analysis centers around three critical variables that are seen as foundational pillars for successful integration within the African Continental Free Trade Area (AfCFTA): Governance Quality, Technological Advancements, and International Partnerships. Each of these variables plays a unique role in determining how prepared individual African countries are to join a cohesive, interconnected economic framework by 2063 which is aligned with Agenda 2063. This analysis examines each country's progress along these dimensions becomes essential for planning and policy-making as a part of the agenda vision

1. Governance Quality (G)

Governance quality, represented by the World Bank Governance Indicators, forms the backbone of this analysis. These indicators encompass key aspects of governance, including political stability, government effectiveness, regulatory quality, and control of corruption. Together, they reflect a country's institutional strength, transparency, and ability to create and enforce policies that encourage investment, economic stability, and social trust.

The importance of governance in the context of African integration cannot be overstated. A well-governed country is likely to attract domestic and foreign investments, which are crucial for economic development and, by extension, for meaningful participation in AfCFTA. High governance quality implies a stable political environment where businesses can operate with predictability, minimizing risks that might deter trade and economic engagement. Effective regulatory frameworks make it easier to align trade policies and tariffs with those of other AfCFTA member countries, thereby facilitating smoother cross-border interactions and harmonizing regulations within the region.

In contrast, countries with lower governance quality may face challenges such as corruption, inconsistent policy enforcement, and political instability, which can create barriers to integration. For these countries, strengthening governance would be a primary step toward building the trust and efficiency needed for successful economic cooperation within the continent. In this analysis, governance quality is assigned the highest weight, 40%, underscoring its critical role in establishing the foundation necessary for regional integration.

2. Technological Advancements (T)

Technological advancements, measured by Internet Penetration Rates, represent the level of digital infrastructure and connectivity in each country. Internet penetration rates are a significant indicator of a country's readiness to participate in modern economies, where digital platforms play a transformative role in facilitating trade, enhancing communication, and streamlining administrative processes. For a region as diverse as Africa, digital infrastructure has the power to bridge physical distances, enabling seamless trade transactions and fostering interconnected markets.

In the context of AfCFTA, technological advancements are essential for implementing digital trade systems, secure cross-border transactions, and real-time communication between business partners and regulatory agencies across the continent. High internet penetration not only supports e-commerce but also opens doors to innovations such as mobile banking, digital supply chain management, and e-governance. These advancements reduce trade barriers, cut down transaction costs, and promote financial inclusion by reaching even the most remote regions.

For countries with low internet penetration, limited connectivity can act as a significant obstacle to participating in a unified market, as they may struggle with delays in communication, lack of access to digital financial services, and inefficiencies in trade processes. In this analysis, technological advancements are given a 30% weight, reflecting their substantial, though secondary, importance after governance quality in fostering integration within AfCFTA.

3. International Partnerships (P)

The third pillar, International Partnerships, is represented by Trade Volume. Trade volume serves as a proxy for each country's current level of economic engagement and its openness to cross-border trade and international partnerships. A high trade volume indicates a country that is actively participating in the global economy, trading goods and services at substantial levels and likely possessing the infrastructure and regulatory mechanisms necessary for sustained economic interactions. High trade volumes also signal a country's readiness to further increase its trade activities with other African nations under AfCFTA.

International partnerships, as indicated by trade volume, play a critical role in a country's ability to integrate within AfCFTA because they demonstrate the existing trade networks and supply chain connections that can be expanded upon within the regional framework. Countries with substantial trade volumes are more likely to embrace AfCFTA's provisions, as they already have trade systems in place that can be adapted to regional standards. These countries can also serve as economic hubs, potentially becoming centers of trade, finance, and logistics within Africa.

For countries with low trade volume, integration may present greater challenges, as these nations may lack the infrastructure, regulatory systems, or economic diversity required to engage in high levels of trade. Limited trade volume could indicate a reliance on domestic markets, barriers to export, or economic constraints that make cross-border engagement difficult. For these countries, expanding trade partnerships and building up export capacity would be crucial steps toward engaging in AfCFTA.

In this analysis, international partnerships via trade volume are assigned a 30% weight, recognizing their vital, though complementary, role in supporting governance and technology in fostering economic integration across Africa.

Weighting and Calculation of the Integration Score

The next step in the methodology involves calculating an Integration Score (IS) for each country. This score is designed to provide a standardized assessment of each country's integration readiness, considering governance, technology, and trade as primary factors. Each factor's raw value is normalized to fit a 0-3 scale, ensuring that countries with differing absolute values can still be compared meaningfully on a standardized scale.

The weighted formula used for calculating the Integration Score is as follows:

$$\mathbf{IS=(wG\times G)+(wT\times T)+(wP\times P)}$$

where:

- **G** is the normalized Governance Quality
- **T** is the normalized Technology Advancement score
- **P** is the normalized Trade Volume
- **wG**=0.4, **wT**=0.3 and **wP**=0.3

This approach assigns the highest importance to governance quality (40%), followed by technology and trade (each at 30%). Through the calculation of Integration Score, I aim to identify the relative readiness of each country to successfully engage in a unified African economic landscape by 2063.

Scenario Categorization

Based on the calculated Integration Scores, each country is categorized into one of three scenarios:

- *High Integration Potential:* Countries with Integration Scores above 2.0. These nations exhibit strong governance, advanced technology infrastructure, and high trade volumes. They are likely to lead in AfCFTA implementation, serving as economic anchors and hubs within Africa.
- *Moderate Integration Potential:* Countries with Integration Scores between 1.0 and 2.0. These countries show reasonable readiness for integration but require targeted improvements in one or more areas to fully capitalize on AfCFTA's benefits.
- *Low Integration Potential:* Countries with Integration Scores below 1.0. This group faces substantial barriers across governance, technology, and trade. These countries may require foundational reforms and significant international support to participate meaningfully in the regional economic framework.

High-potential countries can act as models, moderate-potential countries can focus on strategic improvements, and low-potential countries can prioritize foundational reforms. This differentiated approach enables African nations to progress toward integration at their own pace, ultimately contributing to a more unified and resilient African continent by 2063.

8.2 DISCUSSION AND RESULTS

Through the scenario analysis, it is possible to understand the integration readiness of different African countries for 2063. A deeper understanding of each country's quality of governance, level of innovation and trade output allows us to understand the workings of AfCFTA and those factors that accelerate or impede its further development. The findings classify countries into three. High Integration Potential, Moderate Integration Potential and Low Integration Potential. Different scenarios have different characteristics for strengths, weaknesses and policy effects. The findings are depicted in the table below.

Table 13: Integration Scores and Scenario results

Country	**Integration_Score**	**Scenario_Category**
Algeria	0.8695670512968506	Low Integration Potential (Scenario 3)
Angola	2.0550578353355027	High Integration Potential (Scenario 1)
Benin	1.9892981184154752	Moderate Integration Potential (Scenario 2)
Botswana	1.4930739928431258	Moderate Integration Potential (Scenario 2)
Burkina Faso	1.4668562378374914	Moderate Integration Potential (Scenario 2)

Burundi		Low Integration Potential (Scenario 3)
Cabo Verde	1.4539074223710031	Moderate Integration Potential (Scenario 2)
Cameroon	1.5318003444587602	Moderate Integration Potential (Scenario 2)
Central African Republic	0.6294086470262175	Low Integration Potential (Scenario 3)
Chad		Low Integration Potential (Scenario 3)
Comoros	1.8449522693018663	Moderate Integration Potential (Scenario 2)
Congo	1.8939543040390114	Moderate Integration Potential (Scenario 2)
Congo	0.855996212894805	Low Integration Potential (Scenario 3)
Cote d'Ivoire	1.8988699180035697	Moderate Integration Potential (Scenario 2)
Djibouti	1.5788653846153844	Moderate Integration Potential (Scenario 2)
Egypt	0.8573569135758617	Low Integration Potential (Scenario 3)
Eritrea		Low Integration Potential (Scenario 3)
Eswatini		Low Integration Potential (Scenario 3)
Ethiopia	1.0178928401060208	Moderate Integration Potential (Scenario 2)
Gabon	1.0407915471634448	Moderate Integration Potential (Scenario 2)
Gambia	1.9497478532096442	Moderate Integration Potential (Scenario 2)
Ghana	1.4028627496248411	Moderate Integration Potential (Scenario 2)
Guinea	1.6218161627189147	Moderate Integration Potential (Scenario 2)
Guinea-Bissau	0.7982599516955403	Low Integration Potential (Scenario 3)
Kenya	1.511259848509796	Moderate Integration Potential (Scenario 2)
Lesotho	1.5655315710492896	Moderate Integration Potential (Scenario 2)
Liberia		Low Integration Potential (Scenario 3)
Libya	0.5599598802155938	Low Integration Potential (Scenario 3)
Madagascar	1.309788521133614	Moderate Integration Potential (Scenario 2)
Malawi		Low Integration Potential (Scenario 3)
Mali	1.41157640809482	Moderate Integration Potential (Scenario 2)
Mauritania	1.0376502566174446	Moderate Integration Potential (Scenario 2)
Mauritius	1.525072145907884	Moderate Integration Potential (Scenario 2)
Morocco	1.4476047558582477	Moderate Integration Potential (Scenario 2)
Mozambique	1.3919621882915079	Moderate Integration Potential (Scenario 2)
Namibia	1.4749971141636846	Moderate Integration Potential (Scenario 2)

Niger	1.3165972209458277	Moderate Integration Potential (Scenario 2)
Nigeria		Low Integration Potential (Scenario 3)
Rwanda	1.9462793786918313	Moderate Integration Potential (Scenario 2)
Senegal	1.4259609834930163	Moderate Integration Potential (Scenario 2)
Seychelles	1.8220939628304285	Moderate Integration Potential (Scenario 2)
Sierra Leone	1.0427294972429162	Moderate Integration Potential (Scenario 2)
Somalia	0.2699411289391666	Low Integration Potential (Scenario 3)
South Africa	1.3799030358998037	Moderate Integration Potential (Scenario 2)
South Sudan		Low Integration Potential (Scenario 3)
Sudan	0.32596153846153836	Low Integration Potential (Scenario 3)
Tanzania	1.5643321131295878	Moderate Integration Potential (Scenario 2)
Togo	0.9889590943801665	Low Integration Potential (Scenario 3)
Tunisia	1.5119819923813922	Moderate Integration Potential (Scenario 2)
Uganda	1.1154608740159326	Moderate Integration Potential (Scenario 2)
Zambia	1.5843756083838376	Moderate Integration Potential (Scenario 2)
Zimbabwe	1.3118857090552292	Moderate Integration Potential (Scenario 2)

Source : Own calculation

Scenario 1: High Integration Potential

Characteristics of High-Potential Countries

The results indicate that only one African country, Angola, currently exhibit high integration potential, with Integration Scores above 2.0. It demonstrates robust performance across governance, technology, and trade. This country showcase a combination of political stability, strong regulatory frameworks, and advanced digital infrastructure, positioning them to capitalize on AfCFTA's opportunities. For example, Angola's strong governance and trade volume are supplemented by a growing digital infrastructure, signaling readiness for deeper economic integration.

Key Outcomes and Implications

Countries within the High Integration Potential category are well-positioned to lead AfCFTA initiatives (Angola). it stable political environment and effective governance make it these countries reliable partners for trade and investment, creating a strong foundation for sustained intra-African trade. High-potential countries (Angola) can act as hubs for regional economic activity, connecting neighboring countries and facilitating cross-border trade and collaboration.

From a policy perspective, this country can also help set standards for AfCFTA implementation, including regulatory alignment and digital trade facilitation. It established digital infrastructure supports e-commerce, digital supply chains, and other modern trade mechanisms that can be expanded across Africa. This country plays a critical role in promoting a cohesive and interconnected African market.

Challenges and Next Steps

While this country is well-prepared for integration, maintaining momentum requires continuous investments in technology and governance to stay aligned with the evolving needs of AfCFTA. High-potential countries should consider forming regional alliances with moderate-potential nations to share resources, technology, and best practices, further expanding the integration benefits across the continent.

Scenario 2: Moderate Integration Potential

Characteristics of Moderate-Potential Countries

The largest group in this analysis consists of countries with moderate integration potential (34 countries), characterized by Integration Scores between 1.0 and 2.0. Examples include Kenya (1.47), Ghana (1.49) and Senegal (1.39), which show promising attributes but have notable gaps in one or more areas. Moderate-potential countries often exhibit reasonable governance and trade levels but may struggle with limited digital infrastructure or inconsistent regulatory frameworks. For instance, Kenya has made strides in governance and trade volume, yet gaps in technological penetration hinder its full integration readiness.

Key Outcomes and Implications

Countries within this scenario are in a strong position to benefit from AfCFTA with targeted improvements. They may not yet be ready to lead integration initiatives, but with strategic investments, they can increase their integration potential. For example, enhancing internet penetration and digital infrastructure would allow countries like Kenya and Ghana to participate more actively in digital trade, positioning them as emerging players in the African market.

These moderate-potential countries represent a crucial "middle ground," where incremental improvements can lead to substantial gains. For example, if moderate-potential countries improve their digital infrastructure or governance standards, they could quickly elevate their status, creating a stronger foundation for AfCFTA. Furthermore, these countries could serve as testing grounds for new trade policies, digital frameworks, and regulatory systems that could be scaled continent-wide if successful.

Challenges and Next Steps

Moderate-potential countries face challenges related to uneven technological progress and varying levels of governance consistency. Policymakers in these countries should focus on improving specific areas, such as increasing access to digital resources, enhancing transparency, and streamlining trade regulations. Partnerships with high-potential countries could be instrumental, providing moderate-potential countries with access to advanced digital solutions and governance models. This collaborative approach could accelerate integration for the continent as a whole.

Scenario 3: Low Integration Potential

Characteristics of Low-Potential Countries

The results reveal that several countries (9 countries) , such as South Sudan and the Central African Republic, fall into the Low Integration Potential category, with Integration Scores below 1.0. These countries face significant challenges in governance, technology, and trade volume, indicating that they may need extensive foundational support to engage fully with AfCFTA. For instance, South Sudan's low governance quality, limited digital infrastructure, and minimal trade volume create substantial barriers to meaningful participation in AfCFTA.

Key Outcomes and Implications

Low-potential countries present unique challenges for AfCFTA. Their low scores indicate a lack of readiness in essential areas, making it difficult for them to engage in the continental free trade area without significant reforms. These countries may require external assistance in building foundational capacities, particularly in governance and technology. For instance, improving political stability and regulatory quality could create a more predictable environment that encourages economic activity and investment.

However, despite these challenges, these countries also represent significant potential. Integration into AfCFTA could provide much-needed economic opportunities, creating jobs, reducing poverty, and fostering resilience. International partnerships and development assistance will be crucial in helping these nations establish the basic frameworks necessary for integration. By gradually building capacity in governance and infrastructure, these countries can progressively improve their readiness for AfCFTA and other regional initiatives.

Challenges and Next Steps

Low-potential countries face complex, multi-dimensional challenges. To move closer to integration, they must address fundamental issues related to governance and economic stability. Immediate priorities for these countries should include initiatives to reduce corruption, improve regulatory quality, and expand digital infrastructure. International development organizations and neighboring African nations can support these efforts through capacity-building programs, infrastructure investments, and governance reforms, enabling these countries to build a foundation for future engagement with AfCFTA.

Comparative Analysis of Scenarios

The categorization of African countries into high, moderate, and low integration potential scenarios reveals critical insights into the continent's path toward regional economic integration. The majority of nations fall into the moderate potential category, signaling that Africa is on the brink of significant integration if strategic investments in technology, governance, and trade are prioritized. These moderate-potential countries represent a pivotal group that, with targeted improvements, could transition into the high-potential category over time. High-potential countries, with their advanced infrastructure and stable governance, play a crucial role as leaders in AfCFTA implementation. They not only participate actively in trade but also act as hubs for regional economic growth, sharing best practices and fostering development across borders. Conversely, low-potential countries face foundational challenges, such as political instability and inadequate infrastructure, which require tailored, incremental strategies. Addressing these barriers through foundational reforms and support mechanisms is essential to build their capacity for integration and enable full participation in AfCFTA over time. Together, these trends highlight the importance of differentiated approaches to harness the potential of all countries in advancing Africa’s regional integration.

Broader Implications for African Integration

The data-driven results underscore that Africa's path to regional integration is achievable, yet diverse in its requirements. With high-potential countries poised to lead, moderate-potential countries ready to progress, and low-potential countries requiring foundational support, a differentiated approach is essential. Each category offers unique strengths and needs, necessitating specific policy interventions that target governance, technology, and trade improvements.

Achieving the vision of Agenda 2063 will require a sustained commitment from both individual countries and regional organizations to address these diverse needs. However, African policymakers can build a more cohesive, resilient, and inclusive continental economy by recognizing and addressing the varying integration potential. Through a collaborative approach that leverages the strengths of high-potential countries, supports moderate-potential countries in targeted advancements, and provides foundational aid to low-potential countries, Africa can collectively progress toward an integrated and prosperous future

8.3 POLICY IMPLICATIONS AND RECOMMENDATIONS

Policy Recommendations for African Governments

The implementation of the African Continental Free Trade Area (AfCFTA) stands as a transformative step toward realizing Agenda 2063, a vision for a unified, resilient, and economically prosperous Africa. Yet, the readiness of each African country to participate in this vision varies significantly. Each government, from those in countries with high integration potential to those facing foundational challenges, has a unique role to play in driving forward the ideals of regional integration.

- High Integration Potential Countries: Leading and Setting Standards

High-potential countries such Angola represents the forefront of Africa's integration movement. This country has scored highly in governance quality, technological infrastructure, and trade engagement, which position it not only to benefit from AfCFTA but to drive its success. For this country, the role is twofold: leading the way by setting standards for regional policies and infrastructure while extending support to other African countries to ensure the continent's collective growth.

Leading AfCFTA Implementation and Harmonization Initiatives:

High-potential countries are primed to become exemplars of AfCFTA's principles by establishing harmonized trade policies, transparent regulations, and efficient cross-border processes. As a reason, Angola must lead the Economic Regional integration in Africa and being the successful model for African countries in the next period.

It capacity to execute these measures not only strengthens their position but also provides a practical framework that other countries can follow. Such leadership will bring consistency across borders, making it easier for other African countries to adopt similar policies, which will collectively enhance the ease of doing business within the continent.

Investing in Digital and Physical Infrastructure to Sustain Competitive Advantage:

With their robust governance and established trade networks, high-potential countries are in an ideal position to make forward-looking investments in digital and physical infrastructure. As leaders, they should expand internet connectivity, develop digital trade platforms, and implement secure and modern payment systems to facilitate cross-border transactions. Physical infrastructure, such as highways, railways, and ports, should be prioritized to improve the transportation and movement of goods. High-potential countries can function as trade hubs, offering essential linkages and distribution routes that connect countries with varying levels of readiness.

Creating Regional Partnerships with Moderate-Potential Countries to Strengthen Economic Ties:

High-potential countries possess the resources, technology, and expertise to assist their moderate-potential neighbors in elevating their integration readiness. Angola, for example must improve it partnerships with other African countries by sharing governance practices, digital innovations, and trade expertise that will help their regional peers overcome specific challenges. Through bilateral and regional trade agreements, joint infrastructure projects, and technical assistance programs, high-potential countries (Angola) can effectively expand the benefits of AfCFTA beyond their borders. This cooperation will not only enhance trade networks but also encourage greater economic resilience inside the continent.

- Moderate Integration Potential Countries: Building Foundations for Enhanced Integration

Countries with moderate integration potential, such as Kenya, Ghana, and Senegal, demonstrate promising progress in governance and trade engagement but face notable gaps in digital infrastructure or regulatory alignment. For these nations, the path forward involves targeted improvements that can significantly enhance their capacity to participate in and benefit from AfCFTA.

Prioritizing Digital Infrastructure and Governance Reforms to Unlock Integration Potential:

Moderate-potential countries should focus on strengthening digital connectivity, as access to internet and telecommunications is essential for modern trade, e-commerce, and efficient cross-border transactions. Investment in digital infrastructure, such as broadband internet, data centers, and digital payment systems, can open up new economic opportunities, connecting local businesses with regional and international markets. Additionally, governance reforms aimed at enhancing transparency, reducing corruption, and improving regulatory efficiency will create a stable and attractive environment for investors and trade partners. As result, these countries can elevate their readiness for AfCFTA and more fully engage in the benefits of a continental free trade area.

Streamlining Trade Regulations and Reducing Bureaucratic Barriers to Enhance Competitiveness:

One of the primary hurdles for moderate-potential countries is regulatory inconsistency and bureaucratic delays that can slow down trade flows and reduce market attractiveness. Simplifying customs procedures, aligning regulatory standards with regional best practices, and minimizing red tape will make it easier for businesses to operate across borders. These improvements are particularly crucial for small and medium-sized enterprises (SMEs), which form the backbone of many African economies but often lack the resources to navigate complex regulatory systems.

Developing Capacity-Building Programs in Partnership with High-Potential Countries:
Moderate-potential countries can leverage partnerships with high-potential nations to access specialized training and resources that will build institutional capacity and trade expertise. Joint programs focusing on customs management, digital trade facilitation, and efficient governance can provide moderate-potential countries with the skills and knowledge required to overcome existing barriers. This collaboration will not only strengthen their integration capabilities but also foster a sense of shared purpose, as high- and moderate-potential countries work together toward the broader objectives of AfCFTA. Through these targeted programs, moderate-potential countries can make strides in closing their readiness gaps, positioning themselves as stronger contributors to Africa’s integrated economy.

- Low Integration Potential Countries: Establishing the Building Blocks for Future Participation

Countries with low integration potential, such as South Sudan and the Central African Republic, face considerable obstacles to AfCFTA participation due to political instability, underdeveloped governance frameworks, and limited technological infrastructure. These nations are not yet in a position to fully engage with AfCFTA, but they represent significant opportunities for long-term growth if foundational reforms are made. The approach for low-potential countries should be gradual, focusing on building basic infrastructure and governance structures that lay the groundwork for future participation.

Focusing on Foundational Reforms in Governance and Stability:

The first priority for low-potential countries is to establish political stability and improve governance, as these are prerequisites for any sustainable economic development. Governance reforms that address corruption, promote transparency, and ensure accountability will help create a predictable environment that is more conducive to trade and investment. Stable governance will also foster social trust, which is essential for building domestic and international economic partnerships. Thus, low-potential countries must tackle governance weaknesses in order to create an attractive environment for investors and trade partners.

Investing in Basic Digital and Transportation Infrastructure to Facilitate Trade:

Without the necessary infrastructure, low-potential countries will continue to face barriers to economic integration. Initial investments should focus on expanding internet access, improving telecommunications networks, and developing road and transport systems that connect isolated regions to larger markets. Basic infrastructure, while often costly, is essential for facilitating trade and allowing local businesses to participate in AfCFTA over time.

Engaging in Incremental AfCFTA Participation through Regional Pilot Programs:

Low-potential countries can take small but meaningful steps toward integration by participating in pilot programs within AfCFTA. Regional pilot projects, such as sector-specific trade agreements or limited cross-border collaborations, can provide these countries with practical experience in managing trade flows and engaging in economic partnerships. By starting with small-scale trade initiatives, low-potential countries can develop essential trade management skills, refine regulatory practices, and build relationships with regional trade partners. This incremental approach allows them to build capacity gradually, preparing them for deeper involvement in AfCFTA in the future.

Policy Recommendations for Regional Economic Communities (RECs)

Regional Economic Communities (RECs) serve as the catalyst of Africa's economic integration, linking national efforts with the broader vision of a unified continent. In the context of the African Continental Free Trade Area (AfCFTA), RECs play a pivotal role by aligning regional strategies, coordinating member states, and driving the harmonization of policies that ease cross-border trade and investment. While AfCFTA aims to create a single market for Africa, the continent's diversity means that regional efforts are essential to address specific challenges and ensure that each region progresses toward the shared goal of Agenda 2063. The following policy recommendations outline how RECs can strengthen their impact across member countries.

Facilitate Policy Harmonization to Create a Unified Regional Market

Policy harmonization is a cornerstone for any successful regional economic integration. Currently, African countries often face considerable regulatory disparities that complicate trade, increase transaction costs, and discourage cross-border investment. RECs have the authority and influence to drive harmonized policies within their regions, acting as standard-bearers for consistent regulations across customs, tariffs, and trade documentation requirements. For example, by aligning tariffs and simplifying customs processes, RECs can make it easier for goods and services to flow freely across borders. A common framework for import and export regulations would allow businesses, especially small and medium-sized enterprises (SMEs), to operate without needing to navigate complex and inconsistent rules. This predictability fosters a more competitive business environment, which can attract investment and encourage businesses to expand within the region. Harmonization also promotes intra-African trade by making cross-border transactions as seamless as domestic ones, bringing AfCFTA's vision of a single African market closer to reality.

Develop Cross-Border Infrastructure Corridors to Improve Regional Connectivity

Physical infrastructure is one of the biggest barriers to regional trade in Africa. Many countries still face limited transportation networks, poor road quality, and lack of access to critical logistical hubs. RECs are uniquely positioned to identify and prioritize infrastructure projects that serve multiple countries, creating cross-border corridors that can transform regional trade. Infrastructure corridors, such as interconnected highways, railways, ports, and logistical centers, are essential for facilitating the movement of goods, services, and people across Africa's vast landscape.

RECs can create cost-effective and time-efficient routes that reduce logistics costs and improve trade competitiveness. These corridors are particularly beneficial for landlocked countries that currently incur high transportation costs due to limited access to seaports and major markets. For instance, an REC could focus on building a trade corridor connecting interior countries to coastal ports, enabling landlocked nations to participate more fully in AfCFTA.

Implement Regional Digital Trade Platforms and E-Government Systems

In today's global economy, digital infrastructure is as important as physical infrastructure, if not more so. RECs have an opportunity to support digital transformation by promoting regional digital trade platforms and e-government systems that streamline administrative processes and make cross-border transactions more efficient. Digital trade platforms, such as single-window systems for customs, can reduce paperwork, automate procedures, and provide businesses with real-time information on regulations, tariffs, and customs requirements. E-government platforms, meanwhile, improve transparency, efficiency, and accessibility in governmental processes, helping reduce corruption and promote accountability.

Through regional digital platforms, RECs can facilitate seamless cross-border transactions, enabling countries to adopt unified digital customs and trade processes. Such platforms can also connect different countries' systems, allowing for shared data on trade flows, regulatory compliance, and market information. This integration is especially advantageous for SMEs, which often lack the resources to navigate complex border procedures. Furthermore, digital platforms and e-government services reduce opportunities for corruption, as they minimize the need for physical interactions at borders.

Promote Knowledge and Resource Sharing Among Member States

Knowledge and resource sharing is fundamental to ensuring that all member states can participate meaningfully in AfCFTA. African countries have different levels of technological readiness, governance capacity, and trade infrastructure, and RECs are well-placed to bridge these gaps by encouraging resource-sharing and capacity-building initiatives. Through organized forums, workshops, and technical training programs, RECs can facilitate the exchange of expertise across borders, helping countries that are less prepared to catch up with their more advanced neighbors.

Coordinate with AfCFTA to Ensure Regional and Continental Synergy

To maximize the impact of regional integration, RECs must align their strategies with AfCFTA's overarching objectives. While AfCFTA provides the continent-wide framework, RECs are responsible for addressing the specific needs and challenges of their regions. Regular communication and close coordination between RECs and the AfCFTA Secretariat are essential to ensure that regional initiatives complement AfCFTA's continental goals.

RECs can act as implementing arms of AfCFTA, adapting continental policies to suit regional contexts while maintaining alignment with AfCFTA's vision of a unified African market. This coordination will prevent the duplication of efforts and ensure that resources are directed efficiently. For instance, if AfCFTA introduces a policy on digital trade facilitation, RECs can implement it at a regional level, considering the specific technological and regulatory capacities of their member states.

Leverage Partnerships with International Donors for Capacity-Building and Development

Many African countries face significant limitations in terms of infrastructure, technology, and governance capacity, and international partnerships can provide critical support for these development needs. RECs are in a strategic position to coordinate international assistance for capacity-building projects that address regional priorities and create broader economic impact.

International donors, development agencies, and multilateral organizations can be valuable partners for projects such as cross-border infrastructure, digital systems, and regulatory training. With REC oversight, these partnerships can focus on regional needs, such as establishing reliable transportation routes, implementing digital trade platforms, or training officials in customs management. This approach not only secures financial and technical resources for member states but also builds sustainable capabilities that will support Africa's long-term integration goals. Through effective coordination, RECs can make sure that international partnerships contribute to cohesive and sustainable regional development.

Policy Recommendations for International Partners

International partners have an important role in supporting Africa's path toward economic unity and sustainable development. The establishment of the African Continental Free Trade Area (AfCFTA) presents unprecedented opportunities for African countries to enhance intra-regional trade, foster economic growth, and reduce poverty. However, realizing this vision requires not only the commitment of African nations but also the strategic support of international partners. The following policy recommendations outline how international partners can most effectively contribute to Africa's integration efforts.

Provide Targeted Financial and Technical Assistance for Low-Potential Countries

Many African countries, particularly those with low integration potential, face significant challenges in governance, infrastructure, and economic stability. International partners can support these countries by providing targeted financial aid and technical assistance that addresses foundational issues. This assistance should focus on key areas such as governance reform, infrastructure development, and capacity-building to help these countries gradually prepare for full participation in AfCFTA.

For example, funding for governance reforms aimed at improving transparency, reducing corruption, and establishing accountable institutions will help create a stable environment conducive to trade and investment. Technical assistance can also be directed toward building trade management capacity, training customs officials, and implementing basic regulatory frameworks that align with AfCFTA standards.

Support Digital Transformation and Infrastructure Development

The digital divide remains a significant obstacle to economic integration in Africa. Limited access to digital infrastructure hampers many African nations' ability to engage in modern trade, e-commerce, and efficient government services. International partners can play a transformative role by supporting Africa's digital transformation, focusing on expanding internet access, improving telecommunications, and implementing digital trade platforms.

Investments in broadband infrastructure, digital payment systems, and secure digital platforms will empower African nations to engage in cross-border trade more effectively. Furthermore, international support can help countries implement e-government systems that improve administrative efficiency, reduce corruption, and facilitate seamless digital transactions. With robust digital infrastructure, African countries will be better equipped to participate in global trade networks, attract foreign investment, and promote inclusive growth, all of which support AfCFTA's objectives.

Encourage Public-Private Partnerships for Sustainable Infrastructure Projects

Infrastructure is the backbone of trade, and many African countries lack the physical connectivity needed to support intra-regional trade effectively. By promoting public-private partnerships (PPPs), international partners can help African countries mobilize resources and expertise for essential infrastructure projects such as roads, railways, ports, and energy systems. These partnerships leverage both public and private sector strengths, creating mutually beneficial projects that provide long-term economic value.

International corporations, particularly those with experience in large-scale infrastructure development, can provide technical expertise, financing, and project management support to African governments. At the same time, African countries can create favorable investment conditions that attract private companies to invest in critical infrastructure.

Offer Training Programs and Capacity-Building in Governance and Trade Facilitation

The ability to manage and regulate trade efficiently is essential for AfCFTA's success. International partners can contribute to regional integration by organizing training programs and capacity-building initiatives that strengthen governance capacities and improve trade facilitation. These programs can provide African officials with the skills needed to implement customs modernization, streamline trade regulations, and adopt international best practices.

Capacity-building initiatives could include specialized training in areas such as customs management, trade policy formulation, anti-corruption practices, and digital trade administration. These programs not only build technical expertise but also reinforce a culture of transparency and accountability, making Africa a more attractive destination for investment and trade.

Promote Global Market Access for African Products

While AfCFTA focuses on enhancing intra-African trade, access to global markets remains critical for African economies. International trade partners can support Africa's economic development by reducing trade barriers, providing preferential trade terms, and facilitating African products' entry into global markets. Removing tariffs, quotas, and other trade restrictions, international partners are necessary to increase demand for African goods and services, helping African economies diversify and reduce their dependency on traditional export markets.

Trade agreements that prioritize African exports, such as agricultural products, textiles, and manufactured goods, can provide African countries with new economic opportunities. Such access helps create jobs, raise incomes, and stimulate growth within local industries. Additionally, international partners can support African businesses in meeting international standards, helping them improve product quality, packaging, and compliance with global regulations.

Invest in Sustainability and Environmental Resilience Projects

Sustainable development is essential for Africa's long-term economic success. International partners can support Africa's integration by investing in sustainability initiatives that address critical environmental challenges, including climate change, water scarcity, and deforestation. Investments in renewable energy, sustainable agriculture, and climate adaptation projects will not only support Africa's environmental resilience but also contribute to economic stability and social well-being.

For example, renewable energy projects such as solar and wind farms can provide reliable, clean power to African communities, reducing dependency on fossil fuels and supporting energy security. Sustainable agriculture projects can enhance food security, improve farmers' livelihoods, and strengthen Africa's resilience to climate-related shocks.

Support Cross-Border Collaboration and Regional Integration Initiatives

International partners can facilitate regional integration via it support to cross-border collaboration initiatives that strengthen trade networks and foster cooperation among African nations. Initiatives such as joint infrastructure projects, regional research programs, and shared governance forums help African countries build interdependence, creating a foundation for lasting economic unity. International organizations can also support RECs and AfCFTA in implementing trade policies, establishing trade corridors, and developing regional digital systems. These collaborative efforts enhance the connectivity and cohesion of African markets, making it easier for African countries to work together and build a strong, integrated regional economy. In addition, International partners have an invaluable role in supporting Africa's integration journey under AfCFTA, providing the financial resources, technical expertise, and global partnerships necessary to overcome key challenges..

These recommendations reflect a commitment to mutual growth and development, recognizing that a thriving, integrated Africa benefits not only the continent but the global economy as a whole. Through a collaborative and sustained effort, international partners can support Africa in achieving the goals of Agenda 2063, creating a future where African nations are empowered, interconnected, and poised for prosperity on the world stage.

9. CONCLUSION

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