

AFRICAN FUTURES 2030

Free trade, peace and prosperity

Edited by
Giovanni Faleg

With contributions from

Paul M. Bisca, Edward K. Brown, Enrico Calandro, Jakkie Cilliers, Mesfin Gebremichael, Joachim Isacson, Fergus Kell, Olivier Lavinal, Katariina Mustasilta, Luigi Narbone, Carlo Palleschi, Carlo Papa, Patryk Pawlak, Clara Portela, Melanie Robinson, Nicolò Sartori, Fabrizio Tassinari, Bernardo Venturi, Alex Vines and Sean Woolfrey



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<http://www.iss.europa.eu>
Director: Gustav Lindstrom

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print

ISBN 978-92-9198-983-6
CATALOGUE NUMBER QN-AA-20-008-EN-C
ISSN 1017-7566
DOI 10.2815/750

online

ISBN 978-92-9198-982-9
CATALOGUE NUMBER QN-AA-20-008-EN-N
ISSN 1683-4917
DOI 10.2815/458263

Published by the EU Institute for Security Studies and printed in Belgium by Bietlot.
Luxembourg: Publications Office of the European Union, 2021.
Cover image credit: Bella The Brave/unsplash

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Acknowledgements

As the editor of this *Chaillot Paper*, I would like first and foremost to express my gratitude to all the authors and the institutions they represent and who agreed to participate in this initiative, leading thematic working groups and organising consultations with experts, academics, policymakers and other stakeholders. Specifically: the United Kingdom's Development, Concepts and Doctrine Centre (DCDC), Research ICT Africa, the Institute for Security Studies (ISS) in South Africa, the Istituto Affari Internazionali, the ENEL Foundation, Chatham House, the Institute for Peace and Security Studies (IPSS) of the University of Addis Ababa, the European University Institute's School of Transnational Governance (EUI-STG), the African Centre for Economic Transformation (ACET), the European Centre for Development Policy Management (ECDPM) and Thinking Africa. Second, I would like to thank International Crisis Group, the European Institute of Peace and the European External Action Service for their cooperation as observers during the work of the Task Force, and the World Bank Group for hosting the launch of the Task Force in its Paris office. Third, I am also grateful to the staff at the EUISS, and particularly trainees Carlo Palleschi and Jeanne Ramier, for their professionalism and invaluable support to the Task Force in the past year. Finally, several experts have crossed our path during this journey, in some cases providing input to the thematic working groups, or inspiring our study otherwise. One of these experts was Dr. Mamoudou Barry, a young Guinean scholar murdered on 19 July 2019 in Rouen. Mamoudou was due to represent Thinking Africa at the first informal retreat of the Task Force, which took place just a few days after the attack in which he lost his life, and could have contributed to this endeavour. This *Chaillot Paper* is published in his memory, and in defence of all victims of violence and racism.

The editor

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The EUISS Chaillot Paper series

The *Chaillot Paper* series, launched in 1991, takes its name from the Chaillot hill in the Trocadéro area of Paris, where the Institute's first premises were located in the building occupied by the Western European Union (WEU). The hill is particularly known for the Palais de Chaillot which was the site of the signing of the UN Universal Declaration of Human Rights in 1948, and housed NATO's provisional headquarters from 1952 until 1959.

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EXECUTIVE SUMMARY

This *Chaillot Paper* is the outcome of a Task Force on African Futures, launched in November 2019 by the EUISS in partnership with leading African and European research institutions. The Task Force identified the implementation of the African Continental Free Trade Area (AfCFTA) as a key factor driving economic, technological and societal transformations in Africa in the next decade. Hence, its members committed to analyse what the future in 2030 could look like, if the AfCFTA is fully achieved, reflecting on the main drivers that could have an impact on shaping intra-African free trade by 2030.

Among the multiple possible futures for Africa, this publication has selected a favourable one, leading to integration, peace and prosperity. Using a strategic foresight methodology called ‘backcasting’, the authors contributing to this report have imagined a 2030 reality in which all African states are participating in the AfCFTA, most of them have removed tariffs on 90% or more of their intra-African trade, and the trade area extends to customs investment, intellectual property, competition policy and e-commerce. In this scenario, the implementation of the AfCFTA has paved the way for deeper economic integration, producing economic growth, fostering innovation and social progress, and contributing to peace, stability and poverty reduction. Cities like Johannesburg, Addis Ababa, Casablanca and Abidjan have become leading global economic hubs; the African Union now has a stronger voice in influencing global affairs; e-commerce has facilitated the creation of 20 million jobs per year between 2027 and 2030; and the Trans-African highway network connects African cities: Dakar-Lagos, Lagos-Mombasa, Cape Town-Cairo, and Cairo-Dakar.

The *Chaillot Paper* then develops 10 scenarios to describe how policy action in key areas between 2020 and 2030 has made it possible for the continent to make the journey towards free trade

and prosperity, by unlocking positive trends for integration. These thematic areas have been chosen because they are vital to sustain a free trade area, by addressing security, sustainability needs, or acting as enablers for growth.

1. **Environment:** The expansion of Africa’s agro-processing sector and agricultural policy reform makes Africa the ‘world’s new breadbasket’
> (By *Melanie Robinson and Joachim Isacson, Development, Concepts and Doctrine Centre, UK Ministry of Defence*)
2. **Digitalisation:** Inclusive digitalisation accelerates positive trends in connectivity, impacting societies and the nature of trade and work, and lays firmer foundations for the indigenous development of technology
> (By *Patryk Pawlak, EUISS, and Enrico Calandro, Research ICT Africa*)
3. **Conflict:** Non-violent mobilisation creates a positive cycle of inclusive national politics, with broad condemnation of violent repression of opposition movements, and civic engagement in implementing the AfCFTA
> (By *Katariina Mustasilta, Finnish Institute for International Affairs*)
4. **Jobs:** In the ‘roaring twenties’, the Fourth Industrial Revolution creates an unprecedented number of jobs in Africa, increasing the revenue available to governments, and translating into more service delivery
> (By *Jakkie Cilliers, Institute for Security Studies*)
5. **Urbanisation:** African cities are transformed into productive and well-functioning urban centres thanks to new sustainable urban development plans focusing on mobility, urban renewal, industrial development and innovation
> (By *Carlo Palleschi, La Sapienza University*)

6. **Armaments:** Guns are silenced and prosperity is not diverted to military build-up, thanks to a new Treaty on Conventional Forces in Africa that curbs arms proliferation and militarisation
> (By Clara Portela, EUISS)
7. **Governance:** The AfCFTA becomes a new 'Agora': decision-makers link progress in trade integration to investments in the improvement of public services delivery, with clear regulations and universal free access to basic services in most African countries
> (By Bernardo Venturi, Istituto Affari Internazionali)
8. **Violence and Organised Crime:** AfCFTA members sign the 'Africa Secure' Action Plan (ASAP) – a blueprint for linking trade integration to human security, eliminating barriers to trade emerging from violence and organised crime
> (By Paul M. Bisca and Olivier Lavinal, World Bank)
9. **Energy:** Access to sustainable, resilient and human-centered electricity services is granted to most Africans, making the continent the new 'lighthouse of the world'
> (By Carlo Papa and Nicolò Sartori, ENEL Foundation)
10. **Maritime:** African countries develop strategic plans for the maritime domain and blue economy, to mirror at sea progress made on land with the AfCFTA. By 2025 – the end of the 'Decade of African Seas and Oceans' – over half of coastal states have overcome the 'seablindness' of the past
> (By Alex Vines and Fergus Kell, Chatham House).

But the story could have been different. Many things could have gone wrong, if policy action had not been taken to mitigate the challenges of the next decade, such as rising violent extremism, extreme weather events, urban sprawl, digital divide, unemployment, bad governance, low electricity access, militarisation, and 'seablindness'. 'Grey rhino' scenarios in the second part of the volume raise red flags about what could happen if negative sectoral trends are not addressed, showing the costs of inaction.

This *Chaillot Paper* aims to help policymakers to make the right choices in order to minimise the risks and maximise the opportunities of trade integration across different policy areas. The concluding section emphasises leadership, connectivity, multilateralism, knowledge exchange, private-public partnership, and peaceful mobilisation as six cross-sectoral enablers of transformation, pointing the way towards a peaceful and prosperous Africa in 2030.

INTRODUCTION

*E*x Africa semper aliquid novi¹

Pliny the Elder

Four years ago the EUISS published the report ‘African Futures: Horizon 2025’. The first line of the introduction stated that “if sub-Saharan Africa’s future had to be encapsulated in a single word, it would be *transformation*”.² To make sense of the multi-faceted and fast-paced trajectories of change, the report identified a number of dominant trends which were likely to have a far-reaching impact on the future of Africa. The conclusions of the report highlighted the importance of regional cooperation, social inclusion and governance capacity, as three factors determining how African countries will manage transformation in the next decade.

For those who may wonder why the EUISS is bringing out another publication on African Futures at a relatively short interval after the previous one, here is the answer: African countries are progressing even faster towards that future than they were three years ago. But if there is one thing we know about the future, it is that it is littered with surprises. At the dawn of the 2020s, Africa seemed to be embarking on a decade of unprecedented economic growth, sustained by the creation of the African Continental Free Trade Area (AfCFTA), widespread diffusion of technological innovation, hopes of democratic transitions, and the continent’s new prominence in global geopolitics. The EU and the African Union (AU) were moving steadily towards the definition of a new joint strategy and raised high expectations for the sixth AU-EU Summit, scheduled to take place

in autumn 2020. Shortly after the new decade began, an exogenous shock, the Covid-19 pandemic, put these transformations into question. The continent entered its first recession in 25 years; violence and conflicts increased rapidly during the first months of the pandemic; border measures and travel restrictions to contain the spread of Covid-19 threatened progress in trade integration; and democratisation and the rule of law were jeopardised in some countries where lockdown was enforced through the use of force and abuse of power. The AU-EU Summit was postponed to 2021. If the future of Africa had to be encapsulated in a single word today, it would unquestionably be *uncertainty*.

OBJECTIVES

This *Chaillot Paper* is the outcome of an African Futures Task Force, launched by the EUISS together with European and African partners in Paris on 14 November 2019, in the pre-Covid-19 world.³ The purpose of this initiative was to map a desirable scenario of African peace and prosperity in 2030, among the range of possible futures facing the continent, to reduce uncertainty, and show how selected sectoral trends could undermine or facilitate the achievement of that scenario. Members of the Task Force collectively identified trade and economic integration, and specifically the implementation of the AfCFTA, as the main development that could shape the future of Africa in the coming decade. The Task Force then sought to reflect on the key drivers that could have an impact on intra-African free trade by 2030.

1 “There is always something new coming out of Africa.”

2 Valerie Arnould and Francesco Strazzari, “African Futures: Horizon 2025”, Report no. 37, EUISS, September 2017, p. 5.

3 See: <https://www.iss.europa.eu/content/african-futures-2030-task-force>.

The AfCFTA

Overview

The African Continental Free Trade Area (AfCFTA) is Africa's most ambitious economic integration project undertaken since the establishment of the Regional Economic Communities (RECs), and a flagship initiative of the AU's Agenda 2063. Its main objective is to create a single continental market for goods and services with free movement of people and investments, thus promoting intra-African trade, reducing dependency on foreign markets, enhancing competitiveness, supporting economic transformation and paving the way for the establishment of a customs union in Africa. If fully achieved, it would allow African countries to make significant progress on the United Nations' Sustainable Development Goals.

In order to do so, AfCFTA members are required to progressively eliminate customs duties and non-tariff barriers to trade in goods and services. Members agreed to liberalise at least 97% of tariff lines. Tariffs on 90% of goods are to be eliminated within 5 years, or 10 years for least developed countries (LDCs). For a further 7% of 'sensitive' goods, tariffs should fall within 10 years (13 years for LDCs). Lastly, 3% of goods are 'excluded'.

In 2020, the African continent - with a population of 1.31 billion¹ and an aggregated GDP of 2.33 trillion USD² - presents similar characteristics to India (1.38 billion inhabitants and a GDP of 2.59 trillion US dollars), the fifth economy in the world in terms of GDP.

However, the African market is fragmented into 55 countries, which hampers industrial growth and sustainable development, and creates dependency on exports to other continents, with intra-African exports amounting to only 16.6% of total exports³ in 2017.

Progress

The decision to establish the AfCFTA was adopted at the 18th Ordinary Session of the Assembly of the AU in Addis Ababa in January 2012. The AfCFTA Agreement is a framework agreement covering trade in goods and services, including the following protocols: Trade in Goods, Trade in Services, Dispute Settlement, Investment, Intellectual Property Rights and Competition Policy.

Negotiations started in June 2015. The different protocols are negotiated in two phases (see diagram overleaf). **Phase I** focused on three protocols: Trade in Goods with its 9 annexes, Trade in Services with its 3 annexes and Dispute Settlement. **Phase II** negotiations focus on three other protocols: Investment, Competition and Intellectual Property Rights. A related protocol on the Free Movement of Persons, Right of Residence and Right of Establishment was signed by 30 Member States in 2018.

In March 2018, the Agreement establishing the AfCFTA was signed, by 44 member states, at the 10th Extraordinary Summit of the AU Assembly in Kigali. Since then, an additional 10 member states have signed it. The AfCFTA Agreement (which includes the founding agreement and the 'Phase I' Protocols) entered into force on 30 May 2019. This date marked 30 days after reaching

- 1 International Monetary Fund, IMF Datamapper, "World Economic Outlook (October 2020)- Population", <https://www.imf.org/external/datamapper/LP@WEO/OEMDC/ADVEC/WEOWORLD>
- 2 International Monetary Fund, IMF Datamapper, "World Economic Outlook (October 2020)- GDP", <https://www.imf.org/external/datamapper/NGDPD@WEO/OEMDC/ADVEC/WEOWORLD/AFQ>
- 3 UNCTAD, « Facts and Figures », Press Release, June 2019, <https://unctad.org/press-material/facts-figures-0>.

Timeline of AfCFTA milestones



Objectives

The AfCFTA is a response to Africa's developmental challenges and a concrete manifestation of Pan-Africanism. It aims at creating a single continental market, thereby working towards an integrated, prosperous and peaceful Africa.

The official general objectives of the AfCFTA, as stated in Article 3 of the Agreement, are to:

1. create a single market for goods, services, facilitated by movement of persons in order to deepen the economic integration of the African continent and in accordance with the Pan African Vision of "An integrated, prosperous and peaceful Africa" enshrined in Agenda 2063;
2. create a liberalised market for goods and services [...];
3. contribute to the movement of capital and natural persons and facilitate investments [...];
4. lay the foundation for the establishment of a Continental Customs Union at a later stage;
5. promote and attain sustainable and inclusive socio-economic development, gender equality and structural transformation of the State Parties;
6. enhance the competitiveness of the economies of State Parties within the continent and the global market;
7. promote industrial development through diversification and regional value chain development, agricultural development and food security; and
8. resolve the challenges of multiple and overlapping memberships and expedite

the regional and continental integration processes.

Expected additional outcomes include:

- > promoting inclusive economic growth, employment, and welfare⁵
- > encouraging foreign direct investment (FDI) to Africa by presenting greater economic stability
- > strengthening Africa's position in global trade and multilateral fora

Next steps

Successful implementation of the AfCFTA is not a given. A key variable is whether African countries ratify, but also fully implement and comply with the Agreement. There are also structural and institutional challenges, as well as issues of regional disparities, non-tariff barriers, private sector participation, and inclusiveness. Finally, the ongoing Covid-19 pandemic adds uncertainty as it continues to present logistical challenges for the ongoing AfCFTA negotiations and cast doubts over its effective implementation.

5 AU and AfCFTA Secretariat, "Statement of Mr. H.E. Wamkele Mene on the Occasion of Swearing-in as the Secretary General of the AfCFTA Secretariat, 19 March 2020, Addis Ababa, https://au.int/sites/default/files/speeches/38255-sp-swearing_in_statement_19_march_last_version.pdf

Based on integrated data analysis and strategic foresight methodology, this volume shows the reader what an integrated and prosperous African continent could look like in January 2030, thanks to the full implementation of the AfCFTA, what is the pathway leading to it, and

what are the policy options to mitigate risks and maximise opportunities resulting from trends in ten areas deemed critical for the scenario. We believe that the Covid-19 pandemic, while posing a number of practical and logistical challenges to implementation, has not disrupted this enterprise, rather made it more urgent from a policy standpoint: continental integration is now viewed as critical for Africa's economic recovery and future resilience. This publication, therefore, aims to provide policy and decision-makers with a set of coordinates to navigate through the manifold, uncharted futures for Africa.

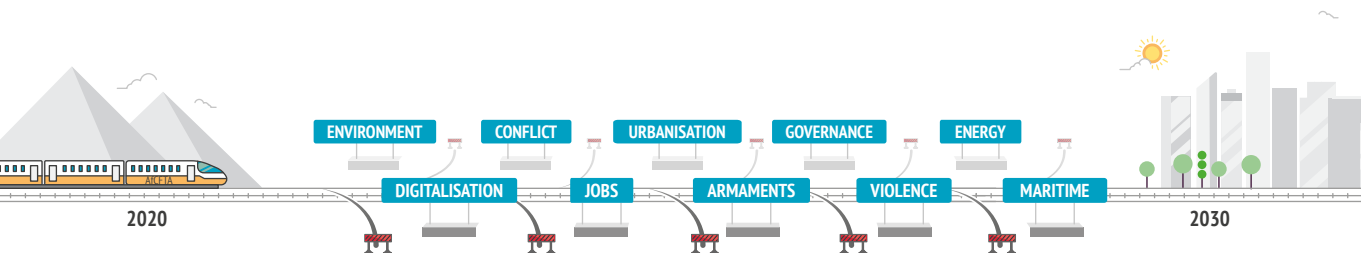
METHODOLOGY

The *Chaillot Paper* uses a specific strategic foresight methodology, called *backcasting*⁴, which defines a desirable scenario in the future and then works backwards to identify the journey that connects that specific future to the present, outlining factors that can work as facilitators or obstacles. This methodology allows us to 'go back to the future', describing paths, milestones and actions that can lead to it in ten selected, cross-cutting areas, and showing how coordinated policy action in these sectors, whether concerning access to digitalisation or conflict transformation, is essential to achieve trade integration.

The 2030 scenario depicted in the first chapter, "Imagining Africa in 2030", describes what concretely the implementation of the AfCFTA may lead to, and explains the consequences of trade and economic integration in terms of ending extreme poverty and promoting shared prosperity. Despite the existence of some security challenges and threats, Africa's integration from Cape Town to Algiers has triggered a positive transformation, which has directly benefited African populations.

4 For a good overview of this methodology, see: Karl H Dreborg, "Essence of Backcasting", in *Futures*, vol. 28, no. 9, 1996, pp. 813-28, 1996.

The AfCFTA journey towards 2030



Working groups led by Task Force partners defined the journey towards that scenario, in close consultation with expert communities in Africa and Europe. Contributions started from what we can observe ‘today’, but then projected the analysis onto the path connecting the present with 2030, showing the reader *what went right*. For this reason, authors were asked to work out a storyline for the future describing why and how different sectors are relevant for free trade and integration, and what are the policy options available in the upcoming years to achieve it. In some cases, the journey includes signposts, points in time (e.g. 2025) after which progress towards the positive scenario could be less likely if certain policy actions are not taken beforehand. Finally, contributors analysed *what would have gone wrong* if no policy action was taken to mitigate sectoral challenges. They did so by developing ‘grey rhinos’ scenarios, or negative events which are both highly probable and highly impactful, but occur only after a long series of warnings. This particular methodology allowed us to define a roadmap leading to a positive future in 2030, but also raise red flags about possible negative implications in each sector, if not mitigated.

The ten areas were selected based on their relevance for the scenario and their contribution to trigger integration dynamics, giving importance to those that offered more scope for policy action in the medium term, so as to provide policymakers with concrete options to orient their choices: we have linked trade integration to sectoral areas in which lack of reform and progress would have resulted in barriers to integration, and potentially stalled the entire

process. These areas can unlock integration by addressing three pillars that uphold a free trade architecture: security (conflict, violence, armaments), sustainability (urbanisation, environment, governance, maritime) and growth (digitalisation, jobs, energy).

Like in every strategic exercise, making analytical choices means inevitably leaving some things out. We are therefore fully aware of the limitations of this report and the fact that the entire range of possible variables affecting economic integration in Africa could not be included, but we deliberately opted for prioritisation of policy options.

POLICY RELEVANCE

With regard to policy significance, this *Chaillot Paper* has three aims. The first one is to portray what the future of Africa may look like, through the lenses of integration, and increase awareness of and preparedness for the challenges and opportunities associated with the future we describe. The second one is to suggest policy options to navigate the pathway and complete the journey to 2030 by reaching the desired scenario, taking selected trends into account. The third aim is geopolitical, as the publication seeks to contribute to a fairer multilateral order in Africa. A number of global powers have intensified their engagement with Africa, projecting economic or political influence and creating new patterns of multipolar competition, which some observers have described as a ‘new

scramble for Africa'.⁵ This happens at a time when the economic and technological confrontation between the US and China is intensifying, and its effects are rippling through the globe. The peaceful evolution of this new scramble for influence in Africa depends almost entirely on African agency and resilience, and particularly the capacity to translate that into a collective African voice. Integration under the AfCFTA is a primary vehicle for the reinforcement of African multilateralism, and an antidote to proxy conflicts and depredation.

Multipolar competition in Africa

Great power rivalry and the competition among regional powers to project influence in Africa have become an important variable in the political and economic dynamics of the continent. They have intensified as a result of the increase in Chinese trade and investments over the last two decades. The ambitious Silk Road project, which connects most of the Eastern and Central African countries to the Djibouti corridor, will link the economies of African countries to the mainland of China. Increasing trade relationships and investment by China in Africa has also prompted the United States to launch a proxy trade conflict and adopt a containment strategy to sustain the role of American private companies. The US established the International Development Finance Corporation (IDFC), with a seed capital of 60 billion USD, to spearhead the financing of infrastructure projects and open avenues for US companies to increase investment in Africa.⁶

Furthermore, there is a growing interest in investment in Africa from other global

players, such as Japan and India, due to the unexploited natural resources in the continent and the proximity of the Horn of Africa countries to the Red Sea corridor, where exports from Japan and India pass through the Suez Canal to Europe. For example, the trade volume with Africa was 20 billion USD and 60 billion USD for Japan and India respectively in 2018.⁷ Nevertheless, this has not reached a level where it can influence the competition between the US and China. Gulf countries such as the United Arab Emirates (UAE) and Saudi Arabia have also intensified their investments in port development, the blue economy and agriculture for economic and security reasons.

It is anticipated that the competition of great and regional powers in Africa may lead to a strained political and economic situation by 2030. This may be manifested through an increasing debt burden, increased level of proxy trade, and direct confrontation between the US and China, which will encourage African countries to export primary goods to their creditors rather than trading between each other. Moreover, power competition can exacerbate domestic political instability, as has been observed in countries such as Somalia and Sudan in the last two decades.

Nevertheless, the Silk Road and infrastructural projects that are designed to connect Africa to the heartland of China can also be drivers to implement the AfCFTA, if they link African countries to each other, rather than creating geopolitical barriers between them. For example the railroad from Nairobi to Naivasha connects several eastern African countries. The Trans-Maghreb highway in

5 Giovanni Faleg and Carlo Palleschi, "African Strategies: European and Global Approaches Towards Sub-Saharan Africa", *Chaillot Paper* no. 158, EU Institute for Security Studies (EUISS), June 2020.

6 "New \$60USD fund to rival Chinese push into Africa", *The East African*, November 7, 2018, <https://www.theeastafrican.co.ke/tea/business/new-60b-us-fund-to-rival-chinese-push-into-africa-1406050>.

7 "Japan renews Africa investment push as rivals surge ahead", *Financial Times*, August 28, 2019, <https://www.ft.com/content/43bdefd2-82f6-11e9-a7f0-77d3101896ec>.

North Africa also connects dozens of cities in the sub-region. The role of RECs in coordinating and facilitating these projects, as well as related policies in support of regional integration, can expedite, rather than hamper, the implementation of the AfCFTA.

If the future we have imagined is similar to a constellation, we could not have carried out our work without using a set of coordinates to navigate through the celestial sphere. Those coordinates are provided by the main documents that, at the current point in time, encapsulate Africa's aspirations for the future and identify key initiatives to unleash economic growth and potential to achieve the goals of ending poverty and boosting shared prosperity.

The first of these documents is the African Union's **Agenda 2063**, which is the continental strategic framework to transform Africa into a global powerhouse of the future. An 'integrated Africa' is mentioned as one of the key transformational outcomes of Agenda 2063, which pledges the attainment of milestones such as free movement of goods, services and capital, a threefold increase in intra-African trade, the operationalisation of an African Customs Union, a Common Market and a Monetary Union, the inauguration of the first segment of an African High-Speed Train Network, and a common education system allowing African youth to study and work anywhere in the continent. The Agenda 2063 describes seven "aspirations" centered around socioeconomic development, culture, democratic governance, peace and security. The AfCFTA is a "flagship project" of Agenda 2063 and a crucial enabler of these aspirations.

The second key document is the United Nations' **Sustainable Development Goals (SDGs) – Agenda 2030**, which defines a blueprint to achieve a better and more sustainable future for all. The Agenda 2063 and the SDGs overlap in several ways, but particularly with regard to African objectives. The diagram overleaf outlines the linkages between the two frameworks,

and explains how this report addresses them, within the scope of the strategic foresight exercise that we have developed.

Using these coordinates, the future we imagine is not entirely fiction, even though foresight requires an ability to project ourselves beyond the reality we apprehend. The future we imagine is a sort of 'realistic utopia', which aims at pushing forward the boundaries of the policy debate, so as to accelerate the path towards an integrated Africa. Without imagination, we cannot show decision-makers how to do it; without realism, we could not possibly convince them to do it.

STRUCTURE

This *Chaillot Paper* is organised as follows. Chapter 1 develops the master scenario, which is set in January 2030. It also explains how the full implementation of the AfCFTA has enabled African countries to overcome a 'stress test' taking place in summer 2030, namely a geopolitical crisis, avoiding the direst consequences of the event. Finally, the chapter discusses the beginning of the journey leading to 2030, introducing trends and the relevance of the ten sectoral areas.

Chapter 2 presents the actual journey actors embarked upon to get from the present time (2020) to the desired future (2030), and the policy actions in each area that made it possible to unlock integration, addressing challenges and maximising opportunities arising from free trade.

Chapter 3 shows in contrast scenarios of inaction, highlighting what would have gone wrong if no policy actions were taken to mitigate challenges arising from each sector, and hence delineating a course that should be avoided. Scenarios described in this chapter are based on events which are both highly probable and highly impactful, defined as 'grey rhinos'. Finally, the conclusions in chapter 4 outline concrete policy options resulting from the journey, describing what policymakers can do, starting here and now, to get Africa on the right track.

Aspirations of the Agenda 2063¹

OBJECTIVES OF THE AfCFTA AGREEMENT	RELEVANT UN SUSTAINABLE DEVELOPMENT GOALS
#1. A PROSPEROUS AFRICA BASED ON INCLUSIVE GROWTH AND SUSTAINABLE DEVELOPMENT	
<p>As stated in the AfCFTA Agreement:</p> <ul style="list-style-type: none"> > <i>“Create a single market for goods, services, facilitated by movement of persons in order to deepen the economic integration of the African continent [...]”</i> > <i>“Promote and attain sustainable and inclusive socio-economic development, gender equality and structural transformation of the State Parties”</i> > <i>“Promote industrial development through diversification and regional value chain development, agricultural development and food security”</i> <p>The creation of a single market, the diversification of economies, and the development of regional value chains is likely to enhance economic growth across the continent. The AfCFTA commitment to promoting sustainable and inclusive growth is directly aligned to the first aspiration of Agenda 2063.</p>	<ul style="list-style-type: none"> > Goal 1: End poverty in all its forms everywhere > Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture > Goal 3: Ensure healthy lives and promote well-being for all at all ages > Goal 4: Ensure inclusive and equitable education and promote lifelong learning opportunities for all > Goal 5: Achieve gender equality and empower all women and girls > Goal 6: Ensure availability and sustainable management of water and sanitation for all > Goal 7: Ensure access to affordable, reliable, sustainable, and modern energy for all > Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all > Goal 9: Build resilient infrastructures, promote inclusive and sustainable industrialisation and foster innovation > Goal 10: Reduce inequality within and among countries > Goal 13: Take urgent action to combat climate change and its impacts > Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

¹ The Agenda 2063 Aspiration #5 (*Africa with a Strong Cultural Identity, Common Heritage, Values and Ethics*) was not included in this table because it is less directly linked to the AfCFTA objectives and commitments, although the implementation of the AfCFTA can support it indirectly.

OBJECTIVES OF THE AfCFTA AGREEMENT

RELEVANT UN SUSTAINABLE DEVELOPMENT GOALS

#2. AN INTEGRATED CONTINENT, POLITICALLY UNITED AND BASED ON THE IDEALS OF PAN-AFRICANISM AND THE VISION OF AFRICA'S RENAISSANCE

As stated in the AfCFTA Agreement:

- > *“Create a single market for goods, services, facilitated by movement of persons in order to deepen the economic integration of the African continent [...]”*
- > *“Create a liberalised market for goods and services [...]”*
- > *“Contribute to the movement of capital and natural persons and facilitate investments building on the initiatives and developments in the State Parties and RECs”*
- > *“Lay the foundation for the establishment of a Continental Customs Union at a later stage”*
- > *“Resolve the challenges of multiple and overlapping memberships and expedite the regional and continental integration processes”*

Continental economic integration through the creation of a common market (and later of a continental customs union) will help foster political integration. By resolving the issues linked to overlapping memberships and through the commitment to continental integration processes, the AfCFTA aligns with the second aspiration of the Agenda 2063 .

- > Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

#3. AN AFRICA OF GOOD GOVERNANCE, DEMOCRACY, RESPECT FOR HUMAN RIGHTS, JUSTICE AND THE RULE OF LAW

As stated in the AfCFTA Agreement:

- > *“Promote and attain sustainable and inclusive socio-economic development, gender equality and structural transformation of the State Parties”*

By definition, a sustainable and inclusive development furthers good governance and ensures the respect of all Human Rights. Additionally, by encouraging structural transformation of state parties, the AfCFTA promotes good governance, democracy, and respect for the rule of law in African countries, aligning with Agenda 2063's third aspiration.

- > Goal 1: End poverty in all its forms everywhere
- > Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture
- > Goal 3: Ensure healthy lives and promote well-being for all at all ages
- > Goal 4: Ensure inclusive and equitable education and promote lifelong learning opportunities for all
- > Goal 5: Achieve gender equality and empower all women and girls
- > Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- > Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

OBJECTIVES OF THE AfCFTA AGREEMENT
RELEVANT UN SUSTAINABLE DEVELOPMENT GOALS
#4. A PEACEFUL AND SECURE AFRICA

As stated in the AfCFTA Agreement:

- > *“Create a single market for goods, services, facilitated by movement of persons in order to deepen the economic integration of the African continent [...]”*
- > *“Promote and attain sustainable and inclusive socio-economic development, gender equality and structural transformation of the State Parties”*
- > *“Resolve the challenges of multiple and overlapping memberships and expedite the regional and continental integration processes”*

Peace is more likely to occur when conflict factors are eliminated and when African economies are integrated, interdependent and resilient, as well as when sustainable development is achieved throughout the continent. The AfCFTA therefore contributes to the fourth aspiration of Agenda 2063.

- > Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

#6. AN AFRICA WHOSE DEVELOPMENT IS PEOPLE-DRIVEN, RELYING ON THE POTENTIAL OF AFRICAN PEOPLE, ESPECIALLY ITS WOMEN AND YOUTH, AND CARING FOR CHILDREN

As stated in the AfCFTA Agreement:

- > *“Create a single market for goods, services, facilitated by movement of persons [...]”*
- > *“Promote and attain sustainable and inclusive socio-economic development, gender equality and structural transformation of the State Parties”*
- > *“Enhance the competitiveness of the economies of State Parties within the continent and the global market”*

The AfCFTA supports the sixth aspiration of the Agenda 2063. Achieving gender equality ensures that women are supported and included. Notably thanks to increased industrialisation, the AfCFTA is expected to create jobs for young people. Because of continental market access, greater opportunities for large-scale production and better reallocation of resources, the AfCFTA is expected to ensure private sector-driven and entrepreneurial development, tapping into and enhancing African people's potential.

- > Goal 4: Ensure inclusive and equitable education and promote lifelong learning opportunities for all
- > Goal 5: Achieve gender equality and empower all women and girls
- > Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- > Goal 9: Build resilient infrastructures, promote inclusive and sustainable industrialisation and foster innovation

OBJECTIVES OF THE AfCFTA AGREEMENT	RELEVANT UN SUSTAINABLE DEVELOPMENT GOALS
#7. AFRICA AS A STRONG, UNITED, RESILIENT AND INFLUENTIAL GLOBAL PLAYER AND PARTNER	
<p>As stated in the AfCFTA:</p> <ul style="list-style-type: none"> > <i>“Create a single market for goods, services, facilitated by movement of persons in order to deepen the economic integration of the African continent [...]”</i> > <i>“Contribute to the movement of capital and natural persons and facilitate investments building on the initiatives and developments in the State Parties and RECs”</i> > <i>“Lay the foundation for the establishment of a Continental Customs Union at a later stage”</i> > <i>“Promote and attain sustainable and inclusive socio-economic development, gender equality and structural transformation of the State Parties”</i> > <i>“Enhance the competitiveness of the economies of State Parties within the continent and the global market”</i> > <i>“Resolve the challenges of multiple and overlapping memberships and expedite the regional and continental integration processes”</i> 	<ul style="list-style-type: none"> > Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels > Goal 17: Strengthen the means of implementation and revitalise the global partnership for sustainable development
<p>Through the creation of a single market, and the commitment to continental integration processes, the AfCFTA is expected to achieve an economically strong and politically united Africa, aligning with Agenda 2063's sixth aspiration. In addition, by enhancing competitiveness within the global market, Africa will become a key economic global actor with increased influence in multilateral fora.</p>	

CHAPTER 1

IMAGINING AFRICA IN 2030

THE SCENARIO: 2030, AN INTEGRATED AND PROSPEROUS AFRICA

January 2030. Africa is a more integrated, peaceful and prosperous continent with remarkable positive repercussions for human development. While vulnerability to climate change, poverty traps, fragility hotspots, conflicts and ungoverned spaces persist in some areas, most of the continent is experiencing economic growth, innovation, and social progress. Urban centres are in the frontline of such development. Cities like Johannesburg, Addis Ababa, Casablanca and Abidjan have become leading global economic hubs; similarly, Mombasa, Djibouti, Lagos and Durban are leading centres for connectivity and transportation. The project of regional integration has deepened and the AU now has a stronger voice in influencing global affairs.

Among the factors that have contributed to this development trajectory, a reduction in the number of conflicts since the mid-2020s and a widening of reforms aimed at improving state governance in several countries have played a prominent role. The Covid-19 pandemic marked a historical turning point, prompting African leaders to take unprecedented steps to minimise social and economic vulnerabilities to shocks, making the 2020s a 'transformative decade'. Most importantly, though, the implementation of the AfCFTA, together with more effective cooperation on the provision and management of regional public goods like regional transport and information and communications technology (ICT) infrastructure

has paved the way for deeper African economic integration. While Africa's impressive socio-economic gains would not have been possible without political will for national reforms, such reforms were greatly aided by the establishment of a functioning architecture for African trade and economic integration.

By 2030, all African states are participating in the AfCFTA. While implementation has not been without challenges, almost all African countries are fully complying with the provisions contained in the AfCFTA Agreement. Most African countries have removed tariffs on 90% or more of their intra-African trade and are in the process of phasing out remaining tariffs on 'sensitive goods'. A small group of African countries have gone further and faster on tariff liberalisation, removing tariffs on almost all of their intra-African imports.

On trade in services, steps have been taken to improve the transparency of relevant domestic regulation, and African businesses are benefiting from this, and from the regulatory cooperation frameworks introduced under the AfCFTA. These frameworks include mutual recognition agreements for providers of accounting, legal and other professional services, which have greatly improved talent mobility across the continent. Nonetheless, while some market access commitments have been made in specific services sectors, defensive interests and the complexity of services trade liberalisation has thus far prevented a broader opening of some services sectors to increased intra-African competition.

Other frameworks have also been established under the AfCFTA Agreement for cooperation on customs investment, intellectual property,

competition policy and e-commerce. By the beginning of 2030, these are already yielding important benefits. For example, greater customs cooperation has significantly improved the speed at which goods cross borders in Africa, while the creation of a more favourable continental market for e-commerce has facilitated the creation of 20 million jobs per year between 2027 and 2030.

The AfCFTA is also being monitored and administered effectively. The continental institutions and mechanisms that have been established are working well in terms of monitoring implementation and application of the Agreement, administering it and responding to challenges and disputes that have arisen under it. The AfCFTA dispute settlement mechanism demonstrated its effectiveness through its handling of the first dispute brought before it: Uganda's challenge regarding Kenya's dairy import restrictions. The successful resolution of this dispute is likely to encourage African countries to make use of formal dispute settlement procedures to resolve disputes among themselves. The online AfCFTA non-tariff barriers mechanism, meanwhile, has become an increasingly important tool used by traders to report improper application of trade regulations and corrupt practices by border and government officials to monitor and resolve non-tariff barriers.

The early successes of these institutions and mechanisms have improved perceptions about the value and effectiveness of continental institutions (and continental integration), both within Africa and outside the continent, including among Africa's citizens. African Integration Day is now celebrated every year across the continent.

At the national level, all African countries have established and/or strengthened the capacity of their national institutions to effectively apply and participate in the AfCFTA, albeit with effectiveness varying from country to country. Complementary initiatives and domestic reforms have been important to support the AfCFTA. Tariff and services trade liberalisation and increased regulatory cooperation have been complemented by a significant reduction

in non-tariff barriers to intra-African trade, achieved through domestic reforms, improved trade logistics, better monitoring of (informal and formal) trade flows, concerted cooperation on customs and trade facilitation, the simplification of regulatory requirements and the harmonisation of standards. Better functioning customs and border services also mean that clearing African borders is both quicker and less costly than it was for traders a decade ago. The adoption and implementation (by most African states) of the Free Movement of Persons Protocol and the adoption of the African Union passport – which is now being issued in most African countries – also means that the movement of African citizens from one African country to another is far easier than a decade ago.

Hard and soft trade-related infrastructure – while still lacking in some areas – has also been greatly improved. The following sections of the Trans-African highway network have been completed: Dakar-Lagos, Lagos-Mombasa, Cape Town-Cairo, and Cairo-Dakar. All countries now implement the Yamoussoukro Decision to deregulate air services and to promote regional air markets and are applying sanctions against airlines that fail to meet safety standards established by the International Civil Aviation Organisation (ICAO). The result of the liberalisation of intra-African air services has increased trade both regionally and at the intercontinental level. Direct flights between most major African cities have been established and the level of ICT connectivity across the continent has more than doubled. Construction has started on Africa's Integrated High-Speed Rail Network, and the pilot segments between Nairobi and Kampala and between Durban and Johannesburg have been completed.

African (and foreign) firms are taking advantage of new opportunities and intra-African trade is booming. Thanks to the AfCFTA and associated continental, regional and national initiatives and reforms, the African continent now offers a vastly improved business and regulatory environment, which together with strong economic growth and structural reforms, has contributed to higher levels of intra-African trade, involving both large African firms and African small and medium-sized enterprises

(SMEs). The value of recorded intra-African merchandise trade now exceeds 100 billion USD per year (double the value at the height of the Covid-19 pandemic a decade before), and intra-African trade now accounts for over 30% of all African trade. African countries are also increasingly trading in services, including in tourism, transport, financial and business services. Most intra-African trade still occurs between African countries within the same REC, but there is also much more inter-REC trade than a decade previously, and a significant number of African firms now have truly continental footprints. For most Southern, West, Central and East African countries, the 'AfCFTA market' is now of primary importance. While the European Union continues to be the biggest market for North African exports, North African countries now trade significant volumes of goods and services with the rest of Africa (as well as between themselves).

Investment in Africa has also increased to take advantage of the larger continental market, with record FDI inflows recorded in two of the past three years. African firms are increasingly investing in both their own countries and in other African markets, aided by increased access to affordable finance. A small number of successful regional value chains have emerged in particular industries, including pharmaceuticals, automotive, transport equipment and agro-processing industries, reducing Africa's reliance on imports of certain goods.

Despite remarkable progress being attained, the continent still faces some important challenges, for instance in poorly governed areas such as the Central Sahel and the Lake Chad Basin areas: these have continued to be violent extremism hotspots, and demonstrate a widening gap between centres and peripheries, although the extent of so-called ungoverned areas has declined overall in the continent. This was due to greater mobility of labour from these hotspots to areas with greater labour demand, as well as overall improvements in the governance of defence and security forces. Despite adjustment funds, a few of Africa's weaker economies have struggled to take advantage of AfCFTA opportunities and have been 'left further behind'. In addition, some weaker firms

and industries across the continent were unable to compete against more efficient firms from Nigeria, Kenya, South Africa and Morocco, leading to job losses and further deindustrialisation in some areas.

Expectations regarding a rapid formalisation of Africa's large informal sector, resulting from tariff removal, have been in part disappointed. According to the International Labour Organisation (ILO), in 2030 the informal sector still accounts for approximately 60% of total employment (against 66% in 2020) in sub-Saharan Africa and 48% (against 52% in 2020) in North Africa. The informal sector has continued to sustain a large amount of families in the continent. While the AfCFTA has contributed to a reduction of cross-border informal trade, in-country informality has remained high. The hairdresser at Nairobi's Kenyatta market, pretty much like the woman selling oranges at the bus station, has not entered the formal economy. The permanence of high levels of informal trade is in 2030 still an obstacle to higher productivity and economic efficiency.

With regard to the objective of poverty reduction, a prosperous Africa has not meant a poverty-free one, unfortunately. Between 2020 and 2030, for every four people who moved out of poverty, two fell back into poverty – although the economic and social consequences of the Covid-19 pandemic should be taken into account when analysing this figure. Poverty rates have remained particularly high in the Democratic Republic of Congo (DRC) and central Africa, northern Nigeria and the Sahel, Madagascar, and Mozambique. In several regions of Ethiopia, the number of extremely poor people has not declined. Compared with the previous decade, this data shows that 'poverty traps' – defined as areas with high poverty rates where it becomes difficult for people to escape poverty – have become entrenched, increasing the likelihood of conflict and extremism. Although the economic implications of the AfCFTA have not fully alleviated the livelihoods of the poor, they have nonetheless curtailed an inevitable expansion of poverty over time (particularly as a result of the Covid-19 pandemic) and enabled interventions across national and regional borders allowing households and

businesses to reduce exposure to shocks, planting the seeds of a strengthened resilience. Disease prevention, improvements in water and sanitation services, immunisations, expansion of irrigation systems to manage weather risks, land management, and increased household financial management are examples of provisions that have been indirectly reinforced through the creation of a trade bloc. Because of the inter-dependency created by the free trade area, governments have also recognised the importance of investing in coordination to activate fiscal stimuli and financial assistance measures in the event of a shock, avoiding a situation where the collapse of one economy could drag others down.

THE STRESS TEST: EXOGENOUS SHOCKS IN EAST AFRICA

The full implementation of the AfCFTA allowed African countries to overcome a major continental crisis taking place in 2030 and originating in East Africa, thereby avoiding the direst consequences of such an event. During February and March 2030, opposition protests against the ruling party in Djibouti had intensified, but demonstrations were violently repressed by the police. The US Administration strongly condemned the deterioration of the security situation in the country, while China accused the US of fuelling riots in order to destabilise the Djiboutian government ahead of the elections planned in autumn 2030. Proxy confrontation between the two superpowers in the small East African country had escalated since 2020, when Djibouti backed the Hong Kong national security law at the United Nations. This event marked the beginning of a shift in alliances, with Djibouti's ruling party getting closer and closer to China, and moving away from its traditional relations with Western powers (particularly France and the US). A proxy war was in the offing.

Background: Djibouti's fall into the debt trap

Infrastructural developments such as the construction and expansion of ports, roads and railways resulted in a growing debt burden in Africa. As of 2017, the total amount of external debt for the continent was estimated at 417 billion USD.¹ 19 African countries exceeded the 60% debt-to-GDP threshold set by the African Monetary Co-operation Programme (AMCP), while 24 countries surpassed the 55% debt-to-GDP ratio suggested by the International Monetary Fund (IMF).²

The debt burden was increasing because Africa still needed to spend 130-170 billion USD per year for infrastructural development, with a financing gap in the range of 68-108 billion USD.³ Because the financing gap was filled through loans, the debt burden of the continent increased between 680 million USD and 1.08 trillion USD by 2030. Around 20% of that debt was owned by China,⁴ a further 35% was held by multilateral institutions such as the World Bank, with 32% owed to private lenders.⁵ China's Belt and Road Initiative (BRI) was designed to connect 68 countries in Asia, Europe and Africa in road access, transport, electric power and telecommunication. To implement this project about 4 trillion USD was disbursed between 2020 and 2030. Many countries which were part of the BRI, such as Djibouti, Kenya and Ethiopia, were eventually listed as highly indebted countries. Djibouti's loan from China amounted to about 77% of its total loan, for example, exposing it to the danger of a major debt crisis and increasing Beijing's influence on Djibouti's political developments.⁶

- 1 Reality Check Team, "Reality Check: Is China Burdening Africa with Debt?", *BBC News*, November 5, 2018, <https://www.bbc.com/news/world-africa-45916060>.
- 2 Chukwua Onyekwena and Mma Amara Ekeruche, "Is Debt Crisis Looming in Africa?", *Brookings*, April 10, 2019, <https://www.brookings.edu/blog/africa-in-focus/2019/04/10/is-a-debt-crisis-looming-in-africa/>
- 3 African Development Bank, "Africa's Infrastructure: Great Potential But Little Impact on Inclusive Growth", *African Economic Outlook 2018*, https://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/2018AEO/African_Economic_Outlook_2018_-_EN_Chapter3.pdf.
- 4 Yun Sun, "China and Africa's Debt: Yes to Relief, no to Blanket Forgiveness", *Brookings*, April 20, 2020, <https://www.brookings.edu/blog/africa-in-focus/2020/04/20/china-and-african-debt-yes-to-relief-no-to-blanket-forgiveness/>
- 5 Op. Cit., "Reality Check: Is China Burdening Africa with Debt?"
- 6 Ibid. See also: Masonri Tobita Nikkei, "Coronavirus in Djibouti Increases the Risk of China Debt Trap", *NIKKEI Asian Review*, April 26, 2020, <https://asia.nikkei.com/Spotlight/Belt-and-Road/Coronavirus-in-Djibouti-increases-risk-of-China-debt-trap>.

Debt burden share

Different stakeholders in Africa



Data: BBC News, November 5, 2018 and author's calculations

A military *coup d'état* failed on March 28, 2030. As the US threatened to take the controversy to the UN Security Council, China and Djibouti jointly announced the militarisation of the Bab-el-Mandeb Strait and a blockade preventing all foreign ships from passing the strait.¹ The **April 2030 Bab el-Mandeb blockade** was the most serious incident involving two great powers since the fall of the Berlin Wall. It opened a phase of direct confrontation between Beijing and Washington that kept the strait closed for ten months, until January 2031. The crisis and the deterioration of politico-economic relations between China and the US had serious repercussions for the financial markets, and triggered a commodity crisis, pushing the global economy into recession. The impact on the commodity market was the deepest since the 2020 Covid-19 pandemic, during which commodity prices fell sharply and the effects of the global economic downturn reduced demand for exports and disruption of supply chains took a heavy toll on African economies.

The implications of this geopolitical quagmire were worsened by a prolonged period of very poor rainfall and record-high temperatures during both the March-June and October-December 2029 rainy seasons in the greater Horn of Africa, which created the conditions for a **weather shock**, the worst of the century. The situation led to severe shortfalls in crop production, water and livestock shortages, and extreme deterioration of pastures in some agro-pastoral and marginal mixed farming areas, which exacerbated food insecurity in Kenya, Ethiopia, Somalia and Uganda. A record number of 120 million food insecure people was attained towards the end of 2029, with 500,000

deaths reported due to famine. This was double the number of deaths during the most severe droughts that hit East Africa in the past 50 years, in 2011 and 2019.

Shockwaves of the combined geopolitical and climate crises were felt across Africa and presented the continent with a major challenge. Disruption in the global economy caused by the blockade reduced foreign financing flows, and Africa's participation in global trade and value chains. The decline of commodity prices triggered large contractions in export commodity-dependent countries such as Angola, Nigeria and South Africa, while other African economies suffered due to ripple effects, prompting a rise in unemployment and an increase in flows of economic migrants between African countries and towards Europe. The climate shock in East Africa resulted in a humanitarian catastrophe, and worsened local and extremist violence, with al-Shabaab launching an offensive and occupying almost the entire territory of Jubaland in spring 2030, before being pushed back by AMISOM and Somali security forces.

Overall, it was not until early 2032 that the continent could see the first signs of recovery from these two crises. But consequences would have been more severe had the AfCFTA not been fully operational at the time the crises erupted. Throughout the emergency, the AU played a proactive role in managing the crises, fostering solidarity among its members, whose economies were boosted by the AfCFTA. The presence of a trade bloc increased African economies' ability to recover from shocks by:

¹ The Bab el-Mandeb chokepoint connects the Red Sea to the Gulf of Aden and Arabian Sea. Most exports of petroleum and natural gas from the Persian Gulf that transit the Suez Canal or the SUMED Pipeline pass through both the Bab el-Mandeb and the Strait of Hormuz.

1. reducing their reliance on extra-African imports and exports and thus reducing their vulnerability to global supply and demand shocks;
2. increasing overall resilience of African populations and communities through investments in livelihood opportunities and rural development, which did not prevent the climate shock from happening but saved a significant number of livelihoods. It has been estimated that without AfCFTA provisions, the impact of the drought would have been much heavier (500,000 to 1 million more food insecure people);
3. improving coordination between (and even within) African countries through the establishment of various institutions and mechanisms and the building of increased trust through regional/continental cooperation on AfCFTA implementation, which helped address social/climate resilience and relief;
4. contributing to African governments becoming more responsive to the needs and concerns of citizens, e.g. through consultative frameworks established to promote inclusive implementation of the AfCFTA and the introduction of social safety nets to cushion negative impacts of AfCFTA implementation;
5. stimulating the development of the soft and hard infrastructure required to facilitate the movement of goods, people, finance and services throughout the continent, and humanitarian assistance to provide relief to populations in East Africa affected by famine.

As a result, economic integration helped Africa recover faster from a global and climate crisis. Contrary to previous shocks, such as Covid-19, Africa could now benefit from a wider array of more mature economic and financial mechanisms, and pooling of resources, which became

available to African countries to ensure relief for citizens and businesses affected. Politically, while it did not prevent the emergence of a proxy war in one of its member states, the AfCFTA decreased dependency on foreign powers and protected other countries in the continent from the most severe implications of the crisis. The AfCFTA enhanced solidarity between states, as political discussions focused on finding an African approach and solution to the crisis, as demonstrated by the mediation role of the Intergovernmental Authority on Development (IGAD) and the AU, which helped to ease tensions and highlight African concerns to eventually contribute to the removal of the blockade. This helped to project an image of the trade bloc as the best guarantee of post-crisis resilience.

THE JOURNEY: 10 TRENDS UNLOCKING INTEGRATION IN 10 YEARS

How did Africa get to this positive scenario, and what changes between 2020 and 2030 allowed for the full implementation of the AfCFTA, described as an 'African Miracle'? First, this journey occurred against the backdrop of three megatrends, which had deep and irreversible effects on the continent's dynamics and define the context in which the journey towards 2030 occurred.

The first megatrend was the expansion of Africa's population. By 2025 one out of every three births in the world occurred in Africa.² A larger population meant a greater demand for resources, education, healthcare, housing, and jobs. Satisfying these demands required accelerated economic growth and investment,

² UNICEF, *Generation 2025 and beyond: the critical importance of understanding demographic trends for children of the 21st century*, UNICEF Division of Policy and Strategy, 2021, p. 3.

which created a strong business case for economic integration. The second megatrend was an advancement in human development. This created a demand by the population for better public services, such as education and health. Africa's Human Development Index, an aggregate measure of human development comprising income, health, and education levels, saw the average score grow by 24% from 1991 to 2018 and was projected to grow by 30% from 2018 to 2063. Life expectancy in Africa was also projected to grow from just over 65 years today to nearly 78 years in 2063. These advances in human development created greater and different demands from governments and regional organisations to deliver. A third megatrend was progress in ICT. This led to enhanced connectivity within Africa and with the rest of the world, eventually allowing Africa to leapfrog through technological advancements and close the gap with the rest of the world. Related economic expansion, such as the provision of high value-added services, required costly and complex advances, like fixed broadband and increased investment in physical infrastructure, which could only be facilitated by continental economic integration.

The beginning of the journey: political will and leadership

An old Chinese saying goes that “a journey of a thousand miles begins with a single step”. AfCFTA's journey started thanks to political will. A shared political mindset promoted continental trade integration, prioritising shared economic gains at the expense of historical rivalries or relative economic gains. An unexpected window of opportunity was opened by the Covid-19 crisis in 2020, which galvanised African leadership. The shock of Covid-19 served as a catalyst to accelerate the implementation of the AfCFTA, producing consensus among African countries on the need to take decisive steps to deal with the economic consequences of the pandemic, making Africa an attractive destination for foreign investments while at the same time reducing its reliance on foreign aid. The momentum came from South African President Cyril Ramaphosa, the 2020

chair of the AU – a momentum that was maintained by his successor, President Félix Tshise-keki from the DRC. Furthermore, an informal coalition of AfCFTA champions emerged among an initially small group of three committed African leaders, which included the Heads of State of Ghana, Rwanda and South Africa, later joined by Chad, Kenya, Morocco and last but not least Nigeria after the 2023 elections.

The establishment of the AfCFTA benefited from widespread support among Africa's citizens for the longstanding objective of an integrated Africa. Nonetheless, the successful functioning of the AfCFTA required more than just rhetorical support. It also required the willingness of individual member states and their leaders to actually implement the agreement by, among other things, establishing the necessary structures and institutions at national level, pushing through relevant legislation, agreeing to the harmonisation of laws and standards and investing in regional and continental institutions. Previously, few African governments had demonstrated consistent willingness to expend the political capital required to do this, as regional integration was rarely seen as a priority for national business and political élites. But the onset of the Covid-19 pandemic and its devastating impact on African economies altered the political calculus.

The prolonged slump in global oil and commodity prices due to Covid-19 dampened demand from major export markets such as China and the EU and created a greater urgency to promote diversification of export markets, including by targeting those closer to home. In other words, the idea of a large, vibrant African market became a pressing socio-economic need. In addition, African governments discovered that the policies and social safety nets they had implemented at the height of the post-Covid-19 economic downturn could be repurposed as mechanisms to compensate the firms and individuals most at risk from AfCFTA implementation. Finally, the leadership shown by Africa's regional powers on AfCFTA implementation was also important. In this regard, in addition to the coalition of three champions, led as discussed by Ghana, Rwanda and South Africa, the election of a respected pro-trade economic

reformer, Dr. Ngozi Okonjo-Iweala, as President of Nigeria in 2023 was crucial in leading Africa's largest economy to play an influential role in driving African trade integration.

The signposts: incentives and institutional reform

There have been moments during the journey in which the process towards the establishment of the AfCFTA could have stopped. Effective policies in place by 2025 to address specific challenges played an important signposting role.

The AfCFTA called for the removal of 97% of tariffs on trade within Africa by 2034, changing supply and demand relationships, in turn leading to changing production and consumption patterns, as well as eliminating revenue sources for many African governments. Addressing this issue by establishing adjustment mechanisms and promoting new sources of revenue made the AfCFTA a success. Some African governments had feared losing revenue, but had these fears alleviated by the establishment of various adjustment funds, notably the Afreximbank's AfCFTA Adjustment Facility.

Related to this, another element which played a key signposting role was institutional reform across regional blocs as well as through the creation of incentives for businesses and civil society engagement. Stakeholders in pre-existing regional integration processes through the RECs were reassured by the framework of collaboration established between AfCFTA and REC institutions, allowing for continued integration and cooperation at the REC level in parallel with integration at the continental level. Avoiding past mistakes, AfCFTA institutions were designed as 'best fit' responses to the reality of African integration challenges rather than as embodiments of 'best practice' models used elsewhere. They also generated a true sense of African ownership, since they were largely financed by African countries.

Finally, the private sector and civil society were engaged. Mechanisms established to promote private sector knowledge of and interest in

the opportunities provided by the AfCFTA and to foster inclusive public-private engagement (such as the 'Afro-champions Initiative') were crucial for promoting implementation by African governments and usage by African businesses. The annual 'intra-African Trade fairs' helped to promote intra-African commerce under the AfCFTA, and the establishment of an African Business Council as an apex private sector representative body dealing with continent-wide issues and the strengthening of the Pan-African Chamber of Commerce and Industry (PACCI) helped, along with the Afro-champions initiative, to ensure that the private sector played an engaged and constructive role in AfCFTA implementation. Mechanisms to promote and facilitate informal cross-border trade, such as the continental simplified trade regime, helped reduce costs for smaller and informal enterprises engaged in African trade.

Mechanisms for civil society engagement, such as the Consultative Dialogue Framework (launched by the Civil Society Forum) at continental level and via national committees, provided effective platforms for civil society organisations to push African governments to ensure that the AfCFTA promotes inclusive and socially and environmentally sustainable outcomes.

Navigating the journey: positive trends in 10 key areas for integration

How did policymakers navigate the journey, and in which concrete situations did they make the right choices to minimise risks and maximise opportunities for free trade? Progress in ten areas allowed the AfCFTA to succeed. The section below introduces each thematic area, describing the main trends at the start of the journey (2020) and their relevance for integration. All ten thematic areas have been chosen because they are vital to sustain a free trade area, by addressing security (eg. conflict, violence, armaments), sustainability (urbanisation, environment, governance, maritime)

needs, or providing key enablers for growth (digitalisation, jobs, energy). These sectors have been considered as vital to develop functional integration in Africa. In each one of these ten domains, policy action and consensus mustered at the appropriate time could amplify their benefits in support of the broader objective of economic integration, while at the same time mitigating risks.

ENVIRONMENT

Environmental factors will prove a huge challenge for Africa over the next decade. Already the hottest continent on the planet, Africa is likely to see average temperature rises of 1°C by 2030 and be on track for a 2°C rise by 2050, with the drier regions of North and Southern Africa potentially seeing more substantial increases.³ Africa's sub-tropical zones are becoming more arid, and desertification will continue in the Sahel.⁴ In Southern Africa, heatwaves and longer periods of drought could severely impact food production. Although rainfall projections in the east of the continent are less clear, the Horn of Africa is likely to see large shifts in rainfall patterns, and parts of East Africa could see an increase in the number of drought days.⁵

Many countries will experience an increase in extreme weather events, including more severe and frequent droughts and floods, heatwaves, storms, and tropical cyclones in coastal areas. Mozambique, Tanzania and Madagascar will become increasingly vulnerable to tropical storms,⁶ and Mozambique in the east and Benin and Guinea-Bissau in the west will be particularly at risk from flooding due to sea level

rise.⁷ Elsewhere, major economic and population centres and transportation hubs such as Cairo, Alexandria, Lagos and Mombasa could be threatened by floods.

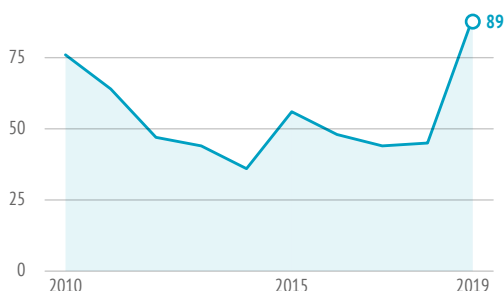
Heat stress and more irregular rainfall patterns could lead to poor crop yields and lost harvests through worsened growing conditions and shortened growing seasons. As Africa's populations and economies grow, demands for food, water and energy will rise, leading to greater pressure on precious resources. Changes to land use will have a significant effect on the continent's environment; in particular, deforestation in the Congo basin will have a major impact on carbon capture and on rainfall. The continuing dominance of biomass, still used as a fuel source for cooking by three quarters of the population in Nigeria and Kenya and by 97% of people in the DRC,⁸ will continue to contribute to the degradation of woodlands and vegetation. So too will the destruction of forests to clear land for subsistence agriculture, currently the largest driver of deforestation in Africa.⁹

While the true economic impact of climate change remains unclear, it is almost certain to slow economic growth and make economic integration more challenging. In particular, changes in the climate will have a major impact on agriculture – one of Africa's largest economic sectors – and the next decade may see disruptions to food production and trade as a result. If African countries can work together, taking serious action to address the challenge, then they could succeed in finding African solutions to mitigate the stresses which climate change will place on the continent. Conversely,

- 3 Katy Richardson, "Climate Change in Africa: a review to inform DCDC's Africa Regional Survey 2045" (a research paper commissioned by the Development, Concepts and Doctrine Centre (DCDC)), UK Met Office Hadley Centre, September 2015.
- 4 Jakkie Cilliers, Barry Hughes and Jonathan Moyer, "African Futures 2050", *ISS Monograph*, Institute of Security Studies (ISS), Pretoria, January 27, 2011, <https://issafrica.org/research/monographs/african-futures-2050>.
- 5 DCDC, *Africa out to 2045*, Shrivenham, November 2016, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/578383/20161121-GST_Africa_out_to_2045.pdf.
- 6 Sally Brown, Abiy S. Kebede and Robert J. Nicholls, *Sea Level Rise and Impacts in Africa, 2000-2100*, University of Southampton, April 11, 2011.
- 7 Op.Cit., "Climate Change in Africa: a review to inform DCDC's Africa Regional Survey 2045".
- 8 International Energy Agency, "Africa Energy Outlook 2019", *World Energy Outlook Special Report*, Paris, November 2019, <https://www.iea.org/reports/africa-energy-outlook-2019>.
- 9 G. M. Kissinger, M. Herold and V. De Sy, *Drivers of Deforestation and Forest Degradation: A Synthesis Report for REDD+ Policymakers* (Vancouver: Lexeme Consulting, 2012).

Extreme weather

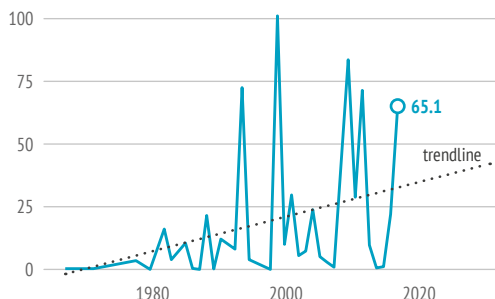
Number of extreme weather events in Africa, 2010-2019



Data: EM-DAT, 2020

Water withdrawal for agricultural use

Actual water usage (cubic km) in Africa, 1970-2030 (projected)



Data: International Futures, 2020

if environmental factors divide rather than unite – in particular as the pressure on resources increases and migration flows impact on neighbouring countries – this will hinder cooperation and exacerbate existing drivers of tension, acting as a brake on integration ambitions.

DIGITALISATION

For the AfCFTA to take off, and to effectively implement the AU's African Digital Transformation Strategy, the required adequate digital and analogue conditions need to be in place.¹⁰ Fast and reliable broadband can enable the AfCFTA to promote cross-border trade by reducing barriers to cross-border operations, including high mobile roaming charges. By fostering transnational engagement, e-commerce, for instance, has the potential to contribute to economic integration by offering access to markets beyond national boundaries. Estimates suggested as many as 631 business-to-consumer online marketplaces for physical goods active in Africa in 2019. These marketplaces had a total of 1,902 websites distributed across all African countries.

Nevertheless, the majority of these marketplaces are still not open to sellers from foreign countries. Almost 80% of online marketplaces operate nationally, and only 6.2% have an intercontinental geographical scope.¹¹ In this regard, the African Union Commission is working with the African Electronic Trade Group to develop a continental platform on e-commerce

Main trends

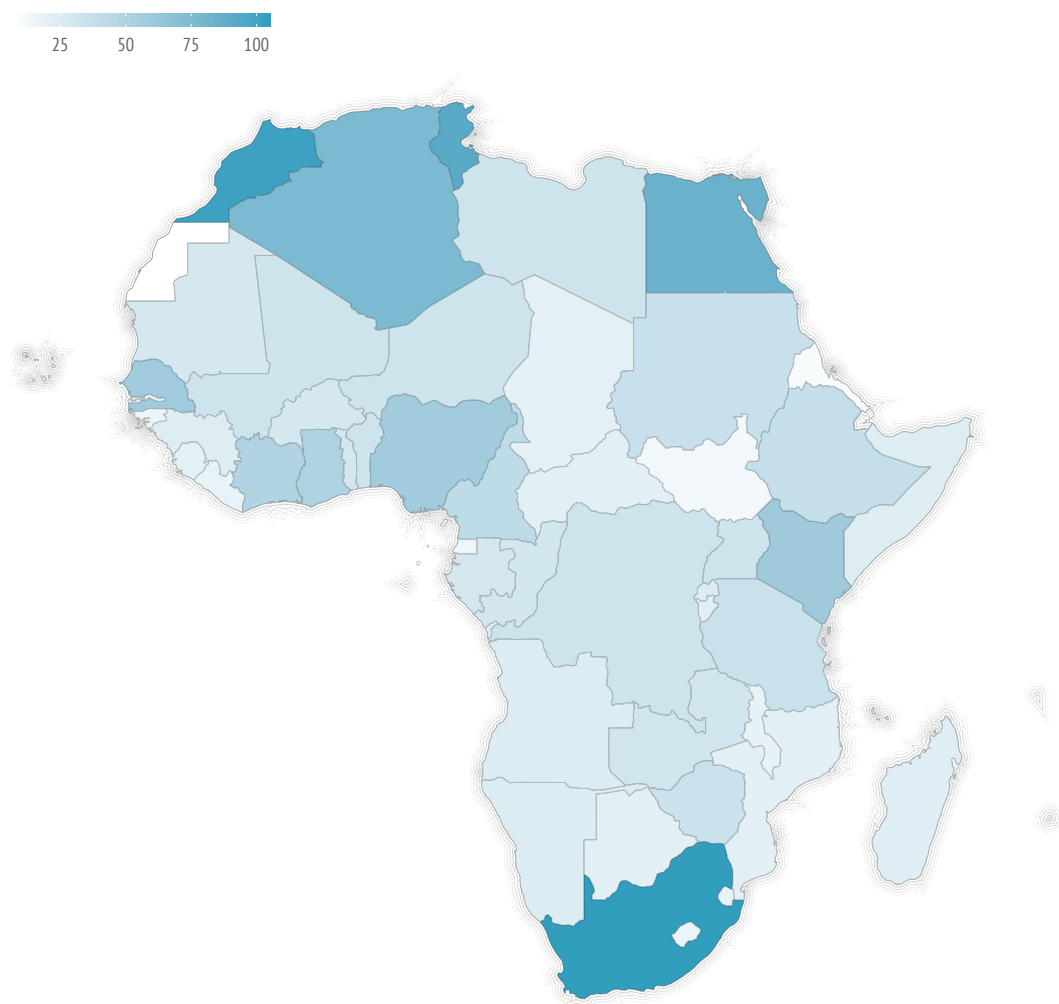
- > Environmental factors will prove a huge challenge for African economic integration, impacting on food production, infrastructure, trade and livelihoods.
- > As pressure on resources increases, this could hinder cooperation between African countries and act as a brake on integration.
- > However, if African countries work together to mitigate the challenge of climate change, this could not only boost the effectiveness of their adaptation and mitigation strategies but also drive cooperation in other areas.

¹⁰ The World Bank, "World Development Report 2016: Digital Dividends", Washington D.C., 2016, <https://www.worldbank.org/en/publication/wdr2016>.

¹¹ International Trade Centre, "African Marketplace Explorer. Characteristics of marketplaces in Africa in 2019", Geneva, 2019, <https://ecomconnect.org/page/african-marketplace-explorer>

E-commerce in Africa

Number of marketplaces per country, 2019



Data: International Trade Centre, 2019

to promote the development of export trading companies. The platform will need to be underpinned by improved local, regional, and global interoperability of, and innovation in payment gateways, financial institutions and FinTech disruptors, to ensure simplification of cross-border payments.

Payment systems and services rely upon telecommunications, so to the extent that the Af-CFTA can create conditions for improved and trusted electronic payments systems (including mobile money), this can also support connectivity demand and development of broadband networks.¹² In addition, in support of the UN SDGs' call for a universal identity (ID), and

¹² Ashly Hope, "Payments Services", Tralac, 2019, <https://www.tralac.org/documents/events/tralac/2742-tralac-brief-payments-services-march-2019/file.html>.

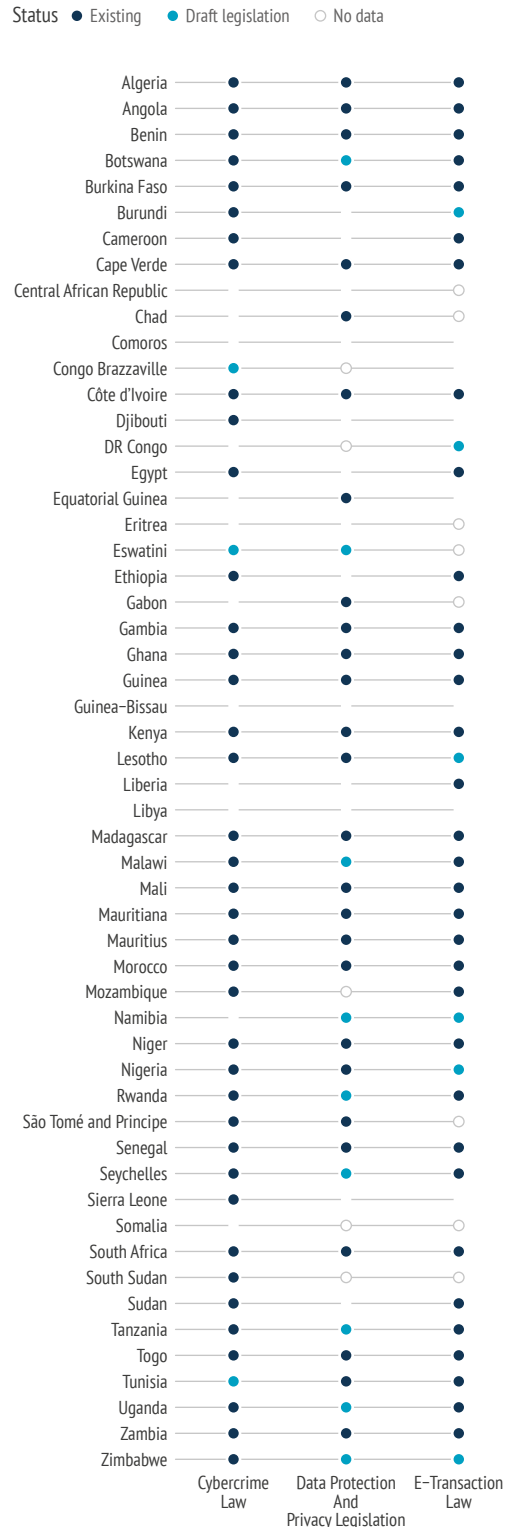
inspired by the African Free Trade Area, there are strong regional pressures for the roll-out of digital and biometric ID systems across the continent. Last but not least, the AfCFTA is also an opportunity to increase regional cooperation to fight cybercrime through the harmonisation and integration of cybersecurity strategies, policies, and legislation.

However, there is evidence that the persistent digital divide may pose an obstacle to the integration of national markets through seamless digital infrastructures. This trend, if not adequately addressed through a concerted approach to digital policy and regulation which will seek to address connectivity, skills, rights, and governance issues, will exacerbate existing digital inequalities. Currently, existing trade across countries in Africa is primarily informal. In 2017, informal cross-border trade (ICBT) accounted for approximately 40% of total intra-regional trade in the Southern Africa Development Community region.¹³ Informal cross-border traders are not able to provide banks with the collateral to open up a bank account. Also, bank fees are too high for informal traders. Due to the prohibitive costs of formal clearance at the borders, regressive duties structures and complex clearance procedures, coupled with red tape and the impossibility of applying online to formalise a business, many people are excluded from the formal economy.

Potential solutions to these challenges could be developed based on the Distributed Ledger Technology (DLT). By May 2020, 128 blockchain projects were recorded in Africa by the African Digital Asset Framework,¹⁴ an initiative supported by the AU and African Development Bank, among others. Blockchain projects

Cyber legislation in Africa

Status of legislation



Data: UNCTAD, 2020

¹³ Christopher Changwe Nshimbi and, Inocent Moyo (eds.), *Migration, Cross-Border Trade and Development in Africa: Exploring the Role on Non-State Actors in the SADC Region* (Cham: Palgrave MacMillan, 2017), <https://www.palgrave.com/gp/book/9783319553986>.

¹⁴ The full list of projects is available at the following link: https://docs.google.com/spreadsheets/d/15SnCuNTV4UQdz9k-kmF_ruvQuKso8OoHfSi0y8P8pVw/edit#gid=0.

have grown by over 120% per year since 2017.¹⁵ Besides, untapped potential, combined with a growing and young population, creates conditions for new and emerging start-ups to cater for the demand for digital connectivity and services. The African Development Bank estimated that approximately 6,500 technology start-ups existed on the continent in 2019, among which about 10% (712 start-ups) develop applications that fall into the category of the Fourth Industrial Revolution (4IR).¹⁶ Boosted by millennial digital natives, creativity and digital innovation is accelerating across Africa even though many still consider it a “testing ground for technologies produced elsewhere”¹⁷ in the world. Also, these projects are a niche and only of limited help for the more vulnerable and those demanding radical change.

Although ensuring the physical infrastructure needs to be prioritised, this may be the easier and more accessible part. For cross-border e-commerce and cross-border data flow to work and to support development effectively, consumers and businesses must feel protected with the support of legal frameworks that adequately protect citizens online. Cyber policy and regulation, including data protection, which are prerequisites for interoperable trade regimes, are by far more challenging to get consensus on than infrastructure and services. By June 2019, only five countries had ratified the AU Malabo conventions on cybersecurity and data protection and even less the Budapest Convention on cybercrime.

Main trends

In the digital domain, the main risks are:

- > Persistent digital divide and digital inequalities.
- > Slow adoption of cyber legislation (including data protection and cyber crime law).
- > Absence of intercontinental online marketplace.

The main opportunities instead are:

- > Untapped demand for innovative digital services.
- > Growing number of internet users, emerging start-up ecosystem and growing online payments drive demand for digital connectivity and services.
- > AU’s African Digital Transformation Strategy proving coordination on regional digitalisation.

CONFLICT

Organised political violence and anti-government mobilisation will continue to impact African societies and the prospects for effective implementation of the AfCFTA during the coming decade. Two specific trends stand out from a peace and conflict perspective. First, armed conflicts involving violent extremist groups will set obstacles and potentially undermine the integration process in parts of the continent. Second, civil conflicts overall will increasingly take place in urban settings and frequently take the form of non-violent

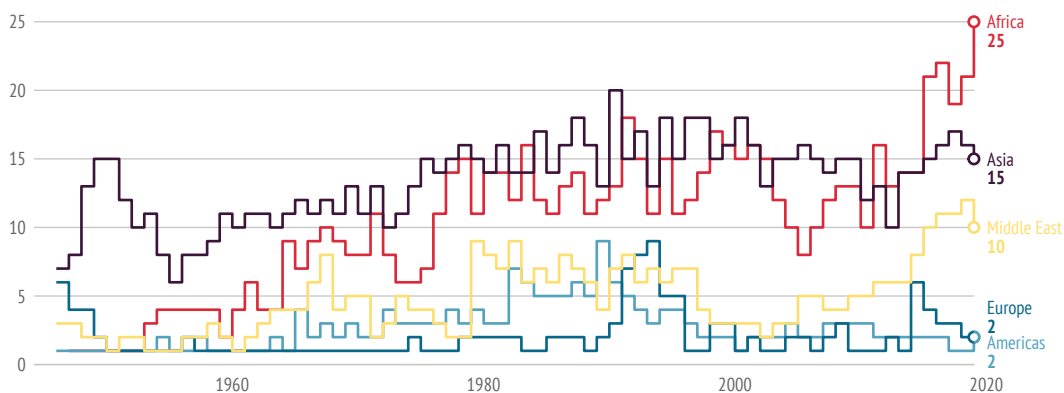
¹⁵ African Digital Asset Framework, “An open-source map to the Pan-African blockchain ecosystem” *Medium*, 2019, <https://medium.com/african-digital-asset-framework/a-map-to-the-pan-african-blockchain-ecosystem-open-sourced-6fabf3d8b66a>.

¹⁶ According to the African Development Bank, 4IR applications fall into 5 main domains of application in Africa, namely agriculture, energy, industry, regional integration, and wellbeing, and 6 key technologies, namely IoT, big data, additive manufacturing, AI, drones, and blockchain. They received \$210 million in venture capital investments of the overall \$2.27 billion investments in technology start-ups. See: African Development Bank, “The potential of the 4th Industrial Revolution for Africa. A study funded by the African Development Bank and performed by Technopolis Group”, 2019, <https://4irpotential.africa>.

¹⁷ Privacy International, “2020 is a crucial year to fight for data protection in Africa”, March 3, 2020, <https://privacyinternational.org/long-read/3390/2020-crucial-year-fight-data-protection-africa>.

African conflicts on the rise

Number of state-based armed conflicts per region, 1946-2019



Data: UCDP Armed Conflict Dataset, 2020

uprisings that mobilise citizens and challenge incumbent leaders and elites. These non-violent state-society conflicts can in the long term contribute to more accountable political regimes and more inclusive governance processes, therefore enabling rather than undermining the integration process.

Overall, armed conflict trends present various challenges to the continental integration process. State-based conflicts in Africa have increased in absolute terms and relative to other regions over the last decade. 2019 saw the highest number of state-based conflicts in the continent since 1946. Reflecting wider global trends, Africa's contemporary state-based conflicts are fought within a state rather than between states. Alongside conflicts between incumbent governments and non-state actors, Africa has witnessed the proliferation of so-called 'non-state armed conflicts', which consist of insurgent groups and/or informally organised communal groups fighting each other, and one-sided violence. Many

conflict-affected countries and regions – such as Nigeria and the Sahel – face simultaneous challenges of state-based and non-state conflicts.¹⁸ The surge of violent extremist groups, particularly transnational militant Islamist groups, either drives or significantly influences many of these armed conflicts. Globally, 28 out of 54 state-based conflicts in 2019 involved either the so-called Islamic State or al-Qaeda-affiliated forces.¹⁹

Notably, conflicts in Africa in the twenty-first century tend to be clustered in space and over time. While some countries and regions have experienced parallel and reoccurring periods of civil conflicts, others have remained mostly peaceful. This clustering of conflict will continue to cast a shadow over the coming decade for two reasons. First, conflicts leave a heavy legacy of instability and breaking a conflict cycle is difficult. Approximately 60% of civil conflicts recur within five years of their ending.²⁰ The increasing complexity of conflicts – e.g. the presence of multiple non-state and state

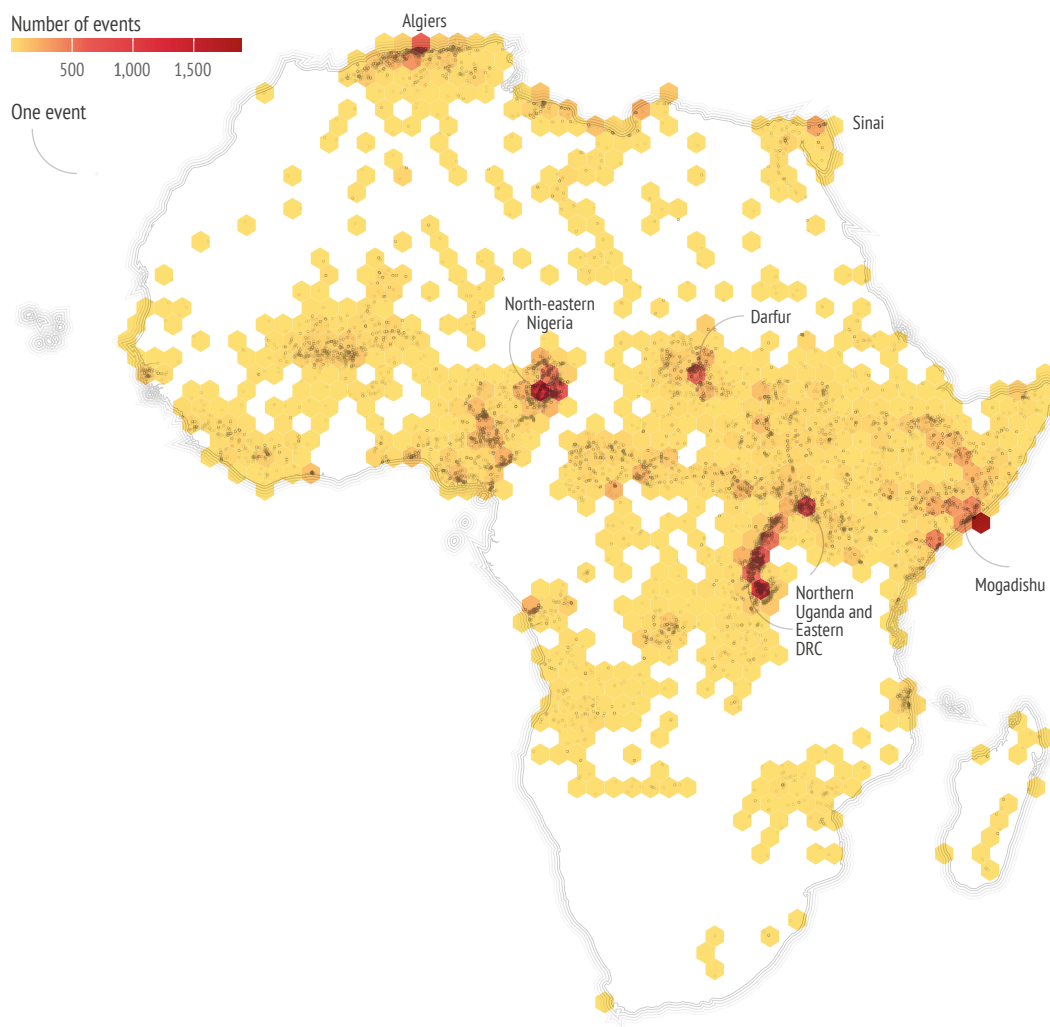
¹⁸ Håvard Strand, Siri Aas Rustad, Henrik Urdal and Håvard Mogleiv Nygård, "Trends in Armed Conflict, 1946-2018", *PRIO Policy Brief*, Conflict Trends, no. 3, 2018.

¹⁹ Theresa Petterson and Magnus Öberg, "Organized violence, 1989-2019", *Journal of Peace Research*, vol. 57, no. 4 (2020), pp. 597-613.

²⁰ Sebastian von Einsiedel et al., "Civil war trends and the changing nature of armed conflict", United Nations University, 2017, https://i.unu.edu/media/cpr.unu.edu/attachment/2534/OC_10-CivilWarTrendsandChangingNatureofArmedConflict-05-2017.pdf.

Armed violence clusters heavily in a few regions

Spatial distribution of conflict events in Africa, 2000-2019



Data: UCDP Georeferenced Event Dataset, 2020; Natural Earth, 2020

actors – and their growing internationalisation can further complicate peace-making.²¹ Second, even though armed conflicts are fought primarily within states, conflict in a country significantly increases the risk of conflict in neighbouring countries.²² The aims of transnational violent extremist groups to achieve

broad, regional dominance threatens to further aggravate conflict diffusion, which can gradually expand the area of armed violence in Africa. Conflicts between non-state groups, such as conflicts between herder and farmer groups in the Sahel or the Horn of Africa, also spill over

²¹ Theresa Petterson, Stina Högbladh and Magnus Öberg, “Organized violence, 1989–2018 and peace agreements”, *Journal of Peace Research*, vol. 56, no.4 (2019), pp.589–603.

²² Halvard Buhaug and Kristian Skrede Gleditsch, “Contagion or Confusion? Why Conflicts Cluster in Space.” *International Studies Quarterly*, vol. 52, no. 2 (2008), pp. 215–33.

geographically, causing insecurity and tensions beyond borders.²³

The destructive effects of civil conflicts on fiscal and economic development are well-known. Armed conflict has an impact on national economies both directly (inflicting costs on human resources, infrastructure, and business) and indirectly (by affecting the government's fiscal and macroeconomic behaviour, and other states' behaviour *vis-à-vis* the country embroiled in the conflict).²⁴ Specifically, conflicts threaten the implementation of economic integration by lowering economic interdependence between countries and making it harder to coordinate macroeconomic policies. Empirical evidence from past regional integration efforts in Africa demonstrates that the presence of at least one conflict-affected country within a region significantly weakened the fruits of integration efforts.²⁵ The upward trend of conflicts involving transitional violent extremist groups can be particularly destructive to an integration process, both by decreasing states' motivations and capacities to engage in a comprehensive continental free trade area and by influencing the implications of the integration process itself.

Main trends

- > Armed violence, particularly that involving violent extremist groups, threatens to undermine the implementation and gains of the AfCTA.
- > Increasingly internationalised and spreading conflicts impose heavy direct and indirect costs on

African societies, complicating macroeconomic coordination needed for integration.

- > Growing trend of non-violent civil resistance can over the long-term contribute to more accountable political regimes and a more inclusive integration process.

JOBS

Prior to the Covid-19 pandemic, the ILO pointed to the fact that most Africans were active in the informal sector and that formal sector jobs were scarce. Therefore, while Africa technically registered low levels of unemployment, this was only because people were surviving in the informal sector where the ILO still categorised them as economically active in spite of the precarious and unregulated nature of the sector. Others, such as the International Monetary Fund (IMF)²⁶ calculated in 2018 that sub-Saharan Africa had to create 20 million formal jobs per year for the next two decades compared to an average of 9 million jobs added annually since 2000. The following year the Africa Growth Initiative at the Brookings Institution²⁷ released its estimate that Africa needed to create 12 to 15 million jobs annually to absorb young people entering the labour market.

Employment in the formal sector is inevitably closely associated with economic growth which in turn largely determines changes in poverty levels depending, of course, on how equally growth is distributed among the population – a phenomenon known as 'income distribution'. From 1988 to 1994 economic growth in Africa declined almost every year to eventually bottom out at -1% as high levels of debt and recurring oil-supply shocks reverberated across the

23 Sara Balestri and Mario A. Maggioni, "Landuse change and communal conflicts in Sub-Saharan Africa", *Peace Economics, Peace Science and Public Policy*, vol.23, no.4 (2017).

24 Paul Collier, "On the economic consequences of civil war", *Oxford Economic Papers*, vol.51, no.1 (1999), pp. 168–83.

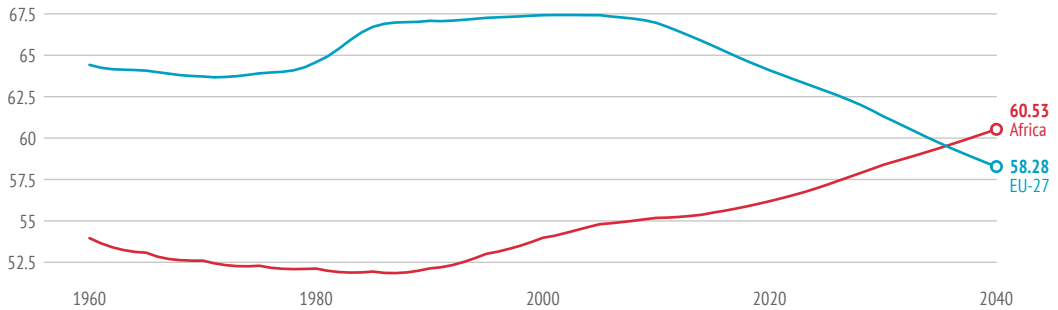
25 Adama Bah, "Civil Conflicts as a Constraint to Regional Economic Integration in Africa", *Defense and Peace Economics*, vol.24, no.6 (2012), pp. 521–34.

26 Aidar Abdychev et al., *The Future of Work in Sub-Saharan Africa* (Washington: International Monetary Fund, 2018).

27 Brahim Sangafowa Coulibaly et al., "Job creation for youth in Africa: Assessing the employment intensity of industries without smokestacks", December 16, 2019, <https://www.brookings.edu/blog/africa-in-focus/2019/12/16/job-creation-for-youth-in-africa-assessing-the-employment-intensity-of-industries-without-smokestacks/>

Population aged 15 to 64

Africa and the EU-27, 1960-2040, % of total population



Data: History from UNPD; Forecast in International Futures (IFs), 7.45

continent. Thereafter the demand for commodities from China would see a turnaround in the continent's prospects. Eventually, from 1994 to 2008, Africa experienced its longest period of sustained economic growth in its post-colonial history, as shown in the diagram above.

Thereafter the global financial crisis of 2008/9 cast a pall over global growth prospects, including in Africa. In 2011 Africa registered an improvement of just over 1% and average incomes did not improve in subsequent years. In fact, by 2019 GDP per capita was similar to what it was in 2013. Instead of going forward, the continent was standing still – poverty was hardly declining. Then the onset of the Covid-19 disaster saw the continent's economy contract by -3.5% in 2020. Suddenly the modest progress towards poverty reduction in line with Goal 1 of the Sustainable Development Goals turned negative.

Because Covid-19 originally spread from China to Europe and only really hit Africa in mid-2020, the continent effectively sustained a double hit. It first suffered from the effects of the initial global economic contraction when its major trading and tourism partners closed down, and then, later in 2021, from the health impact of the pandemic on its domestic economies as infections and fatalities in Africa accelerated.

Eventually the advantage represented by Africa's youthful population (young people being much more resistant to the effects of Covid-19) was largely cancelled out by its high rates of comorbidity and low health capacity.

Compared to the IMF's pre-Covid-19 growth forecasts Covid-19 led to losses of around US\$200 billion from Africa's economy in 2020 alone. 14 million more Africans fell into extreme poverty than was previously forecast,²⁸ making it evident that the pandemic could undo a decade of developmental progress. But the story of the next decade can also be overwhelmingly positive, if early action is taken by African governments.

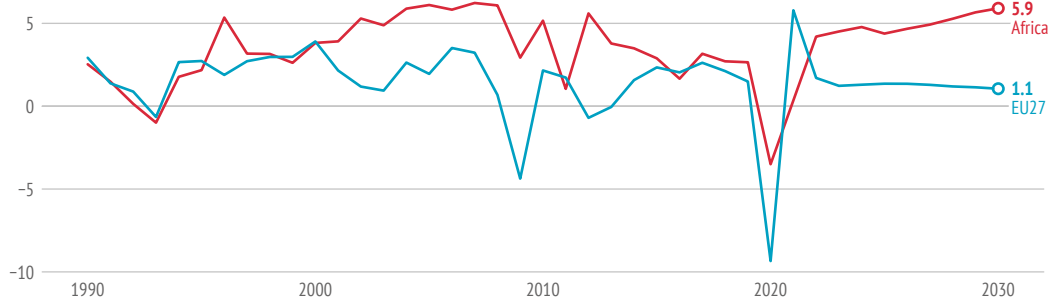
Main trends

- > Africa needs to find ways to accelerate job creation for young people in the formal sector of the economy.
- > Without significantly higher rates of economic growth, Africa will be unable to reduce the size of the informal sector, and unemployment generally.

²⁸ Jakkie Cilliers et al., "Impact of COVID-19 in Africa: A scenario analysis to 2030", Institute for Security Studies, *Africa Report* no. 24, July 2020, <https://issafrica.org/research/africa-report/impact-of-covid-19-in-africa-a-scenario-analysis-to-2030>.

GDP growth

Africa and the EU27, 1990–2030, %



Data: History from IMF; Forecast in International Futures (Ifs) v 7.45 (University of Denver)

URBANISATION

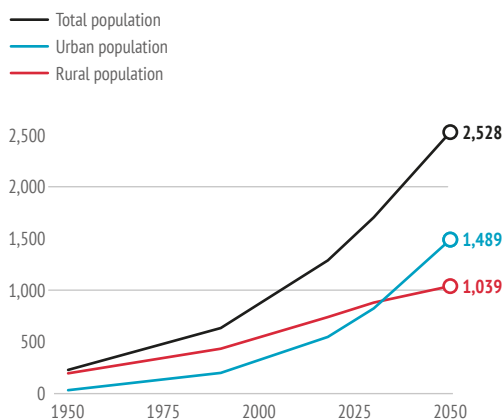
Africa is and will continue to be considerably affected by urbanisation.

Although at present the continent is mostly rural, the African urban population is growing fast: there are expected to be 824 million urban dwellers in 2030, and 1.5 billion in 2050, against 548 million in 2018.²⁹ The rural population will also grow but this will be outpaced by the rate of urban population growth: in 2050 people living in rural areas will represent only 41% of the total African population. African urbanisation is only partially driven by rural–urban migration: in fact, 60% of Africa’s urban population growth derives from the predominance of births over deaths in urban areas.³⁰ Analysing this data, it is clear that the rapid expansion of Africa’s urban population poses great challenges as well as many opportunities, in terms of economic growth, trade and innovation.

Looking at urbanisation in Africa from the angle of intra-African trade, we should start by saying that urbanisation is not *per se* a negative phenomenon and its impact mostly depends on how it is managed. In fact, urban agglomeration can increase productivity and trade, and thus trigger economic growth: when firms and

Urban-rural population balance

Africa, 1950–2050, million



Data: UNDESA, 2018

workers are clustered in cities, costs of production may decline due to positive spillover effects,³¹ economies of scale and a higher degree of connectivity between workers and firms. This results in a positive effect on trade: African cities can play a key role in increasing intra-industry and intra-sector trade, boosting value addition, enhancing industrial competitiveness and fostering regional value chains.

²⁹ United Nations Department of Economic and Social Affairs (UNDESA), *World Urbanization Prospects – The 2018 Revision*, 2019, <https://population.un.org/wup/Publications/Files/WUP2018-Report.pdf>.

³⁰ Julia Bello-Schünemann, “Africa’s future is urban”, Institute for Security Studies (ISS), December 2016, <https://issafrica.org/iss-today/africas-future-is-urban>.

³¹ Gilles Duranton, “Growing through Cities in Developing Countries”, *The World Bank Research Observer*, vol. 30 (no. 1), 2015.

Nevertheless, urbanisation can turn out to be an obstacle rather than an opportunity. As far as African cities are concerned, two problems have so far been determinant and this is likely to continue to be the case in the future. First, urbanisation in Africa has occurred without a corresponding industrialisation process:³² over time, due to lack of opportunities and low capital investment, new city dwellers, especially young people,³³ have ended up in the informal job market³⁴ and are forced to live in slums, with very limited or even no access to basic services, such as drinking water, electricity, sanitation and healthcare. The share of Africans living in slums is still very high: South Sudan, Sudan and the Central African Republic are the top three African countries with the largest percentage of urban population living in slums.³⁵ The second problem is related to how urbanisation is (not) managed: African cities, due to their chaotic and dysfunctional nature – which derives from the lack of urban planning – have represented a constraint for agglomeration economies, trade, industrialisation and thus economic growth,³⁶ hampering productivity gains and the transition from non-tradable to tradable sectors. Furthermore, unplanned urbanisation, alongside with high levels of poverty, has contributed to undermine social cohesion and has functioned as a catalyst for urban violence: new forms of conflicts, social unrest and exclusion are emerging in fragmented and dysfunctional urban centres.

The combined impact of low levels of industrial development and poorly managed urbanisation

on intra-African trade is detrimental and creates a vicious circle: the structure of African cities hinders those economic reforms that should underpin the AfCFTA, thereby impeding job creation and preventing economies of agglomeration from being generated, which in turn impedes the industrialisation process that is at the root of beneficial urbanisation. Therefore, the key point policymakers should reflect on, here and now, is not how to stop urbanisation but how to manage it, especially against the backdrop of the newly-implemented AfCFTA.

Main trends

- > Without industrial development and urban planning, African urban centres risk becoming fragmented and dysfunctional cities, preventing economies of agglomeration from arising.
- > African cities risk becoming hotbeds of urban protests, riots and conflicts, jeopardising the implementation of the AfCFTA.
- > Urbanisation as an opportunity: if managed, urbanisation can trigger the benefits of agglomeration economies, with a positive impact on intra-African trade and industrial competitiveness.

³² United Nations Economic Commission for Africa (UNECA), “Urbanization and Industrialization for Africa’s Transformation”, 2017, https://www.uneca.org/sites/default/files/uploaded-documents/ERA/ERA2017/era-2017_en_fin_jun2017.pdf.

³³ Brookings Institution, “The New Urban Agenda and Demographic Dividend: Investments for Africa’s Youth”, January 2019, https://www.brookings.edu/wp-content/uploads/2019/02/The_New_Urban_Agenda_20190131.pdf.

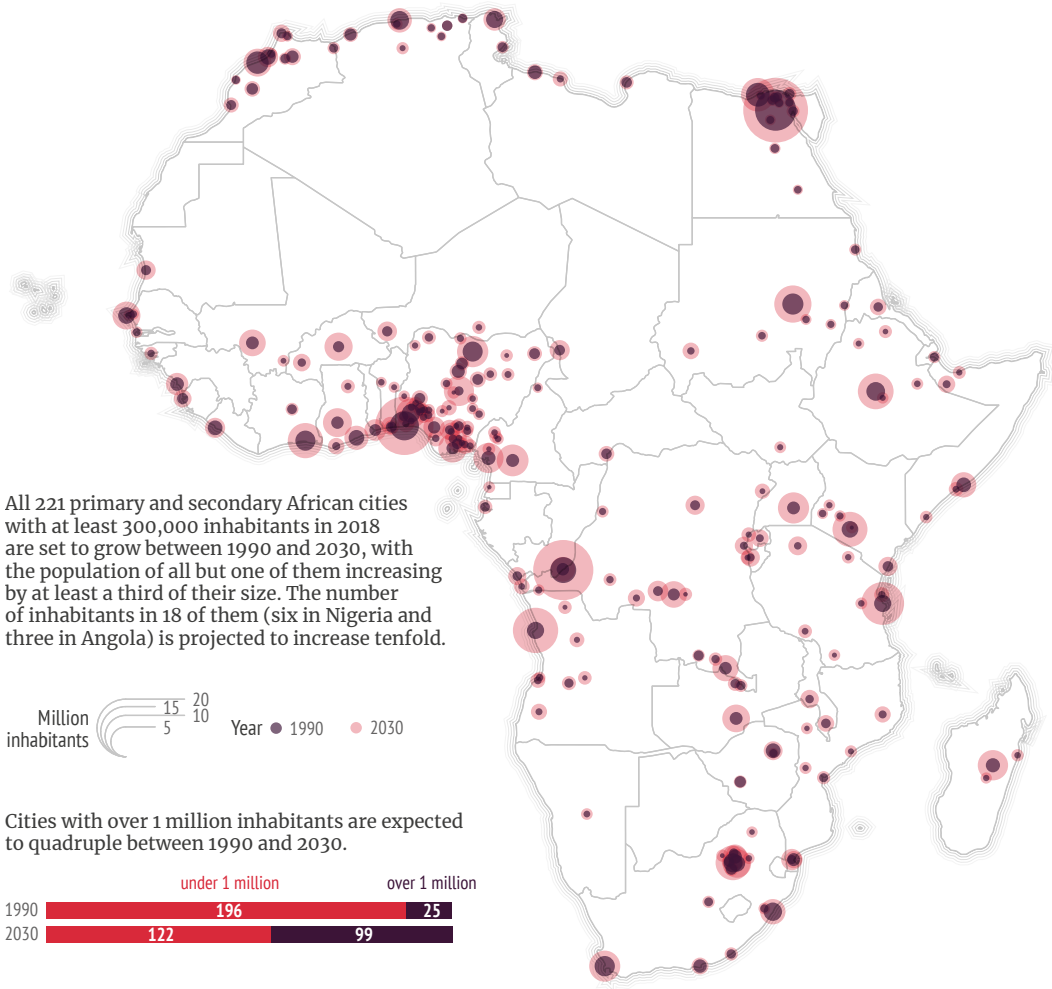
³⁴ Informal employment accounts for 76% of African employment, 59.2% excluding agriculture. Source: International Labour Office (ILO), “Women and Men in the Informal Economy: A Statistical Picture”, Geneva, 2018, https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_626831.pdf.

³⁵ United Nations, “Millennium Development Goals Indicators. Indicator 7.10 Proportion of Urban Population living in Slums”, 2015, <https://unstats.un.org/unsd/mdg/SeriesDetail.aspx?srid=710>.

³⁶ Somik Vinay Lall, J. Vernon Henderson and Anthony J. Venables, “Africa’s Cities. Opening Doors to the World”, World Bank, 2017, <https://openknowledge.worldbank.org/handle/10986/25896>.

Urban agglomerations

Africa in 1990 and 2030, million inhabitants



Data: UNDESA, 2018; Natural Earth, 2020

ARMAMENTS

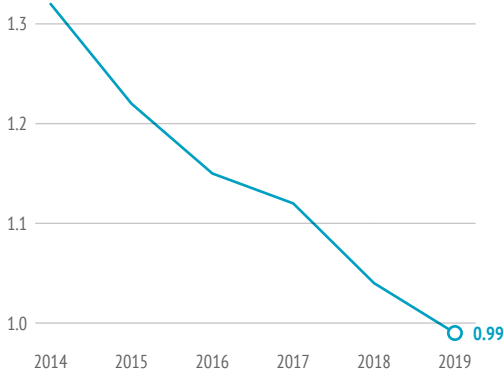
Two trends in the armaments field bear the potential of interfering with the implementation of the AfCFTA: the proliferation of small arms and light weapons (SALW), notably via illicit trafficking, and the uneven militarisation of sub-Saharan countries. These two issues are, however, highly dissimilar in nature.

Firstly, SALW proliferation is largely driven by illicit networks, while militarisation takes place through individual government action. Importantly, SALW proliferation is widely recognised as a major problem afflicting the region and fuelling conflicts, as reflected in the AU’s “Master Roadmap of Practical Steps to Silence the Guns by 2020”. Concern about the proliferation of firearms led to the conclusion of the Arms Trade Treaty (ATT) of 2014, which seeks to curb weapons supplies to war crimes perpetrators and human rights abusers, and to mitigate

the risk of diversion of legitimately-purchased arms.³⁷ While SALW's role in fuelling regional conflicts is well-known, initiatives to stem their spread are hampered by their lax implementation.³⁸ Only 25 African states are parties to the ATT, while 14 are signatories only and the rest have not signed it.³⁹

Regional defence expenditure

Sub-Saharan Africa, % of GDP



Data: IISS, 2020

Secondly, the trend towards militarisation is uneven, although its magnitude is obscured by concurrent developments. Defence expenditure in sub-Saharan Africa measured as a percentage of GDP declined steadily in recent years. In 2014, it represented 1.32% of its GDP; by 2016 this had dropped to 1.15%, and it decreased further to 1.04% in 2018.⁴⁰ However, this indicator reflects a growth in GDP more significantly than a decline in defence spending as prosperity rises. Prior to 2014, sub-Saharan defence spending had been steadily on the rise since 2008, and it has not yet returned to pre-2013 levels.⁴¹ Yet, a breakdown by country shows that various governments are increasing their

defence spending, some of them by over 10%, like Chad or Ethiopia, and others by more than 20%, like Uganda or Zambia.

What both trends have in common is their potential to derail the pan-African economic integration process. The trend towards militarisation threatens to degenerate into an arms race diverting newly-found wealth from civil infrastructure and social services to military arsenals. For its part, the proliferation of small arms threatens to fuel conflicts as well as organised criminal networks involved in the illicit trafficking of mineral resources, hindering economic growth.

Main trends

- > Although no clearly discernible trend has become visible yet, there is a risk that increased wealth will lead to militarisation.
- > Modernisation programmes can have a domino effect and lead to a conventional arms race, prompting African military establishments to equip themselves with capabilities which are peripheral to their needs. Rather than capabilities to deter each other, they are likely to require capabilities to fight terrorism and organised crime linked to illicit trafficking.
- > There is an opportunity to establish limits on military equipment to ensure that the new wealth can be invested in social services and infrastructure to foster social and economic development.

³⁷ Paul Holtom, "The Arms Trade Treaty", *SIPRI Yearbook 2014* (Stockholm: SIPRI, 2014), pp. 445–50.

³⁸ Valerie Arnould and Francesco Strazzari, "African Futures: Horizon 2025", *Report no. 37*, EUISS, Paris, September 2017.

³⁹ Mark Bromley, Kolja Brockmann and Giovanna Maletta, "The Arms Trade Treaty", *SIPRI Yearbook 2019* (Stockholm: SIPRI, 2019), p. 508.

⁴⁰ International Institute for Strategic Studies, *The Military Balance 2020* (London: IISS, 2020), p. 452.

⁴¹ *Ibid.*, p. 452.

GOVERNANCE

The provision of public services, like healthcare and education, is a key asset to promote human development along with macro-economic targets. Free trade and economic integration cannot leapfrog basic infrastructures, otherwise counterproductive mechanisms will be generated.⁴² In fact, focus on the provision of services can serve as a springboard to initiate a reflection on how innovations can be introduced in other sectors.

The role of public services – services intended to cater for all members of a community – therefore deserves a close look in the framework of free trade and economic integration in Africa. A public service may have the characteristics of public goods – goods that are both non-excludable and non-rivalrous – but most are services which may be under-provided by the private sector.⁴³ Certainly, the role and regulation of the private sector deserves to be closely analysed in order to avoid the risk of deteriorating public welfare. In fact, the relation between the private and public sector is a crucial aspect to be explored to implement better and sustainable public services. Furthermore, improving also the governance of regional public goods – the supply of which, unlike national public goods, no single body with the authority of a state can ensure – can emerge as an effective strategy. Good governance of regional public goods can foster growth and distribute its benefits widely through a domino effect. For instance, regional agreements can save on transaction costs and the presence of localised benefits promotes the evolution of an institution based on shared culture, norms and values, thereby reducing asymmetric information. Regional agreements can also increase the credibility of the region to act jointly

to obtain external financing for public goods.⁴⁴ Against this backdrop, the AfCFTA will play a pivotal role in the governance of public goods with intended and unintended consequences, for instance through the creation of a common educational system to support mobility, economic integration and foreign long-term investments. Early planning in terms of governance of public goods and services will be key to avoid increasing inequalities.

As presented by the Ibrahim Index of Africa Governance, African governance has improved considerably since 2010. However, since 2015 progress in this domain has lost pace. In 2019, for the first time in the last decade governance in Africa showed a decline partially due to the deterioration of the human development indicators.⁴⁵

The result of these dynamics has been particularly interesting in West Africa. RECs play a key role in regional governance reforms. The REC of West African States (ECOWAS) represents the most complex and developed regional organisation on the African continent and its ambitions and legitimacy have progressively grown. ECOWAS comprises a number of institutions and specialised agencies covering a range of sectors, from trade to peace and security, and can play a relevant role in the governance of public goods. Yet, in the ECOWAS region, public services are limited or deficient. For instance, access to sanitation is lower than in other African regions and education rankings span from the high scores of Ghana to the very low rankings of Guinea and Niger.⁴⁶ In this framework, navigating dichotomies and disparities is particularly relevant, hence making inequalities a litmus test to determine if public services are delivering.

42 Jeroen Kwakkenbos, “Private Profit for Public Good. Can Investing in private Companies Deliver for the Poor?”, European Network on Debt and Development, 2012, <https://eurodad.org/files/pdf/1543000-private-profit-for-public-good-can-investing-in-private-companies-deliver-for-the-poor-.pdf>.

43 Andreu Mas-Colell et al., *Microeconomic Theory* (Oxford: Oxford University Press, 1995).

44 United Nations Industrial Development Organisation (UNIDO), *Public Goods for Economic Development*, Vienna, 2008.

45 Mo Ibrahim Foundation, 2020, *2020 Ibrahim Index of African Governance*, <https://mo.ibrahim.foundation/sites/default/files/2020-11/2020-index-report.pdf>.

46 Mo Ibrahim Foundation, *Public Services in Africa*, 2018, <https://mo.ibrahim.foundation/news/2018/2018-ibrahim-forum-public-service-africa>.

Main trends

- > If free trade and economic integration leapfrog the delivery of public services, this may lead to counterproductive outcomes.
- > Poor public welfare provision hampers the achievement of macro-economic growth and can jeopardise human development.
- > Good governance of regional public goods can instead foster growth and distribute its benefits widely through a domino effect, reducing inequalities and supporting mobility and long-term investments.

VIOLENCE

If trade integration is going to succeed in Africa, decision-makers must tackle the insecurity caused by violence and organised crime. About 500 million people on the continent – or as much as 40% – live in countries where violence is a common, if not daily, occurrence.⁴⁷ According to UN estimates for Africa, 13 homicides had been recorded for every 100,000 people in 2019. This is more than twice the global average. Similarly, the total number of known murder victims in Africa was about 163,000 – just 10,000 fewer than Latin America, the most violent region in the world.⁴⁸ These sobering statistics exclude battle-related deaths, although the hybridity of Africa's conflict and security actors makes it difficult to distinguish inter-personal violence from political violence and terrorism.

Extreme poverty, weak governance, tensions over land, rapid urbanisation, or population growth may explain why Africa is becoming

less secure. But in sub-regions such as the Sahel, organised crime is becoming a major part of the story. Organised crime consists of illegal activities such as smuggling weapons or migrants and trafficking drugs, people or wildlife. Criminal operators receiving protection from ruling elites or armed groups link the external supply of narcotics to demand from consumers in Europe. They also connect illegal commodities supplied from Africa to global markets and allow people within Africa to gain illicit access to counterfeit goods.⁴⁹

If left unaddressed, violence and organised crime will pose existential threats to the AfCFTA. They will perpetuate uncertainty and insecurity, raising the costs of FDI. Insecurity will also set in motion powerful counterforces to trade integration such as distortions in resource allocation for the private sector and logistical fragmentation. Violence could thus deter crucial investments in transport, electricity, and digital connectivity. Furthermore, hotspots of violence will make it impossible to create industrial clusters or integrate Africa within global value chains. Meanwhile, organised crime networks could morph with existing armed groups and militias to create a parallel integrated shadow economy, isolating insecure areas such as the Sahel from the AfCFTA.

Main trends

- > Violence and organised crime set in motion powerful barriers to trade integration that can pose existential threats to the AfCFTA.
- > Violence distorts resource allocation for the private sector and causes logistical fragmentation due to insecurity.

⁴⁷ Calculated as the sum of people living in countries affected by fragility, conflict, and violence. See World Bank, *FY21 List of Fragile and Conflict-Affected Situations*, Washington, D.C., July 2020, <http://pubdocs.worldbank.org/en/888211594267968803/FCSList-FY21.pdf>.

⁴⁸ United Nations Office on Drugs and Crime (UNODC), "Global Study on Homicide: Executive Summary," Vienna, July 2019, <https://www.unodc.org/documents/data-and-analysis/gsh/Booklet1.pdf>.

⁴⁹ Mark Shaw, "Africa's Changing Place in The Global Criminal Economy," Continental Report 01, Enhancing Africa's Response to Transnational Organized Crime (ENACT), September 2017, <https://enact-africa.s3.amazonaws.com/site/uploads/2017-09-26-enact-continental-report1.pdf>.

- > Organised crime networks can create a parallel integrated shadow economy, isolating insecure areas, such as the Sahel, from the AfCFTA.
- > Tackling these barriers and counter-forces is possible if trade integration is linked to security sector reform. The digital revolution can also help drive more effective citizen engagement and participation in creating a people-centered security architecture.

ENERGY

The lack of sustainable energy supplies, and in particular the limited access to electricity services, is one of the most critical factors hampering the development of the African continent and the empowerment of its citizens. As such, making energy universally accessible is one of the key prerequisites for the implementation of the AfCFTA and the integration of African economies and societies. According to the International Energy Agency (IEA),⁵⁰ in Africa currently nearly 600 million people do not have access to electricity, while almost a billion still rely on pre-modern solutions for cooking.⁵¹ Projections for the future look gloomy and indicate that in 2030 there will still be about 530 million people without access to electricity in sub-Saharan Africa, representing 85% of the world's total.⁵²

The continental situation is extremely heterogeneous and characterised by a huge north-south divide. In North Africa, energy access is almost universal, while in sub-Saharan Africa – with the exception of South Africa

– the rate of access to electricity is dramatically low.⁵³ In Central and Southern Africa 76% and 65% of the population respectively do not yet have access to any kind of electricity service, while signs of progress have been registered in Eastern and Western Africa, with electrification reaching around half of the population. This positive trend can be ascribed to improvements in countries such as Kenya, Ethiopia and Tanzania, which accounted for more than 50% of new continental access in 2018.⁵⁴

This situation has enormous implications for the daily lives – as well as for the future – of African people, since access to reliable, sustainable and affordable electricity services represents a fundamental factor for human progress, economic development, peace and stability, and continental integration. A number of sectors are indeed negatively affected by low electrification rates: from trade to industrial development, from water distribution to food management, from education to health.

The need to accelerate the pace of continental electrification has been further highlighted by the Covid-19 crisis. Reliable access to electricity is indeed crucial in limiting the spread of the pandemic – power supplies are necessary to run hospitals and health centres, keep machinery switched on, safely store drugs and provide clean water – as well as in serving the needs of people forced to stay at home by lockdown measures. With 60% of its health structures and 55% of its population having no access to reliable electricity services, sub-Saharan Africa is extremely vulnerable *vis-à-vis* this crisis – and possible future emergencies.⁵⁵

50 International Energy Agency (IEA), *Flagship report - SDG7 Data and Projections: Access to Affordable, Reliable, Sustainable and Modern Energy for All*, Paris, October 2020, <https://www.iea.org/reports/sdg7-data-and-projections>.

51 According to the Agency, today 44% of Africans live without electricity services, while 71% of them have no access to clean cooking facilities.

52 IEA, IRENA, UNSD, World Bank, WHO, 2020 - *Tracking SDG 7: The Energy Progress Report*, International Bank for Reconstruction and Development/World Bank, Washington DC, 2020, https://trackingsdg7.esmap.org/data/files/download-documents/tracking_sdg_7_2020-full_report_-_web_0.pdf.

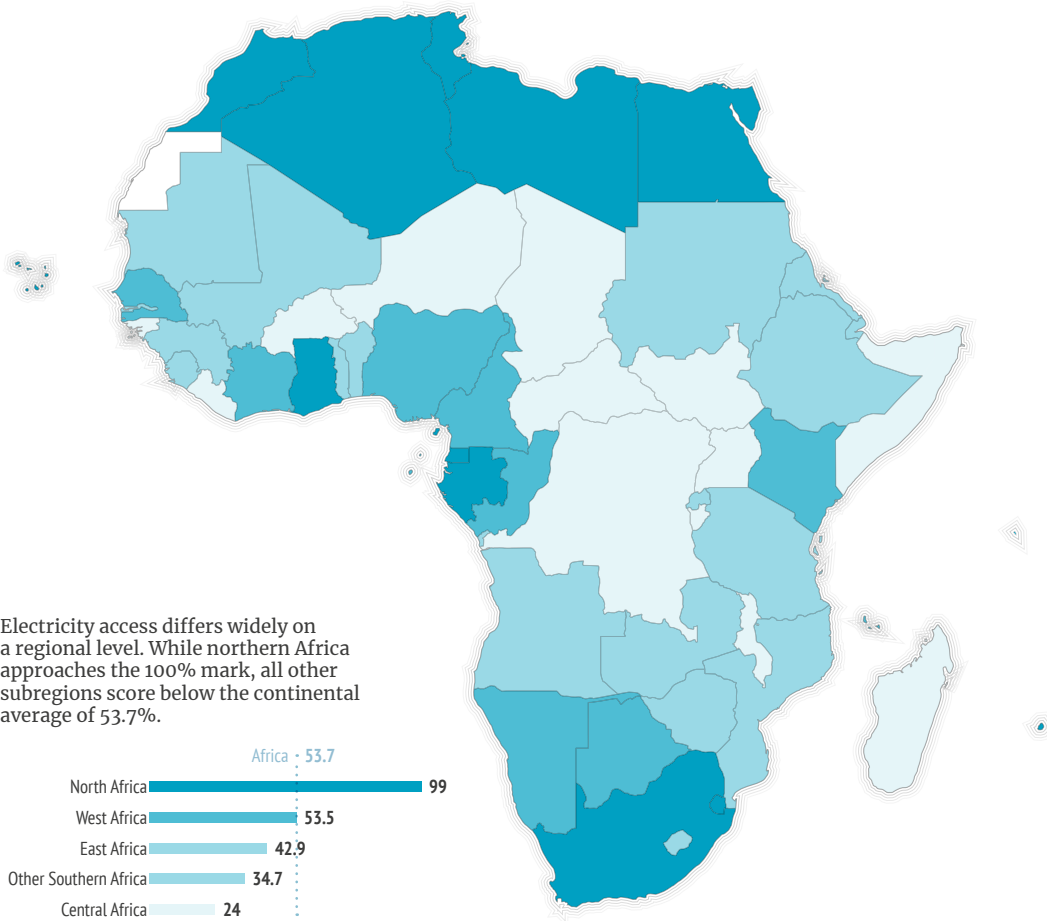
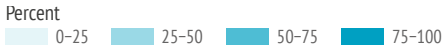
53 In countries like South Sudan, Burundi, the Central African Republic and Democratic Republic of Congo access rates to both electricity and clean cooking are dramatically low, falling below 10%.

54 Op.Cit., *SDG7 Data and Projections: Access to Affordable, Reliable, Sustainable and Modern Energy for All*.

55 IEA, "Africa and Covid-19: Economic recovery and electricity access go hand in hand", *IEA Commentary*, Paris, June 2, 2020, <https://www.iea.org/commentaries/africa-and-covid-19-economic-recovery-and-electricity-access-go-hand-in-hand>.

Electricity access

Africa, 2018



Data: International Energy Agency (IEA), 2019; Natural Earth, 2020

Demographic expansion is a key trend with fundamental implications for the energy profile of the continent. Looking in particular at sub-Saharan Africa, its population is currently growing at 2.7% a year, which is more than twice as fast as two other expanding regions like South Asia (1.2%) and Latin America (0.9%).⁵⁶ As a result, 77% of the African population is currently below the age of 35 and has a growing appetite for modern and efficient

energy sources driven by demand for industrial production, communications and connectivity, cooling and mobility.

Significantly, such growth is concentrated in urban areas, making sub-Saharan Africa the world's fastest urbanising region. Today, sub-Saharan Africa's 143 cities generate a combined 0.5 trillion dollars per year, totaling 50% of the region's GDP and accounting

⁵⁶ According to the United Nations, the African population is expected to more than double by 2050: <https://www.un.org/en/sections/issues-depth/population/>

for the majority of its current – and projected – electricity demand. Young generations, in particular, are attracted by cities that guarantee (at least in theory) easier access to modern technology and services – including energy ones – compared to the limited opportunities offered in rural areas.

These dynamics have contributed to an impressive growth in Africa’s energy demand – which has almost redoubled in the 2000–2018 period – and are expected to further fuel the continent’s future energy consumption. Based on policies announced by national governments, the IEA estimates that in the next two decades the continent’s demand will grow by 60%, reaching 1,331 Mtoe, an increase that requires consistent efforts in order to be properly managed. Even more impressive, electricity demand is projected to increase from the current 679 terawatt-hour (TWh) a year to 1614 TWh by 2040, with a stunning 138% increase over the period.⁵⁷

Main trends

- > Universal access to reliable, sustainable and affordable electricity services is a fundamental prerequisite for human progress, economic development, peace and stability, and continental integration.
- > Electrification will require significant efforts to interconnect national energy markets, with positive effects on the process of integration of the continent.

- > If electrification rates do not keep pace with rising demographic and urbanisation trends, universal access to sustainable energy will not be ensured to all Africans.
- > Low electrification rates might negatively impact various sectors, from trade to industrial development, from water distribution to food management, from education to health.

MARITIME

The sheer scale of Africa’s maritime potential is clear: 38 African nations are coastal states, with coastlines totalling more than 48,000 km, with 13 million square km of exclusive economic zones (EEZ) extending outwards into the ocean.⁵⁸ This reality led the AU in 2014 to formally present a long-term vision for the continent’s maritime domain, via the 2050 Integrated Maritime Strategy (AIMS). According to the AIMS, the maritime realm reflects “the new frontier for Africa’s renaissance”.⁵⁹ At its core, the AIMS aspires to broadening continental integration, and providing new economic opportunities while protecting Africa’s maritime resources from threats such as climate change and criminal activity. It seeks to establish a Combined Exclusive Maritime Zone of Africa (CEMZA) to create a “common African maritime space without barriers”.⁶⁰

The AIMS defines maritime security threats to include illegal arms and drug trafficking, piracy and armed robbery at sea, oil theft, human trafficking and Illicit and Unreported and Unregulated Fishing (IUU). There are also two codes of conduct that cover sub-Saharan Africa’s maritime security.⁶¹ The Gulf of Guinea is

⁵⁷ According to an IEA African Case scenario, a more ambitious scenario based on the premise of “Agenda 2063”, the growth in electricity demand will be even higher, reaching 2000 TWh and a 295% increase in the period considered. IEA, *Africa Energy Outlook 2019*, Paris, November 2019, <https://www.iea.org/reports/africa-energy-outlook-2019>.

⁵⁸ European Parliament Think Tank, “The African Union’s blue strategy,” Brussels, March 14, 2019, [https://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_ATA\(2019\)635574](https://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_ATA(2019)635574).

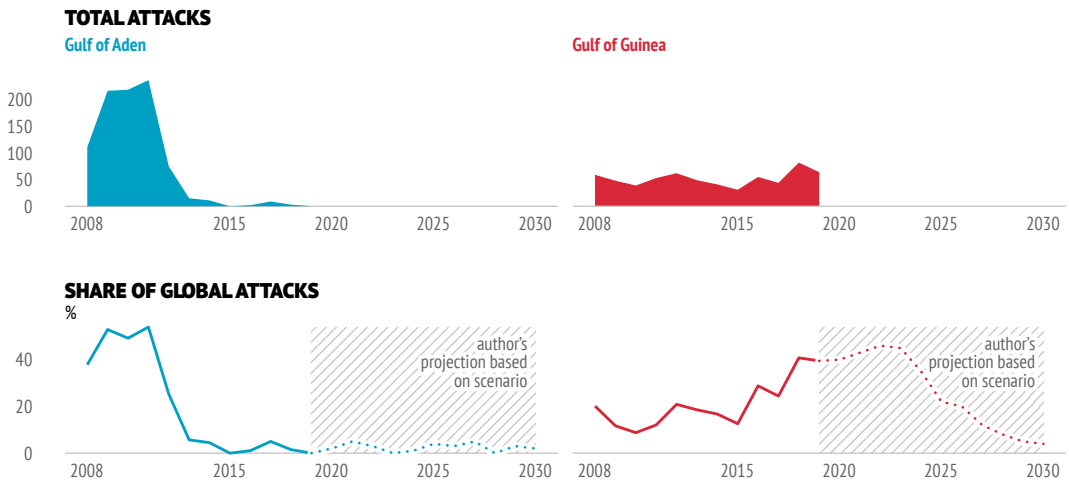
⁵⁹ Carlos Lopes, “Africa’s Blue Economy: An opportunity not to be missed”, OECD, June 7, 2016, <https://oecd-development-matters.org/2016/06/07/africas-blue-economy-an-opportunity-not-to-be-missed/>

⁶⁰ African Union, “2050 Africa’s Integrated Maritime Strategy,” https://au.int/sites/default/files/newsevents/workingdocuments/33832-wd-african_union_3-1.pdf.

⁶¹ Africa Center for Strategic Studies, “Trends in African Maritime Security,” March 15, 2019, <https://africacenter.org/spotlight/trends-in-african-maritime-security/>

Piracy

Gulf of Guinea and the Western Indian Ocean, 2008-2030 (forecasts), actual and attempted attacks



Data: International Chamber of Commerce (ICC), International Maritime Bureau, Annual Reports, 2008-2019

underpinned by the 2013 Yaoundé Code with 26 signatory states and covering states in three RECs, and divided into zones with regional coordination hubs and an inter-regional co-ordination hub.

The Gulf of Guinea had in 2019 become a global hotspot for piracy and accounted for over 90% of global crew kidnappings (an increase of some 50% on year; 121 crew were kidnapped compared to 78 in 2018).⁶² This escalation contributed to soaring insurance and security costs for vessels travelling to vital West African ports, clearly evidenced in 2020 by the Joint War Committee of Underwriters' decision to redraw a significantly expanded listed risk area in the region.⁶³

The Djibouti Code (2009/2017) has also brought together a number of Horn of African and Eastern and Southern African and Western Indian Ocean states (and several states of the Arabian Peninsula and Egypt) to seek a collective response to maritime crime. It was initially

formed in response to the explosion of piracy in the Red Sea and Gulf of Aden in 2008 and 2009, but was broadened in 2017 through the Jeddah Amendments, with this shift in focus owing to a decline in piracy – in 2019 there was not a single reported successful act of piracy against a commercial vessel in the Greater Gulf of Aden. The code provides for a Maritime Security Architecture for Eastern and Southern Africa and the Indian Ocean (ESA-IO) and incorporates states in five African regional or economic organisations (IGAD, IOC, EAC, COMESA and SADC). It is not as developed as in the Gulf of Guinea, but sub-regional bodies have made progress such as the Seychelles Regional Centre for Operational Coordination (RCOC) – linked to the Regional Maritime Information Fusion Centre (RMIFC) in Madagascar.

In 2015 the AU had labelled 2015-2025 as the 'Decade of African Seas and Oceans'. The 2016 African Charter on Maritime Security and Safety and Development in Africa (the Lomé Charter) by AU members was an attempt to generate

⁶² International Chamber of Commerce, "Unprecedented number of crew kidnappings in the Gulf of Guinea despite drop in overall global numbers," January 14, 2020, <https://iccwbo.org/media-wall/news-speeches/unprecedented-number-of-crew-kidnappings-in-the-gulf-of-guinea-despite-drop-in-overall-global-numbers/>

⁶³ See Dryad Global, "Vessel Insurance Premiums Jump As JWC Redraws Gulf of Guinea Risk Area", September 30, 2020, <https://channel16.dryadglobal.com/vessel-insurance-premiums-jump-as-jwc-redraws-gulf-of-guinea-risk-area>.

political will and a commitment to the implementation of the AIMS, but little progress had been made by 2020, with only Togo ratifying and minimal steps taken towards formalising a set of annexes to the Charter.⁶⁴

In October 2019, the AU launched a new Blue Economy Strategy.⁶⁵ The strategy estimates the value of the African blue economy as \$296 billion, responsible for the creation of 49 million jobs.⁶⁶ It also projects that by 2030, these figures will have expanded to 405 billion USD and 57 million jobs – an increase of 36%.

This strategy needed more leadership champions to diminish the ‘seablindness’ of African countries – defined as a failure to understand and recognise the importance and innovative potential of their maritime domain.⁶⁷ At its outset, however, it would be primarily led by national examples of best practice, rather than momentum generated at the continental level. Key countries in this respect included the Seychelles (which issued its first Blue Bond in 2018, mobilising US\$15 million to support its ocean economy),⁶⁸ Mauritius (whose blue economy is estimated to contribute 11% of GDP but with plans to double this by 2025);⁶⁹ and South Africa, which launched a national blue economy strategy, Operation Phakisa in 2014, which is closely linked to its 2030 National Development Plan.⁷⁰

Rising insurance costs

Gulf of Guinea



Data: Flanders Marine Institute, Maritime Boundaries Geodatabase, v11, 2019; Natural Earth, 2020; Dryad Global, 2020

Sustainable fisheries are inextricably linked to food security and food sovereignty. Yet already in 2020 at least 35 of the 55 AU member countries were considered to be operating on a fish production deficit.⁷¹ With the African population forecast to grow by 4.2% between 2015 and 2030,⁷² managing dwindling fish stocks via sustainable fisheries and aquaculture is increasingly a strategic issue.

Fisheries and aquaculture are estimated to directly contribute more than 24 billion USD to

64 African Union, “African Charter on Maritime Security and Safety Development in Africa (Lomé Charter)”, October 15, 2016, <https://au.int/en/treaties/african-charter-maritime-security-and-safety-and-development-africa-lome-charter>.

65 Timothy Walker, “Africa: How is the AU Steering Africa Towards a Healthy Blue Economy?”, Institute for Security Studies (ISS Africa), 2015, <https://allafrica.com/stories/201506082085.html>

66 African Union Inter-African Bureau for Animal Resources, “Africa Blue Economy Strategy”, Nairobi, October 2019, <https://www.au-ibar.org/strategy-documents>.

67 Christian Bueger and Timothy Edmunds, “Beyond seablindness: a new agenda for maritime security studies,” *International Affairs*, vol.93, no.6 (2017), pp. 1293–1311.

68 World Bank, “Seychelles: Introducing the World’s First Sovereign Blue Bonds,” 2019, <http://pubdocs.worldbank.org/en/24215155930961454/Case-study-Blue-Bond-Seychelles-final-6-7-2019.pdf>.

69 Cyrus Rustomjee, “Green Shoots for the African Blue Economy?”, Centre for International Governance Innovation, *Policy Brief* no. 132, May 2018, <https://www.cigionline.org/sites/default/files/documents/PB%20No.132.pdf>.

70 African News Agency, “SA oceans economy to raise billions in investments in five years,” *Citizen*, February 7, 2019, <https://citizen.co.za/news/south-africa/government/2079199/sa-oceans-economy-to-raise-billions-in-investments-in-five-years/>

71 African Union Inter-African Bureau for Animal Resources, *Impact of International Fish Trade Flows in Africa*, African Union Report, May 2018, <http://www.au-ibar.org/component/jdownloads/finish/5-gi/3386-impact-of-international-fish-trade-flows-in-africa>.

72 United Nations Department of Economic and Social Affairs, Population Division, *Population 2030: Demographic challenges and opportunities for sustainable development planning*, New York, 2015, <https://www.un.org/en/development/desa/population/publications/pdf/trends/Population2030.pdf>.

the African economy each year.⁷³ Fish stocks are also an essential source of domestic food supply and culturally significant: in some African countries 90% of the dietary protein comes from fish.⁷⁴ More than one quarter of Africans live within 100km of the coast and these populations are expected to skyrocket at an annual rate of 3.3% between now and 2030.⁷⁵

Maritime boundary disputes between African states have been a source of tension. Several have been managed through international arbitration or the creation of joint development zones, but to date only 30% of the continent's borders have been demarcated or delimited – far lower than the global average.⁷⁶ The AU had previously set 2010, and then 2017 as the deadline for African states to delimit their land and maritime borders – and made a call for this within the AIMS.

In 2020, Africa's ports rank as the least efficient globally: ship dwelling time is on average more than double that of other continents.⁷⁷

Main trends

- > Failure to capitalise upon the potential of Africa's maritime domain would exacerbate threats to the continent's security and prosperity. IUU fishing and climate change are combining to increase food insecurity inland, and impact growing coastal populations. Piracy and crime hotspots threaten vital seaborne supply chains for coastal and landlocked states.
- > With greater focus from governments, the blue economy can provide a cornerstone of sustainable economic growth: whether directly through investment to protect fisheries, aquaculture and tourism, or indirectly through significant opportunities in renewable energy and the shipping trade.
- > Africa's maritime domain must not be discounted as a catalyst for wider continental integration. Even amid increased connectivity on land under the AfCFTA, Africa will struggle to realise its full potential unless such progress is mirrored by development of port facilities and a truly capable African shipping industry.

⁷³ Gertjan de Graaf and Luca Garibaldi, "The Value of African Fisheries", Food and Agriculture Organization of the United Nations, Rome, 2014, <http://www.fao.org/3/a-i3917e.pdf>.

⁷⁴ Africa Center for Strategic Studies, "Trends in African Maritime Security", March 15, 2019, <https://africacenter.org/spotlight/trends-in-african-maritime-security/>

⁷⁵ Ahmadou Aly Mbaye, "Confronting the challenges of climate change on Africa's coastal areas", Brookings, January 16, 2020, <https://www.brookings.edu/blog/africa-in-focus/2020/01/16/confronting-the-challenges-of-climate-change-on-africas-coastal-areas/>

⁷⁶ Anna Khalifaoui and Constantinos Yiallourides, "Maritime Disputes and Disputed Seabed Resources in the African Continent", in Tina Hunter et al. (eds.), *Routledge Handbook of Energy Law* (New York: Routledge, 2019).

⁷⁷ European Parliament Think Tank, "The African Union's blue strategy," Brussels, March 14, 2019, [https://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_ATA\(2019\)635574](https://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_ATA(2019)635574).

CHAPTER 2

WHAT WENT RIGHT?

Foresight scenarios are generally used to depict an adverse future and its negative implications, warning about possible dangers and recommending actions to avoid them. In this chapter, we outline the path that could lead us to the positive scenario set in 2030. Through backcasting, we look towards the present *from* the future, showing the journey, including milestones and policy actions that made it possible to get to a prosperous and integrated Africa in 2030.¹

The ten scenarios we present in the chapter, based on trends in each thematic area, are more than just a set of possible disconnected events: sectoral developments are closely interconnected, so that progress in a given sector, such as urbanisation, requires similar advancements in others, such as digital and energy fields, making the goal of integration a chain reaction that is more than the sum of different parts. Furthermore, we have selected sectors that are vital to sustain a free trade area, by addressing security (eg. conflict, violence, armaments), sustainability (urbanisation, environment, governance, maritime) needs, or providing key enablers for growth (digitalisation, jobs, energy). These are hence of pivotal importance to develop functional integration in Africa.

By showing what is *desirable*, but also what is feasible, the scenarios below can be used as a roadmap for policymaking and as a normative benchmark for the public debate on how to achieve positive innovation.

A NEW BREADBASKET FOR THE WORLD: THE ENVIRONMENTAL FUTURE

Although the challenges presented by environmental and climate change were immense for Africa, opportunities to mitigate and adapt to climate change impacts did exist, where there was the necessary political will to take action. Growing awareness of environmental imperatives and cross-border impacts (such as three consecutive years of drought in the Nile Basin at the start of the decade) sparked greater interest in and commitment to pan-African initiatives to combat the effects of climate change. It was recognised that there was a logic for collective action to protect public goods such as transboundary rivers and forests and mitigate the cross-border impact of pollution, pests and diseases; once efforts were made to achieve this (for example, through the 2024 Nile River Basin Agreement), this not only helped countries address challenges more effectively, but also acted as a driver for integration in other areas, such as trade.

Despite the expected increases in urbanisation and economic diversification, agriculture continued to be Africa's largest economic sector and had become a trillion dollar industry by 2030, driving economic growth on the continent. Africa's \$35 billion food import bill offered

¹ The same methodology was used in: Florence Gaub (ed), "What if...? 14 futures for 2024", *Chailot Paper* no. 157, EUISS, January 2020.

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“Made in Africa” initiative results in a significant increase in the size of Africa’s agro-processing sector:

- > Creation of income and employment opportunities in rural areas.
- > Increasing range of African-made food products for Africa’s growing urban population.
- > Imports of processed foods decline, boosting African resilience to global food price and supply chain fluctuations.

Establishment of a region-wide commission on agricultural policy reform:

- > Successful implementation of a common market for agriculture and a common policy on subsidies and rural development.
- > Increase in trade in agricultural products between African countries.
- > Supply more efficiently matched to demand, resulting in a reduction in dependence on overseas food imports.

massive opportunities for African farmers, and linking food production to continental markets through the successful implementation of the AfCFTA helped match supply to demand, boosting intra-African trade and food security and alleviating poverty and hunger.

By 2030 developments in biotechnology had begun to strengthen Africa’s resilience to the effects of climate change. More widespread availability of high-yield crops with resistance to drought, high temperatures, pests and diseases enhanced food production and prevented failed harvests, reducing poverty and boosting trade. Improvements in irrigation and better management of precious water resources reduced Africa’s huge dependence on rainfed agriculture as rainfall patterns became

increasingly erratic, increasing agricultural resilience and enabling more farmers to produce high-value crops such as fruit and vegetables for growing urban markets.

Although the ‘African data gap’ continued to create some degree of uncertainty in the field of climate change, the continent saw gradual improvements in observational capacity and data gathering, enabling more accurate modelling and hence adaptation. Countries became better at working together to share weather observations and technical know-how in order to strengthen weather and climate forecasting and early warning systems, providing farmers and other users with accurate and timely information to enable greater forward planning and adaptation, which boosted resilience to climate change. The ability to measure requirement against capacity – for example, the water required for food production versus rainfall – helped countries identify the thresholds at which a shortfall might occur, and explore ways to push them further out to the latter half of the century.

Increased investment in agriculture created opportunities in rural areas, helping to stem the rural to urban exodus and prevent an ‘agriculture brain drain’. New initiatives to move Africa’s food production up the value chain through investment in agro-processing provided jobs and increased access to markets for smallholders, as well as diversifying economies, spurring the development of regional supply chains and enhancing economic complementarity in the region.

The transformation of Africa’s agricultural sector had massive implications not only for food security but also for its broader economic trajectory. Agriculture not only boosted economic growth, but also strengthened resilience to global market fluctuations and supply chain disruptions in times of crisis. By 2030 the successful implementation of the AfCFTA had strengthened the resilience of the whole continent, enabling food products to be moved around more efficiently between countries to match supply to demand. As individual state governments increasingly began to look at food systems on a regional rather than

national basis, protectionism decreased and Africa began to see the harmonisation of its agricultural trade policies, supporting a balanced programme of food production across the continent and a steady supply of affordable food.

By 2030 a continent-wide programme of well-planned and robust infrastructure development had not only made Africa's road and rail networks more resilient to the effects of climate change but was also helping agricultural producers to bring goods to market more quickly and avoid wastage. Successful implementation of the AfCFTA streamlined bureaucratic processes, resulting in fewer border delays. By 2030, better distribution alone had improved food availability by 45%.

More widespread mobile phone dissemination and internet connectivity in rural areas increased the amount of information available to African farmers – including information about the climate, state of the market, new technologies and production techniques – and enhanced their ability to access continental markets. This generated huge opportunities, particularly for young digitally-savvy entrepreneurs, who began to see agriculture as a lucrative and attractive employment and investment opportunity.

BIT-CONTINENT: DIGITALISATION FOR ALL

The advent of Covid-19 acted as a catalyst for digital transformation in Africa. In order to ameliorate some of the catastrophic economic and humanitarian consequences expected from protracted lockdowns across the continent, both government and industry realised that the internet is a universal public good and

responded swiftly to facilitate the population's access to the internet. The pressures generated by the Covid-19 crisis gave new impetus to the digitalisation process, leading to greater inclusion and fairness. It accelerated longer-term/pre-existing trends in connectivity and in trade and work patterns, and laid firmer foundations for an indigenous development of technology. Behaviours, norms, and policies shifted as much in the space of a few chaotic months as they had over the span of the previous more stable decade.

The fast diffusion of the virus highlighted that in a period of lockdowns and social distancing and restrictions, digital trade and digital platforms were more than ever essential for African economies and societies. But only the privileged few with a reliable electricity supply, broadband access and internet-enabled devices were able to avail of the technological tools that ease the transition to social distancing and remote working. Digitally privileged citizens were able to avoid the physical exposure of shopping in grocery stores by resorting to online shopping, and were able to trade electronically using e-commerce platforms.² So, what about the vulnerable workers and informal micro and small enterprises with limited access to low-bandwidth internet?

At the national level, in collaboration with governments, private companies helped to ensure connectivity in remote and rural areas using various technologies, for instance high-altitude balloons in Kenya and dynamic spectrum technologies such as TV whitespaces in South Africa whose costs are lower than later generation GSM technologies. Some governments, such as Egypt, made available resources to facilitate access by purchasing SIM cards and tablets.³

Governments supported these interventions with responsive policies and alternative regulatory strategies, such as emergency spectrum

2 Shamira Ahmed, "How COVID-19 exposes the defects in South Africa's digital economy", *The RIA Blog*, March 26, 2020, <https://researchictafrica.net/2020/03/26/how-covid-19-exposes-the-defects-in-south-africas-digital-economy/>

3 Tania Begaso, "COVID-19: We're tracking digital responses worldwide. Here's what we see", *The World Bank Blogs*, May 5, 2020, <https://blogs.worldbank.org/digital-development/covid-19-were-tracking-digital-responses-worldwide-heres-what-we-see>

allocation (in South Africa and in Ghana). Other countries, for instance Côte d'Ivoire, through public-private collaboration, launched systems to disseminate public health information through zero-rated access to selected sites, bulk SMS, and awareness-raising videos. And this was just the beginning.⁴

Over the years, alternative licensing arrangements, community networks and lower power micro-networks were also tested and quickly implemented, which offered niche solutions that complemented existing services to deliver connectivity to underserved areas or those perceived as uneconomic. Through the use of mesh networks – cheap, solar-powered low-energy networks using scattered node devices, run by local cooperatives, owned, operated and maintained by villagers – rural connectivity grew at rates close to urban connectivity. Villages started to build radio masts and towers themselves, at a fraction of the price at which telecommunications companies would have sold them for. Data-bandwidth was sold through the use of vouchers, and the profit was then funnelled into community projects aimed at creating digital skills. Previously unemployed and unskilled people were now becoming the technicians of smart villages.⁵

To promote digitalisation of trade, a reduction in import tariffs on digital goods not manufactured locally – such as computing components, 3D printing technology, semi-conductors, mobile devices, etc. – encouraged imports and reduced both CAPEX and OPEX costs, and connectivity costs for end-users.

Innovation and change in the traditional 'cash on delivery' cross-border payment systems was brought not only by technological innovation, but also by revising the costing structures of financial services. In order to provide much-needed access to financial services, bank and mobile money fees for deposits,

withdrawals and transfers were removed. Banks focused their efforts on their core value proposition of financial intermediation, channelling savings into productive investments. Coupled with increased connectivity, electronic transactions were recognised by users as being just as convenient as cash, with the further advantage of being for free and safer as well. Banks, mobile money operators, and new FinTech start-ups replaced cash transactions with electronic transactions to build up transaction histories. This allowed information asymmetries (e.g. lack of knowledge of customers), and cost asymmetries to be overcome.⁶ The resulting higher volume of e-transactions provided cheaper access to capital and new tools to assess the creditworthiness of new potential customers.

Informal businesses benefited the most: operators and banks started to provide accounts to informal businesses (e.g. Mobipay for farmers in Kenya), and informal businesses benefited from gaining access to formal financial services and becoming formalised. Through FinTech applications, informal retailers and agents could get cash from sales into banks instantaneously and safely, and earn interest on money in formal bank accounts. Transferring money nationwide and beyond borders to family and business associates became fast, reliable and easy, all through mobile phones. Both banks and mobile operators started to invest in FinTech and in cryptocurrency. Interoperability and integration between an increasing number of distributed ledger technologies created the conditions for an African currency, completely electronic, decentralised, and regulated through a network of public-private and not-for-profit financial entities across all African countries.

At a regional level, African policymakers worked towards a unified policy and regulatory approach to data protection, cybersecurity,

⁴ Ibid.

⁵ See, for instance, the case of the Zenzeleni Network in South Africa: <https://zenzeleni.net>.

⁶ See: Christopher Stork, "Banking the un-banked", Presentation Research ICT Africa, March 3, 2011, https://researchictafrica.net/presentations/Presentations/2011%20C_Stork_-_M-Banking_the_unbanked_-_Mobile_Banking_Southern_Africa_Conference_and_Exhibition_-_Johannesburg_2011.pdf.

and e-transactions. In particular, policy actions focused on building interoperability for regional data flows, and some of the most significant policy changes that the continent faced were related to unifying national approaches to data protection and cybersecurity legislation. RECs worked together with the AU to produce an updated version of the AU's Convention on Cybersecurity and Personal Data Protection which was ratified in 2025. Through a number of sub-regional consultations under the aegis of the AU, RECs actively engaged member states to provide contributions to the updated version of the Malabo Convention. The new flagship document, in addition to improving the coordination of digital policies and regulation for member states, provided guidance for African countries on how to address issues from cybercrime to personal data protection and e-commerce, with the intention of promoting awareness of cyber risks, online protection, and education on cybercrime detection and law enforcement.

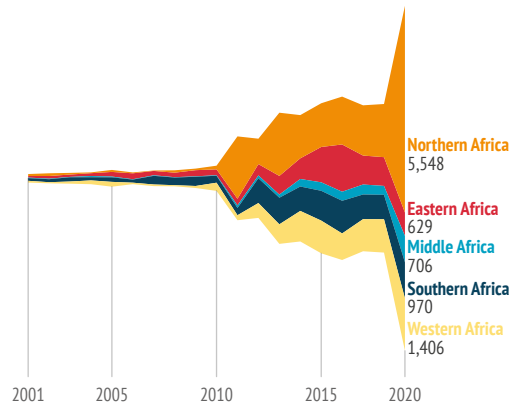
GET UP, STAND UP: NON-VIOLENT MOBILISATION

Against the growing threat of violent extremism, another salient conflict trend ultimately contributed to consolidating the political commitments underpinning the integration process and pushed it forward. Popular non-violent resistance, often taking the form of mass demonstrations, protests, sit-ins and strikes, continued to grow in absolute and relative terms as a strategy used by dissident groups in Africa during the decade 2020-2030, catalysing participatory political processes across the continent, and paving the way for

the implementation of economic and political reforms that were needed to sustain trade integration.

Protests grow across Africa

Number of protests, 2001-2019



Data: ACLED, 2020

Three drivers helped increase non-violent mobilisation in Africa. First, the experience of past campaigns encouraged new waves of mobilisation. Sudan and Algeria are just two examples of countries where popular non-violent uprisings against long-term authoritarian rulers had triggered significant political processes in the last decade.⁷ By mid-decade into the 2020s, strategic non-violence had pressured political and military elites in several other authoritarian or anocratic regimes to dismantle old alliances and implement considerable reforms in the face of swiftly mobilised and resilient popular movements targeting systemic corruption, inequality and political oppression.⁸ In 2021, for example, a mass people's power campaign in Uganda, triggered by contested elections results, pressured the national elites to implement a series of administrative and bureaucratic reforms to improve the socioeconomic situation, which had been made worse by the pandemic, and agree on a political power-sharing regime with the opposition. In

7 Katarina Mustasilta, "Three scenarios for Sudan: from nonviolent revolution to democratic transition?", *Brief no.10*, Conflict Series, EUISS, September 2019, <https://www.iss.europa.eu/content/three-scenarios-sudan>.

8 Claire Felter, "Africa's leaders for life", Council on Foreign Relations, June 30, 2020, <https://www.cfr.org/backgrounder/african-leaders-life>.

2028, the Angolan government called for early elections and commenced with significant governance reforms as a response to a broad-based non-violent campaign that had, as in many of the countries nearby, been sparked by rapidly worsening water and food insecurity.

Second, the growing gap between the expectations of the increasingly educated and connected youth regarding their rights and future prospects and the reality of lacklustre economic opportunities and patronage-based politics motivated mass non-violent popular mobilisation.⁹ Overall, the capacity to mobilise larger numbers of people in comparison to armed insurgencies – non-violence does not require technical expertise in the use of weaponry – and a lower participation threshold facilitated non-violent mobilisation and helped to make non-violent movements large enough to pressure the incumbent regimes and to capture the attention of the international community.¹⁰ The unarmed nature of the campaigns helped to win the hearts and minds of the domestic and international audience in the face of oppressive rulers and regimes.¹¹

Third, and closely linked to the above, urbanisation increasingly facilitated non-violent mobilisation in many parts of the continent. The decade witnessed the continued growth of Africa's megacities (Cairo, Kinshasa and Lagos) and the emergence of new ones (Johannesburg, Luanda, and Dar es Salaam).¹² West Africa and the Horn of Africa in particular experienced rapid urbanisation. The growth of African cities played a crucial role in mobilising non-violent protest movements, as it provided the networks

and masses needed for this type of mobilisation.¹³ In Angola for example, the rapid growth of Luanda and other cities facilitated massive street demonstrations in the late 2020s. In summer 2024, a wave of urban protests swept through Ethiopia, with solidarity protests organised in major university cities elsewhere in the continent, pressuring the Ethiopian government to back down from its plans to cut the higher education budget.

In comparison to violent dissident movements, non-violent campaigns inflicted lower costs on states and societies, for example with regard to infrastructures and human lives. Indeed, in several countries, such as in the Western African countries of Côte d'Ivoire and Burkina Faso, non-violent mobilisation ultimately incentivised accountability and a more inclusive governance culture, which allowed gradual fostering of democratic institutions and facilitated peaceful development.¹⁴ On average, societies experiencing non-violent dissident movements came out on the other side with less destruction and a more accountable political culture that was more conducive to the integration process.

Even when at times unsuccessful in achieving their aims, non-violent campaigns in various contexts left behind networks of civic groups that maintained and developed the know-how of non-violent resistance and gradually helped to push forward participatory politics.¹⁵ For example, the HIRAK networks established during unsuccessful attempts to gain regional equality and democratic reforms in Morocco contributed to persistent non-violent activism in mid-decade, which pressured the regime to

9 Jakkie Cilliers, "Violence in Africa: Trends, drivers and prospects to 2023", *Africa Report* no. 12, Institute for Security Studies (ISS), 2018, <https://issafrica.s3.amazonaws.com/site/uploads/ar-12-v1.pdf>.

10 Erica Chenoweth and Maria Stephan, *Why Civil Resistance Works: The Strategic Logic of Nonviolent Conflict* (New York: Columbia University Press, 2011).

11 Jonathan Sutton, Charles Butcher and Isak Svensson, "Explaining Political Jiu-jitsu: Institution-building and the Outcomes of Regime Violence against Unarmed Protests", *Journal of Peace Research*, vol. 51, no. 5 (2014), pp. 559–73.

12 Julian Bello-Schüneman and Ciara Aucoin, "African urban futures", *African Futures Paper*, ISS, 2016, <https://issafrica.s3.amazonaws.com/site/uploads/af20.pdf>.

13 Erica Chenoweth and Margherita Belgioioso, "The Physics of Dissent and the Effects of Movement Momentum", *Nature Human Behaviour*, 2019, <https://socialsciences.nature.com/users/269200-erica-chenoweth/posts/51786-the-physics-of-dissent>.

14 Daniel Lambach et al., *Nonviolent Resistance and Democratic Consolidation* (Cham: Palgrave Macmillan, 2020).

15 Markus Bayer, Felix S. Bethke and Daniel Lambach, "The Democratic Dividend of Non-violent Resistance", *Journal of Peace Research*, vol. 53, no. 6 (2016), pp. 758–71; Mauricio Rivera Celestino and Kristian Skrede Gleditsch, "Fresh Carnations or All Thorn, No Rose? Nonviolent Campaigns and Transitions in Autocracies", *Journal of Peace Research*, vol. 40, no. 3 (2013), pp. 385–400.

gradually open space for more inclusive politics. Overall, civic groups engaging in non-violent action, including transnational land rights and environmental activists, played an important role in exposing problems and unintended consequences in the free trade process and pushing forward a responsible and inclusive integration process.

In some contexts, non-violent uprisings turned violent and presented regional challenges towards stability and the free trade framework. Echoing the challenges associated with earlier campaigns, large-scale demonstrations in Chad in 2023 gave way to armed violence after largely peaceful youth-led protests, triggered by the reimposition of social media blackouts by the authorities, had been violently suppressed. In general, where state actors responded violently to non-violent protest movements and where these lacked organisation and discipline, authoritarian and violent backlashes jeopardised integration efforts. However, overall, the combination of the increasing popularity of non-violent dissident tactics and growing continental interdependence contributed to a positive cycle of inclusive and stable national politics, broad condemnation of the violent repression of opposition movements, and civic engagement. This provided the necessary background for a series of political and economic reforms aimed at liberalising trade to be approved by lawmakers and implemented peacefully, with buy-in from citizens, hence contributing substantially to the full implementation of the AfCFTA.

THE ROARING TWENTIES: THE FOURTH INDUSTRIAL REVOLUTION

Covid-19 delivered a massive shock to the global economy. Many African countries experienced food riots and violent protests in the wake of the pandemic and in many parts of the continent populations demanded a change in the manner in which their leadership responded to their daily challenges. Eventually realisation of the extent of the devastation wrought by the Covid-19 crisis on African economies led to significantly more rapid implementation of response measures than had been previously expected.

The full implementation of the AfCFTA was originally scheduled for 2034, at which point the 97% tariff liberalisation target was to be achieved. Due to the disruptive impact of Covid-19, that target was moved forward to April 2030 in spite of the complexity inherent to such agreements.

A key signpost in movement towards the AfCFTA was achieved when, in 2025, Ghana reported that the revenue loss that it had initially suffered as a result of the application of lower tariffs in line with the Free Trade Area had been offset by the growth in trade and concomitant more rapid economic growth. In fact, government revenues had fully recovered and would shortly exceed the pre-AfCFTA numbers. Others rapidly followed with regional powerhouses Côte d'Ivoire, Kenya and South Africa joining the chorus a few years later.

Even more important than the increase in the volume of intra-regional trade was the altered composition of that trade. On average, a regional trade agreement such as the AfCFTA results in “a 72 percent increase in manufacturing exports between members within

12 years of the ratification of the trade agreement.”¹⁶ That was also the experience in Africa which saw a sea-change in productivity growth. Previously labour had been moving from low-productivity, often subsistence, agriculture to low-end services in crowded urban areas. The implementation of the AfCFTA, and the impact of other advances in the digital economy, saw labour generally shifting into the higher-productivity manufacturing sector and also to higher-end services as well as to ICT.¹⁷

As is often the case in other regions, intra-African trade is characterised by relatively higher industrial content than Africa’s trade with the rest of the world. The result is that the opportunity to trade freely in a much larger region saw the value-added of intra-African trade improve with each passing year.

Because Africa came from a low knowledge base, it significantly benefited from digitalisation and the Fourth Industrial Revolution. The roll-out of 5G by means of various technologies including a fleet of low-earth satellites meant that the entire African continent rapidly became connected to the rest of the world.

Whereas in the 1980s and 1990s, manufacturing sought the lowest input costs, regarding labour in particular, by 2030 manufacturing had relocated closer to consumer markets, particularly to Africa. In contrast to the pre-Covid-19 situation, customisation became a significant trend as a growing and more sophisticated African consumer class demanded goods and services tailored to local tastes and requirements.¹⁸

Digitalisation and the Fourth Industrial Revolution did not lead to the destruction of jobs as originally feared; in fact, modern technology

created many more jobs in Africa, particularly in the agro-processing sector which triggered productivity improvements in other sectors in countries as diverse as Malawi and Côte d’Ivoire.

In 2014 the IMF published a report that estimated that Africa’s deficit in physical infrastructure reduced growth by two percentage points a year and that energy shortages were particularly severe.¹⁹ The potential of renewables came into its own with the breakthroughs in energy storage that, by 2025, had completely changed the energy landscape. Renewables were particularly well suited to distribute mini-grid and even off-grid solutions and effective energy storage unlocked its electrification potential. Instead of having to wean itself off expensive fossil fuels, Africa embarked upon a direct pathway to a distributed, renewables-based energy solution that provides sufficient base-load to drive its burgeoning manufacturing industry.

Digitalisation, artificial intelligence and associated technologies also sped up the process of modernisation including the development of accurate national population registers, geospatial location and access to the provision of government services. As more and more Africans gained access to the digital world, governments were able to provide services more efficiently, including the provision of cash grants to alleviate extreme poverty, carry out the registration of births and deaths, roll out new educational solutions and steadily formalise large parts of the informal economy.

Whereas the informal economy constituted around 26% of Africa’s GDP in 2020, by 2030 that portion was estimated to be below 20%. Informal labour had similarly declined from around 58% in 2020 to below 45% in 2030. The

¹⁶ Rodgers Mukwaya, “The Impact of Regional Integration on Africa’s Manufacturing Exports”, *Journal of African Trade*, vol. 6, no. 1-2, December 2019, pp. 81 – 8, <https://doi.org/10.2991/jat.k.190708.001>.

¹⁷ United Nations, “Economic Report on Africa 2017: Urbanization and Industrialization for Africa’s Transformation”, United Nations Economic Commission for Africa, 2017, p. xx.

¹⁸ A large body of research from the UNECA, the World Bank and others agree that infrastructure is the largest constraint on Africa’s development, lack of energy most specifically. See International Monetary Fund, “Is It Time for an Infrastructure Push? The Macroeconomic Effects of Public Investment”, in *World Economic Outlook: Legacies, Clouds, Uncertainties* (Washington, DC: IMF, 2014), pp 75–114.

¹⁹ Ibid.

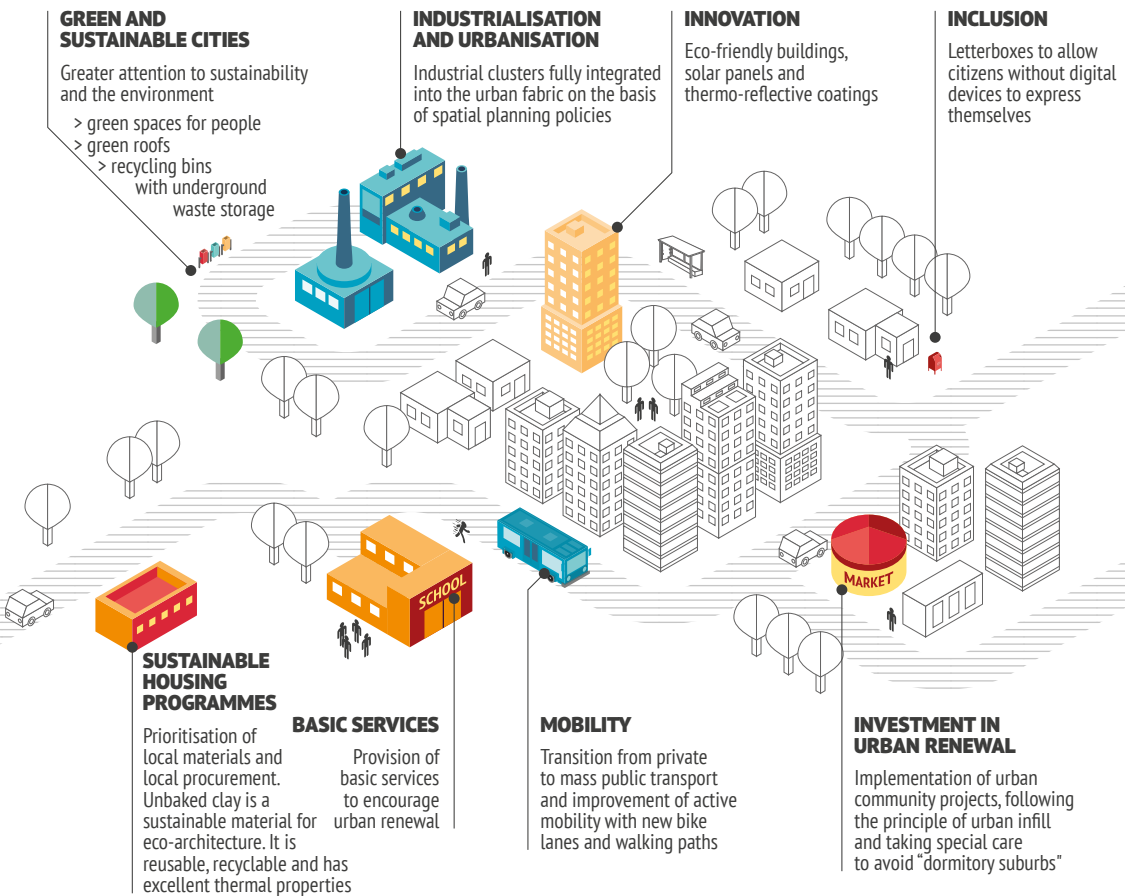
result was an increase in the revenues available to governments, translating into more service delivery. Finally, rather than replicate developments in authoritarian China, digitalisation and connectivity empowered democracy in Africa.

Imagining the African city of 2030

A model for sustainable urbanisation?

In 2022 the African Union launched MI⁵-city, a new guideline to encourage national governments to upscale their urban development plans, improve human conditions and promote urban smart growth with a bottom-up participatory process.

In line with MI⁵-city, national and local authorities invested in mobility, urban renewal, innovation, sustainable housing, waste management and green areas.



The MI⁵-city framework

PILLAR	AIMS AND ACTIONS	EXAMPLES OF RESULTS ACHIEVED BY 2030
MOBILITY	<p>Aim: reduce traffic congestion, pollution, commuting time and household expenditures on transportation and increase human and labour connections</p> <p>Actions:</p> <ul style="list-style-type: none"> > develop urban infrastructures > foster the transition from private to mass public transport <p>Aim: improve 'active mobility'</p> <p>Action: building of new bike lanes and walking paths and installation of street lighting</p> <p>Aim: enhance the system of primary and secondary cities and boost regional value chains</p> <p>Action: investment in inter-city infrastructures</p>	<ul style="list-style-type: none"> > Dar es Salaam completed its bus rapid transit system and built more than 1,000 km of new roads > The Inter-regional Freight Transport Corridor was completed, connecting the Dakar Port, the Bargny Port, the airport and the industrial estates¹ > Lagos successfully implemented its 'Non-Motorised Transport Policy'² > The Dakar-Bamako Intermodal Corridor was completed
INVESTMENT IN URBAN RENEWAL	<p>Aims:</p> <ul style="list-style-type: none"> > promote 'urban smart growth' > improve people's living conditions > undertake slum upgrading programmes > support green and sustainable cities <p>Actions:</p> <ul style="list-style-type: none"> > apply the principles of urban infill development and urban growth boundaries > upgrade amenities and community projects, taking care to avoid 'dormitory suburbs' > implement sustainable housing programmes > prioritise local materials (such as unbaked clay) and local procurement > provide basic public services > increase green spaces > improve municipal solid waste management 	<ul style="list-style-type: none"> > Dar es Salaam expanded within the 'urban growth boundaries' > Nairobi managed to partially upgrade Mathare and Kibera. Same results in Lagos and Luanda > Côte d'Ivoire and Mauritius introduced legislation on waste management and disposal > Bangui and Yaoundé established systems of waste segregation and recycling > Cairo and Cape Town installed recycling bins with underground waste storage

1 Ministry of Urban Renewal, Housing and Living Environment Agency of Republic of Senegal and Japan International Cooperation Agency, "Project for Urban Master Plan of Dakar and Neighbouring Area for 2035", January 2016, https://openjicareport.jica.go.jp/pdf/12250015_01.pdf.

2 Lagos State Ministry of Transportation, Lagos Metropolitan Area Transport Authority, United Nations Environment Programme, Institute for Transportation and Development Policy, "Lagos Non-Motorised Transport Policy Empowering pedestrians and cyclists for a better city", April 2018, https://wedocs.unep.org/bitstream/handle/20.500.11822/25415/Lagos_NMTPolicy.pdf?sequence=3.

PILLAR	AIMS AND ACTIONS	EXAMPLES OF RESULTS ACHIEVED BY 2030
INDUSTRIAL DEVELOPMENT		
	<p>Aim: link industrialisation with urbanisation (and vice versa)</p> <p>Actions:</p> <ul style="list-style-type: none"> > build industrial clusters fully integrated into the urban fabric > adopt spatial planning policies: cost-benefit analysis to determine which industries locate in which cities > establish Special Economic Zones (SEZs) 	<ul style="list-style-type: none"> > More than 50 new SEZs were established by 2030³ > Côte d'Ivoire established new industrial zones in Dabou, Bingerville and Bonoua > Tanzania boosted trade sectors in business cities such as Dar es Salaam, Mwanza and Arusha
INNOVATION		
	<p>Aim: reduce energy and fossil fuel consumption and pollution</p> <p>Action: incentivise the use of solar panels and innovative (local) materials for more eco-friendly buildings</p> <p>Aim: increase African cities' resilience against natural risks and improve access to basic services, as well as to healthcare system</p> <p>Action: use artificial intelligence and hi-tech instruments</p>	<ul style="list-style-type: none"> > Dakar introduced the rapid application of thermo-reflective coating in houses to reduce temperatures and the use of air conditioning⁴ > Johannesburg, thanks to a system of artificial intelligence, can now predict water network failure risks > Abidjan has developed a technology to monitor rainwater and avoid floods and landslides
INCLUSION		
	<p>Aim: design more inclusive cities, where people's needs are more comprehensively addressed</p> <p>Actions:</p> <ul style="list-style-type: none"> > improve data-gathering, to account for all urban residents, including those living in informal settlements and low-income areas > adopt the framework of 'bottom-up urbanism' 	<ul style="list-style-type: none"> > Kampala launched a new app to allow citizens participate in urban planning > Maputo, Lusaka and Windhoek made letterboxes available to allow citizens without digital devices to express their opinions
INSTITUTIONS		
	<p>Aim: clarify urban land and property rights and avoid distortion in housing prices</p> <p>Actions:</p> <ul style="list-style-type: none"> > update land databases, improve land registries and cadastre records > integrate customary rules for land tenure into the formal system > establish a neutral monitoring land agency > rethink land use regulations and building regulations 	<ul style="list-style-type: none"> > Using photomapping technology, Madagascar, Namibia and Tanzania have augmented the issuance of land titles at a relatively low price > Angola revised the Land Act adopted in 2004, increasing the number of households that have official documentation to prove land ownership in Luanda by 23%

³ This estimate is based on the number of SEZs planned in 2018. Source: UNCTAD.

⁴ This idea is based on the project launched by Cool Roof France. See: <https://www.coolroofschallenge.org/news-and-blogs/2020/1/23/spreading-the-coolroofs-movement-in-senegal>.

PLEASANTVILLE: AFRICAN CITIES IN 2030

In 2030, the AfCFTA could rely on a balanced and complementary system of primary and secondary cities: primary cities gained a renewed centrality in regional markets, having become centres of knowledge and innovation with the establishment of new firms; secondary cities hosted labour-intensive industries and other activities requiring proximity to agriculture production areas or natural resources.

The continent's fastest-growing secondary cities were those in coastal West Africa, coastal East Africa and around Lake Victoria and Lake Tanganyika.²⁰ Secondary cities acquired renewed importance thanks to the implementation of spatial planning policies aimed at identifying and thus developing strategic cities on the basis of their economic activities and specialisation and their geo-economic position in trade patterns. In particular, thanks to extensive investment in intra-city infrastructure, key corridor and coastal cities emerged as strategic transportation hubs in intra-African trade. In Central Africa, Equatorial Guinea invested in developing the sea port city of Bata and Ebebiyin, end point of three main transport routes coming from Bata, Yaoundé and major cities in central Gabon; the Republic of Congo invested in improving the Brazzaville-Douala Corridor and Pointe-Noire, which had become a key hub for neighbouring countries.

In Western Africa, Ghana was an outstanding example of spatial planning. Thanks to its forward-looking National Spatial Development Framework (2015–2035),²¹ Ghana boasted a well-connected system of cities: by developing transport corridors between secondary cities, the state authorities succeeded in relieving the pressure on Accra and Kumasi and devolving economic power and prosperity from the golden triangle²² to secondary countries. Spatial planning turned out to be of invaluable importance especially for landlocked countries. This was the case of Uganda and Rwanda. The government of Uganda's Uganda Vision 2040 roadmap²³ identified key core projects to boost five strategic cities selected in function of their national economic importance: Hoima (oil), Nakasongola (industry), Fort Portal (tourism), Moroto (mining) and Jinja (industry). In addition to this, Uganda invested in Arua, by building a railway link to the Democratic Republic of Congo and South Sudan, upgrading the international airport and building a fibre optic network.²⁴ Rwanda, in line with its National Roadmap for Green Secondary City Development²⁵, developed a network of six strategic green cities (Huye, Muhanga, Nyagatare, Rubavu, Musanze, Rusizi) in order to manage urbanisation and promote secondary cities as poles of economic growth.

How did these new functioning cities emerge in the African landscape? This was possible thanks to 'MI⁵-city', a new guideline initiative launched in 2022 by the AU to encourage national governments to upscale their national urban development plans. 'MI⁵-city' identified 6 pillars: (i) mobility; (ii) investment in urban

20 Daniel Githira et al., "Analysis of Multiple Deprivations in Secondary Cities in sub-Saharan Africa", UNICEF and UN Habitat, Analysis Report, March 2020, <https://www.unicef.org/esa/reports/analysis-multiple-deprivations-secondary-cities-sub-saharan-africa>.

21 Republic of Ghana, "National Spatial Development Framework (2015–2035)", February 2015, http://www.luspa.gov.gh/files/NSDF%20Final%20Report%20Vol%20I%20Final%20Edition_TAC%201.pdf.

22 The 'golden triangle' is composed of Accra, Kumasi and the coastal port twin-city of Sekondi-Takoradi.

23 Uganda National Planning Authority (NPA), "Uganda Vision 2040", 2007, <https://www.greengrowthknowledge.org/sites/default/files/downloads/policy-database/UGANDA%29%20Vision%202040.pdf>.

24 Cities Alliance and UK's Department for International Development, "Uganda – Secondary Cities", Futures Cities Africa, 2016, <https://www.arup.com/perspectives/publications/research/section/future-cities-africa>.

25 Republic of Rwanda, "National Roadmap for Green Secondary City Development", December 2015, <https://ggi.org/site/assets/uploads/2017/12/National-Roadmap-for-Green-Secondary-City-Development.pdf>.

renewal; (iii) industrial development;²⁶ (iv) innovation; (v) inclusion and (vi) institutions. This initiative was the result of a renewed attention to urban problems that gained fresh momentum with the implementation of the AfCFTA and the onset of the Covid-19 pandemic. The reasons for the success of ‘MI⁵-city’ were twofold: first, it presented a new, holistic and multidimensional approach, based on the complementarity between urban planning, urban economics and industrial policy, with the aim of maximising the opportunities arising from the urbanisation-industrialisation nexus and the AfCFTA. This resulted in strong cooperation between policymakers and different technical profiles, such as economists, urban planners, transport engineers or industrial policy and trade experts.²⁷ Second, ‘MI⁵-city’ encouraged greater cooperation between national and local governments, which were empowered to negotiate directly with international donors. Many African states created *ad hoc* committees to coordinate interactions between national and regional authorities and main municipalities, and avoid competition for funds between different cities. For instance, in the wake of the adoption of ‘MI⁵-city’, in May 2023 Cameroon created a standing committee chaired by the Minister for Housing and Urban Development (MIND-HU) and composed of the Secretary Generals of the Urban Community of Yaoundé and that of Douala and the mayors of Bamenda, Bafoussam and Garoua.

The table on pages 54–5 illustrates, for each pillar of ‘MI⁵-city’, the aim, the actions necessary to accomplish that aim and some positive results achieved by African cities by 2030.

SILENCED GUNS: A TREATY ON CONVENTIONAL FORCES IN AFRICA

Many of the leaders gathering at the 2034 AU summit at Windhoek, scheduled to review the implementation of the AfCFTA 15 years after its launch in 2019 and 10 years after the start of implementation in 2024, vividly remembered the mid-term review meeting at Garobone. Celebrating the achievements of the AfCFTA, they recalled that this success had been facilitated by a decision taken four years earlier at the Garobone Mid-term Review Summit of 2030 in the seemingly distant field of security policy.

At the Mid-term Review Summit, the Malawian delegation tabled an idea to stop the arms race that was starting to take shape in Africa before it reversed the trend towards prosperity. Jointly with the delegations of Tanzania and Zambia, it proposed to draft a Treaty on Conventional Forces in Africa, abbreviated as the ‘CFA Treaty’. They argued that the military modernisation programmes of East and particularly Southern African countries were absorbing a big chunk of state budgets.²⁸ They calculated that the funds used for military modernisation could significantly reduce trafficking if devoted to border security. This would halve illegal trade by upgrading monitoring and enforcement capacity in critical areas. Furthermore, curbing trafficking would help generate more revenue for legal business, and by implication for state coffers via taxes. In turn, this could increase the budget for education and healthcare policies, helping reduce inequality and dependence on external donors.

26 ‘MI⁵-city’ addressed ‘Industrial development’ only in terms of urban development and urban economics, without the ambition to lay out a fully-fledged industrial policy strategy.

27 Judd Devermont, “Toward Urban Spaces: Learning from Ethiopia’s Recent Transport and City Beautification Initiatives”, Commentary, Center for Strategic and International Studies (CSIS), August 18, 2020, <https://www.csis.org/analysis/toward-urban-spaces-learning-ethiopia-recent-transport-and-city-beautification-initiatives>.

28 Op. Cit., *Military Balance 2020*, p. 453.

The idea was initially received with scepticism, and even some confusion. Several participants questioned the pertinence of downsizing arsenals and scrapping modernisation programmes, in view of upgrades in the arsenals of neighbouring countries. The Malawian delegation explained that their idea was to agree collectively to cease upgrades. It pointed to similarities with the Cold War arms race, which resulted in heavily armed European states. The Treaty of Conventional Forces in Europe was a collective agreement setting limits on the kind of armaments that states were allowed to possess and deploy.²⁹ Such ceilings could not be overstepped. Because the capabilities of every member were subject to limitations, and compliance with these limits was verifiable, no capital had to worry about keeping up with upgrades in other states' arsenals. This arrangement had a stabilising effect, curbing the arms race.

Other delegations protested that defence cuts were not necessary as sub-Saharan Africa's defence spending was not high overall, and remained low by global comparison. According to statistics from 2020, defence spending in sub-Saharan Africa had fallen steadily since 2014: by 2.2% in 2015, 6.9% in 2016, 4.8% in 2017, 4.3% in 2018, and by 0.05% in 2019.³⁰ However, the Malawian representatives worried that the 0.05% figure pointed to a reversing trend. Besides, prior to 2014, the trend was upward. At 16.82 billion USD, defence spending in sub-Saharan Africa was still higher than it had ever been before 2013 – a far cry from the 12.5 billion USD it represented back in 2008. Most disturbingly, the gap between the militarising states and those which could afford to imitate them was widening, spurring fears of dominance and future aggression among the weakest states. Beyond the aggregate levels, country figures showed a handful of regional powers were responsible for the most significant upgrades. The others, still recovering from

Covid-induced recessions, were struggling to keep up.

The Malawian delegation insisted that the key was not to spend less, but to spend differently. Instead of capabilities for inter-state fighting, equipment for counterinsurgency and counterterrorism was required. The Nigerian delegation acknowledged that their armed forces, albeit the largest in sub-Saharan Africa, struggled in the face of adaptable and resilient adversaries in the delta and in the Boko Haram-dominated northeast. The Mauritanian representative added that the pattern was one of increasing inter-state collaboration against non-state threats, reminding everybody that the armies of G5 Sahel members had joined forces to fight terrorism and transnational crime. Representatives from Burkina Faso, Chad, Mali and Niger recalled the ongoing cooperation of 17 African states in the AU-UN Hybrid Mission (UNAMID) in Darfur.³¹ As delegations progressively warmed to the idea, negotiations were launched, and in just a few months, the CFA opened for signature.

Five years on, leaders could congratulate themselves on a successful record. The CFA agreement had displayed an immediate effect, as it prevented states from embarking on expensive military modernisation programmes. They first convened to set limits on equipment for inter-state warfighting capabilities. Different ceilings were set on each weapons category and its deployment, and modernisation programmes for most weapons types were frozen. Excess material was disposed of. These steps liberated substantial funds that could now be devoted to other ends. They employed part of the freed-up funds to improve military training and purchased only key items to equip counterinsurgency units. The remaining funds were devoted to strengthen the implementation of border management and to combat SALW proliferation. Initially reluctant states soon

29 Wolfgang Richter, „Erneuerung der konventionellen Rüstungskontrolle in Europa“, *SWP Studie* no. 17, July 2019.

30 *Military Balance 2020*, p. 452.

31 UNAMID official website: <https://unamid.unmissions.org/unamid-facts-and-figures>

changed their mind, as they realised that the threat of military confrontation had receded.

These efforts were supplemented with some EU assistance. Among others, the EU funded the dispatch of an advisory team to support the CFA negotiations, including former members of the negotiating team of the Treaty on Conventional Armed Forces in Europe (CFE) and other Organisation for Security and Cooperation in Europe (OSCE) experts. Also, it supported targeted weapons disposal to prevent the diversion of arms. Efforts to curb trafficking soon fructified – the competing gangs in the DRC-Malawi-Tanzania borderlands were crushed, and organised crime was halved. With militant groups deprived of lifelines of commodity trafficking, several armed conflicts started to diminish in intensity. This included the borderlands hotspots that had proliferated in the initial phase of AfCTA implementation, and even the traditionally high level of commodity trafficking out of the territory of the DRC subsided. As predicted, increased prosperity materialised, with funds not being diverted to finance military build-ups. Free of hindrances, AfCFTA liberalisation was bearing its fruits.

AGORA: IMPROVED GOVERNANCE AND SERVICE DELIVERY

In the decade between 2020 and 2030, service delivery was improved with clear regulation and free access to basic services for all in the majority of African countries. Faced with a number of evolving trends, policymakers made the right choices to minimise risks and maximise opportunities. Overall Africa's Human Development

Index grew significantly, especially in the health and education dimensions.

On revenue and taxes, steps were taken to increase resources for public services. The value of recorded intra-African merchandise trade in 2030 exceeded €100 billion per year. Investment in Africa also increased to take advantage of the larger continental market. The tax collection ratio to GDP was higher in smaller, more peaceful countries that were more open to trade, where the formal sectors, such as manufacturing, were growing faster than the agricultural sector.³²

Within a decade, many African governments were able to apply a traditional approach to taxation tied to state-building: governments expanded revenue collection and had to respond to increased demands for accountability in exchange for taxation; consequently, they were able to efficiently deliver public goods and services. Complementing this process, some countries in the ECOWAS areas were able to match traditional tax collection with support to 'social extraction', a cooperative activity aimed at providing resources, both monetary and in-kind, to supply public goods. Social extraction was central in many African regions and taking this practice into account was a significant insight of West Africa governments. The ECOWAS leadership therefore had the intuition to prioritise development and state-building itself. This policy was pursued mainly by countries in coastal West Africa, while the Sahel encountered more difficulties in increasing resources for public services mainly due to weak political institutions.

Before the AfCFTA entered into effect, African countries learned from the experience of other trading blocs, and acted to protect the poor from unintended health consequences of open trade policies. The wave of public and, when possible, private investments in human capital, infrastructure and research paved the way for

32 Tony Addison and Jörgen Levin, "The Determinants of Tax Revenue in Sub-Saharan Africa", Örebro University, 2012, <http://oru.diva-portal.org/smash/record.jsf?pid=diva2%3A570456&dsid=-902>; Pierre Noel, "US Oil Import Dependence Reaches 60-year Low," *Strategic Analysis*, International Institute for Strategic Studies, December 5, 2018, <https://www.iiss.org/blogs/analysis/2018/12/powerlines-us-oil-imports>.

better health services and the development of the Universal Health Coverage programme to ensure high-quality healthcare provision for all citizens.

A key move was early planning in terms of governance of public goods and services. The African governments were able to hook the Af-CFTA to investments in improvement of public services. They planned to work towards a first 2025 deadline with well-defined benchmarks in public investment in education and health. During a pivotal AU meeting in late 2020, the African governments decided to relaunch the '2001 Abuja Target' pledging to increase government funding for health to at least 15% of their annual budget. While in 2014 only four countries – Ethiopia, Gambia, Malawi and Swaziland – met the Abuja target, in 2030, 37 African states attained this objective. In 2025, 18 countries already reached the target, but many others were already increasing their percentage and improved their performance also by emulating and sharing good practices from other countries. The AU's incentives and the support of the African Development Bank also provided a relevant stimulus.

In the education sector, an agreement at continental level was decisive to match the process of economic integration. Governments, under the ECOWAS leadership (in particular Nigeria and Ghana) prioritised education and supported the harmonisation of educational and professional qualifications. Academic degrees and titles were gradually harmonised and mobility was made easier and supported by grants for both students and academics. Government expenditure on education increased progressively in the whole continent and significant benchmarks were reached in terms of pupils' enrolment. For instance, tertiary school enrolment grew from approximately 10% in 2018³³ to 22% in 2030. Furthermore, the increased level of education and the possibility for students to travel

and to have their diplomas or degrees recognised in other African countries facilitated economic integration and fostered development.

Violent conflicts still posed a threat to African integration, but their number and impact progressively decreased in the second half of the 2020s. In the Sahel for instance, the governments, in agreement with local authorities, were able to augment social services, especially services that extremist groups cannot provide, like healthcare. This progressive amelioration of social services was facilitated by specific investments in partnership with international actors. These partnerships made it possible to prioritise security for social infrastructures and to implement more inclusive policies for different groups in remote areas. For instance, in 2023 the Malian government launched a ten-year plan to improve safe access to healthcare and to protect schools and pupils in all the regions of the countries. The launch of this plan was possible through financial and technical support of different UN agencies, the World Bank and the African Development Bank and prioritising the security of schools and health services by the United Nations Multidimensional Integrated Stabilisation Mission in Mali (MINUSMA) and other international security partners.

CONCERT OF AFRICA: SECURITY AND TRADE INTEGRATION

The Covid-19 outbreak had unprecedented economic consequences around the globe.³⁴ As a result, African leaders realised that the only way to ensure growth was to boost the pace of trade integration within Africa rather than rely on development aid or dwindling demand from

³³ World Bank, "School enrollment, tertiary (% gross) - Sub-Saharan Africa", <https://data.worldbank.org/indicator/SE.TER.ENRR?locations=ZG>.

³⁴ The World Bank calculated that global GDP had shrunk by 5.2% in six months, plunging most countries into a recession. Meanwhile, per capita income contracted in the largest fraction of countries since 1870. See World Bank, "The Global Economic Outlook During the COVID-19 Pandemic: A Changed World," *Feature Story*, June 8, 2020, <https://www.worldbank.org/en/news/feature/2020/06/08/the-global-economic-outlook-during-the-covid-19-pandemic-a-changed-world>.

ailing markets in the EU. The AfCFTA's implementation thus gained new momentum – and with it, a serious effort to tackle obstacles to integration posed by violence and organised crime. Meanwhile, the devastating effects of the pandemic led to a paradigm shift among Africa's European partners. Once they recast public health and inclusive economic development as human security issues, donors broke down organisational silos between security and development assistance. This made it possible to link trade integration with long-term security assistance.

In 2021, AfCFTA members signed the 'Africa Secure' Action Plan (ASAP) – a blueprint for linking trade integration to human security. The ASAP unified existing piecemeal initiatives for security assistance in the region³⁵ in order to eliminate barriers to trade emerging from violence and organised crime. The rationale was that insecurity generates non-tariff trade barriers and sets in motion powerful counterforces. These counterforces manifest as higher FDI costs, distortions in resource allocation, and greater economic fragmentation. In some cases, the mix of conflict and violence (including terrorism) could have the same effect as a 30% tariff.³⁶ In such circumstances crucial investments in transport, electricity and digital connectivity would be abandoned. Insecurity would prevent the creation of industrial clusters within Africa or linking the continent to global value chains.

The ASAP's first task was to articulate a shared vision among decision-makers who rarely communicate with each other: economic

policy and security officials. In so doing, they realised that economic integration of stronger and weaker states could lead to trade diversion from unstable to more secure areas, rather than welfare-enhancing trade creation.³⁷ This phenomenon had been observed in the Southern African Development Community (SADC), whose members contended with similar interdependent threats two decades before: weapons proliferation, rebel groups, the HIV/AIDS epidemic, and the porosity of borders. A free trade area set up within an 'insecurity community' would likely fail because unequal rates of growth could exacerbate unemployment, inequality and domestic instability in more fragile countries.³⁸ Members of ECOWAS resonated with these ideas. Under Nigeria's leadership in the 1990s and 2000s, ECOWAS created mechanisms for regional security, intervening in civil wars in Guinea-Bissau, Liberia, and Sierra Leone.³⁹

The ASAP thus advanced coordinated security sector reform (SSR) programmes across the Sahel. These reform initiatives were guided by extensive popular outreach and principles of good governance: affordability, efficiency, effectiveness, transparency, and accountability.⁴⁰ This marked a sharp departure from past attempts to boost military effectiveness through kinetic means: multinational deployments, joint operations with foreign troops, and purchasing new equipment. Furthermore, ASAP-sponsored programmes were planned and implemented sustainably to avoid increasing national debts or diminishing investments in social services like health and education. They also improved professional human resource management of

35 For a review of existing initiatives supported by the EU, see Andrew Lebovich, "Disorder from Chaos: Why Europeans Fail to Promote Stability in the Sahel," *Policy Brief*, European Council on Foreign Relations, August 2020, https://www.ecfr.eu/page/--/Sahel_Alliance_Lebovich.pdf

36 S. Brock Blomberg and Gregory D. Hess, "How Much Does Violence Tax Trade?" *CESifo Working Paper* no. 1222, *Category 7: Trade Policy*, June 2004, https://www.cesifo.org/DocDL/cesifo1_wp1222.pdf.

37 James J. Hentz, "The Southern African Security Order: Regional Economic Integration and Security among Developing States," *Review of International Studies*, vol. 35, no. 1 (2009), pp. 189–213.

38 Ibid.

39 Gilbert M. Khadiagala, "Regional Cooperation on Democratization And Conflict Management in Africa," *Carnegie Endowment for International Peace*, March 2018, <https://carnegieendowment.org/2018/03/19/regional-cooperation-on-democratization-and-conflict-management-in-africa-pub-75769>.

40 Paul M. Bisca, "Can Peace Become Affordable? Lessons from security sector expenditure reviews in West Africa," *Brief* no. 2, EUISS, March 2019, https://www.iss.europa.eu/content/can-peace-become-affordable#_implications_for_eu_security_assistance_in_west_africa.

armies, police and courts. The ASAP put citizen engagement at the heart of the SSR agenda – reforms were explained in simple, direct and emotionally effective terms to citizens, who were given the tools to monitor government efforts through technology.

By 2025, a people-centered security architecture began to emerge in Burkina Faso, Mali and Niger, countries that had struggled with growing violence in their tri-border area known as Liptako Gourma. The three countries worked together to develop complementary SSR plans which created cadres of professionally trained military and police officers and administrators. Advances in technology made possible the biometric identification of uniformed personnel for all security and defence forces. For the first time, civilian and military administrators in Bamako, Ouagadougou and Niamey could grasp the exact size and rank pyramid of their security and armed forces and adjust spending priorities accordingly. The spread of mobile money facilitated quick salary payments, eliminating delays and reducing opportunities for corruption. Mali was particularly active in this initiative. Faced with the challenge of providing good governance for the whole population, the newly installed junta wanted to make the Malian defence and security forces into an example of credible reform and voluntarily embraced and implemented SSR principles.

The ability to exercise greater civilian control over armed forces and police was also bolstered by initiatives to turn data into a truly global public good. The free access to granular information on security budgets and violent events gained through open government programmes and efforts to geo-locate global violence trends benefited a diverse set of actors. Powered by data, communities and governments in Mali, Burkina Faso and Niger could work to rebuild trust based on concrete evidence of progress. Donors could justify the value for money of

aid by showing direct correlations between aid spending and security or development outcomes. And private companies could use this data to hedge investments in Africa against potential security risks.

LIGHTHOUSE: ELECTRICITY GENERATION

By 2030, access to sustainable, resilient and human-centered electricity services was granted to most Africans, with ‘only’ 90 million people not yet having access to electricity across the continent. In order to achieve this objective – set in the framework of the United Nations’ Sustainable Development Goal 7⁴¹ – the share of renewable energy in the energy mix increased substantially while the rate of improvement in energy efficiency redoubled by the end of the decade.

Thanks to the action of the so-called ‘Sustain(able) Africa’ trilateral alliance – launched in 2021 by the UN, the AU and the EU⁴² – a set of common continent-wide measures was introduced: (i) to speed up the approval and deployment of sustainable projects (both at the national and intra-national/regional level); (ii) to ease and secure the flows of public and private investments; and (iii) to empower skilled local officials and technicians to implement sectoral transformations.

Taking into due account the transformations brought about by the effects of climate change and new societal patterns, ‘Sustain(able) Africa’ initiatives focused primarily on redefining the way cities and urban areas across the continent are designed, managed and supplied, as

⁴¹ United Nations, *SDG7 – Ensure access to affordable, reliable, sustainable and modern energy for all*, <https://sdgs.un.org/goals/goal7>.

⁴² Technically supported by IEA, IRENA and SE4ALL and renewAfrica, and implemented through the financial commitment of the World Bank, the African Development Bank and the European Investment Bank. Private sector, academia and civil society take part to the initiative through an advisory board comprising 30 among the most influential and sustainability-oriented companies, universities and NGOs.

exemplified by the ‘East Africa Urban Partnership’ launched by the municipalities of Addis Ababa, Dar es Salaam, Lusaka and Nairobi with the support of the revived Covenant of Mayors in Sub-Saharan Africa (CoM SSA). In parallel, rural electrification patterns were strengthened, also as a means of mitigating urbanisation trends.

Electrification of consumption, demand-response and efficiency improvements, sustainable mobility and sustainable cooling and housing represented the pillars of a new development model for Africa promoted by the alliance. Thanks to growing utility-scale renewable capacity and smart digitalised infrastructure established under the umbrella of ‘Sustain(able) Africa’, in the second half of the decade scalable electricity services were deployed across the continent, with excellent results achieved for instance in Eastern Africa, where the enhancement of a regional market – the Eastern Africa Power Pool (EAPP) – contributed to maximise the benefits of inter-state renewable electricity exchanges. These services guaranteed extreme flexibility and resilience to meet new challenges, such as the peak of consumption electricity driven by the cooling sector during the ‘Millennium heatwave’ that hit Eastern Africa in February 2028 or the ‘Filipina’ outbreak that erupted in Malawi between March and August 2029. At the same time, the social benefits generated by this transformation were extensive, including job creation and youth employment, new applications in productive/industrial sectors, enhancement of health and education services as well as pollution reduction and environmental requalification.

Decarbonised utility-scale electricity generation became a key component for the sustainable and resilient development of Africa and its urban conglomerates, contributing to meet sub-Saharan Africa’s impressive growth in electricity demand, which more than doubled (at least)⁴³ between 2020 and 2030. Thanks to

massive public and private investments made possible by ‘Sustain(able) Africa’, the expansion of renewables went well beyond institutional forecasts,⁴⁴ helping Africa to meet its energy access challenges in a sustainable way (i.e. through a more rapid phasing out of fossil fuel capacity).

Modern and secure transmission and distribution networks created during the last decade contributed to achieve these goals. The expansion and strengthening of the networks was the result of careful planning and regulation efforts, conducted in close coordination with investments in new capacity. Coordination between public institutions and private companies, as well as between generation developers and networks operators, was fundamental to achieve the objectives, as construction timelines of power plants and transmission lines differ significantly (1 vs. 5/10 years). Investing in new interconnections increased the economic and environmental competitiveness of renewable energies *vis-à-vis* conventional generation, as intra-regional and intra-national energy trade contributed to lower system costs by making renewables more affordable and reliable. In particular, the adoption of a regional perspective and the priority given to cross-border transmission lines, helped many small countries – whose optimal electricity supply and consumption is dependent on power exchanges with neighbours – to improve the quality and the security of their electricity services. This was the case of Western Africa, where the strengthening of the West Africa Power Pool (WAPP) was made possible by the common procedures adopted and the investment guaranteed in the framework of ‘Sustain(able) Africa’.

Modern and digitalised distribution assets played a fundamental role also for the sustainable and equitable development of urban areas, as they helped in connecting utility-scale generation capacity with African

⁴³ Based on IEA projections, in the Stated Policies Scenario, demand will reach over 1,600 TWh a year in 2040, while in the Africa Case scenario it is expected to reach 2,300 TWh. IEA, *Africa Energy Outlook 2019*, Paris, November 2019.

⁴⁴ Forecasts projected additional 159 TWh wind power, 229 TWh solar photovoltaic power and 351 TWh hydroelectric power by 2030.

urban conglomerates, enabling new consumption patterns emerging in cities (connectivity, cooling systems, health and education, and mobility).

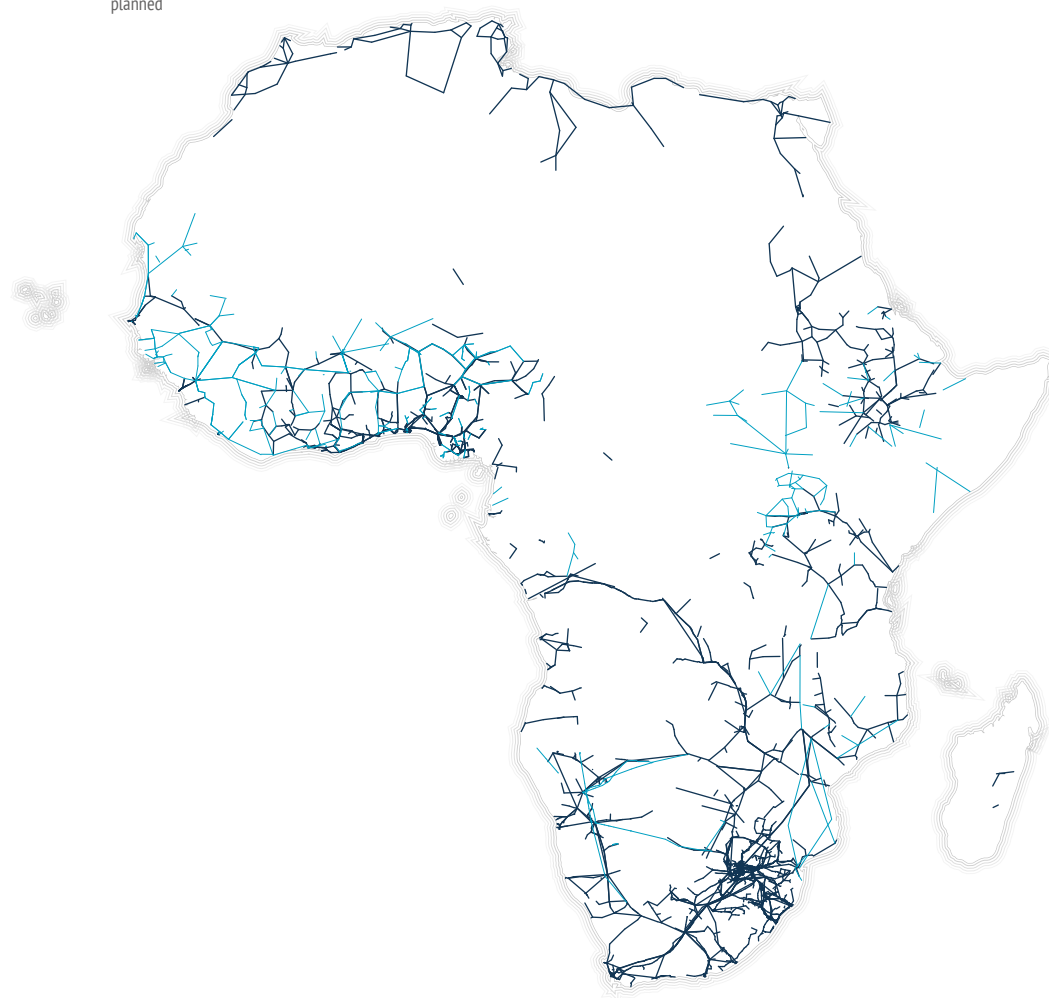
An increasing number of economic and social activities benefited from better efficiency processes and from the electrification of consumption. As an example, the fast penetration of clean electricity-based technologies for cooking accelerated the shift from solid biomass,

while the combination of electrified processes and the use of renewables-based hydrogen – which helped minimise the use of fossils – significantly boosted sustainable industrialisation in the continent. Although the process was not immediate, the African continent took advantage of its great renewables resources endowment, enhancing alternative urban and industrial development models and overtaking those then in place in developed countries.

Electricity transmission and distribution

Africa, electricity lines with at least 50 kilovolts, 2017

Status — Existing
 — Under construction/
 planned



Finally, Africa radically transformed its mobility model.⁴⁵ The electrification of two- and three-wheelers, as well as the expansion of ridesharing services, with more than a hundred local and international companies active in basically all the African cities, became a key driver for the electrification of mobility in the continent. Universal access to cheap and reliable electricity and smart and digitalised networks underpinned these developments, but newly conceived buildings and housing models proved to be fundamental enablers for citizens to accede to these new (and more sustainable) mobility services.

To sum up, in 2030 Africa and its cities established a much less carbon-intensive model of development than those in place in the continent one decade before. Utility-scale renewables, smart networks, efficiency, electrification and digitalisation drove Africa's energy sector transformation, helping the continent to move away from the traditional use of biomass and fossils that in 2020 accounted for a large part of its final energy consumption.

ATLANTIS: THE BLUE ECONOMY IN 2030

Progress in developing the AfCFTA had a catalytic effect. Encouraged by increasing volumes of intra-African trade and recognising the role of maritime industries and enhanced connectivity in accelerating this further, leaders from key states such as Côte d'Ivoire, Kenya, Nigeria, Senegal and South Africa revived an AU strategic task force for the AIMS. Having been effectively stagnant – after its inaugural meeting in July 2015 it had subsequently met only four times by 2020 – these key country backers ensured that the task force was properly resourced and ready to engage on implementation.

These leaders wished to see the progress made by the AfCFTA on land mirrored at sea with the CEMZA. Critically, they also supported the creation of a dedicated maritime affairs department at the AU to monitor and oversee the cross-cutting processes of implementation across the continent. This included speeding up of the adoption of the 2016 African Charter on Maritime Security and Safety and Development in Africa (the Lomé Charter) by AU members.

Prior to 2020, performance had been uneven across the continent, but by 2030 it was envisaged that all zones would be operational and the trend of improved national and sub-regional collaboration would continue in combating maritime crime and intelligence sharing. This required a cluster of key African states – Kenya, Nigeria, South Africa, Senegal, Côte d'Ivoire and Egypt – to collectively invest in developing CEMZA as a cornerstone of AIMS. Due to their alignment, other stepping stones such as increased signatories and ratifications of the Lomé Charter and initiatives such as the Agreement on Port State Measures saw greater momentum.

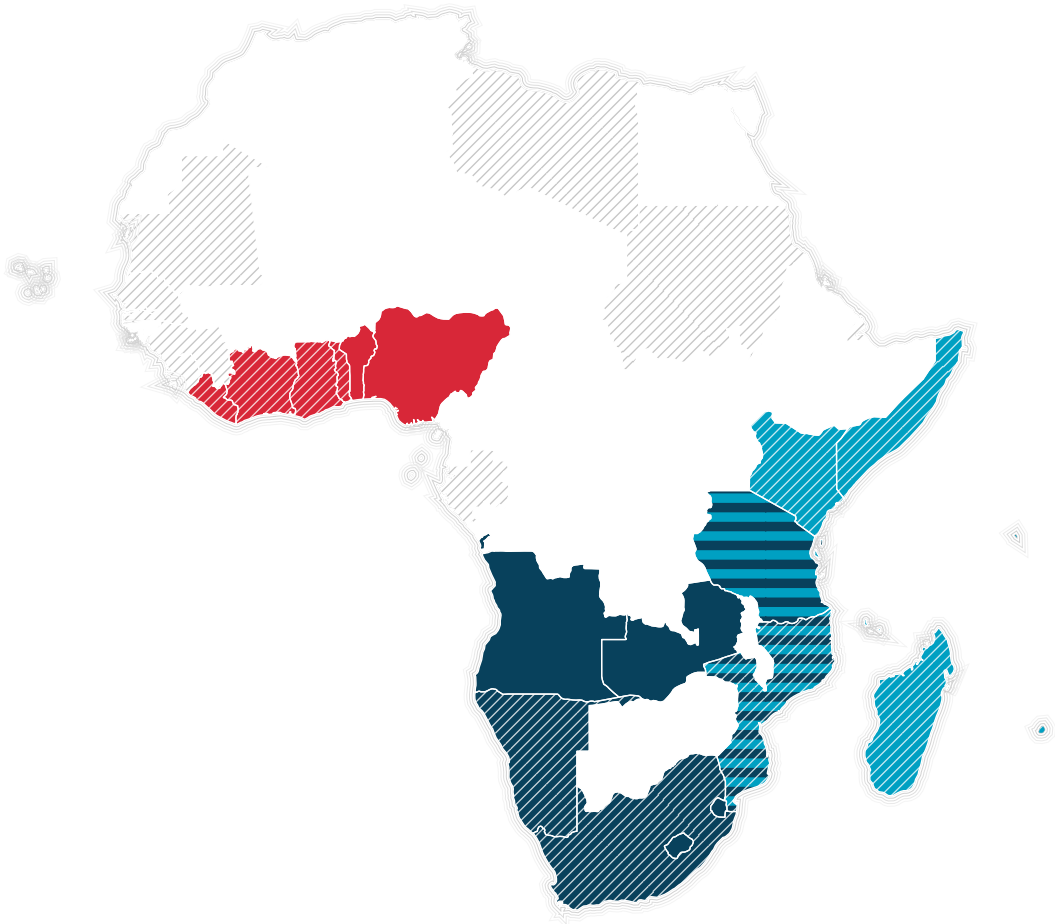
One core commitment of the Lomé Charter was for each individual country to develop national strategic plans for the maritime domain and blue economy. By 2025 – the end of the 'Decade of African Seas and Oceans' – over half of coastal states had done so, marking a key signpost on the journey to rectify the seablindness of the past. Critical to sustaining this momentum was the work of the new dedicated AU maritime affairs department, which worked with leading countries such as the Seychelles to develop and raise awareness of model blue economy policy. By 2030 increased efforts had been made to fulfil a number of the other AIMS key objectives. In 2020, there had been 23 African parties to the Agreement on Port State Measures (PSMA), an international agreement that prevents vessels engaged in Illicit and Unreported and Unregulated Fishing (IUU) using ports and landing their catches. More coastal

⁴⁵ As of today, there are about 44 cars per 1,000 adult Africans, while in 2019 new car sales across the continent accounted for only 1.2% of the global market, despite an adult population that is 14% of the world's total.

Frameworks on IUU fishing

Africa

-  Party to the Agreement on Port State Measures (PSMA)
-  Fish-I Africa
-  SADC Joint Strategy on IUU
-  The Fisheries Committee for the West Central Gulf of Guinea



Data: FAO, Agreement on Port State Measures (PSMA); Fish-I Africa; Shem Oirere, *SeafoodSource*, 2020; Fisheries Committee for the West Central Gulf of Guinea; Natural Earth, 2020

states signed and ratified the PSMA over the decade, crucially including Nigeria. This helped to operationalise the existing Monitoring, Control and Surveillance (MCS) frameworks towards combating IUU.

Cost-effective technologies were increasingly available to help identify suspected wrongdoing and provide an opportunity for a paradigm shift in compliance in fisheries. This allowed for expanded MCS methods, including public

monitoring tools such as Global Fishing Watch, OceanMind and Skylight. These tools used public and non-public data and provided new capabilities to identify and monitor activities, thereby enabling governments to prioritise enforcement efforts and take immediate and effective action to tackle IUU fishing.

Initiatives at the global level also contributed to addressing the scale of IUU fishing. Although delayed, the World Trade Organisation (WTO)

eventually negotiated an agreement on regulations aimed at eliminating subsidies for IUU fishing and reducing harmful subsidies that contribute to overfishing practices.⁴⁶ In West Africa, for example, this progress relieved some pressure on many overfished and vulnerable species that had traditionally been associated with large subsidies for distant-water fishing vessels from Europe and Asia.⁴⁷

Additionally, through public-private partnership, there was an opportunity to ensure end-to-end traceability to vessels, aquaculture farms, harvesters and retailers so as to ensure all seafood in the supply chain was safe and legally sourced. Progress on regulatory frameworks such as these, coupled with improved customs arrangements under the AfCFTA, provided a crucial stepping stone to enhanced intra-African value chains in the seafood and maritime production industry. As a result, although artisanal fishing remained dominant by 2030, the trend was gradually moving towards greater organisation of small-scale fisheries as well as processing and packaging facilities.

Although dwindling commercial fish stocks remained the primary concern, the African aquaculture sector experienced rapid growth, with production in sub-Saharan Africa reaching 1 million tonnes by 2025 – an increase of 84% from 2015.⁴⁸ This increase was partly attributable to improved knowledge-sharing and skills transfer at the continental level as a result of improved AU coordination, which helped to

loosen North Africa's cornering of the aquaculture market (Egypt alone having accounted for 70% of Africa's total aquaculture production before 2020). AfCFTA implementation on land also helped to facilitate this growth, by lowering barriers for intra-African supply chains of fish feed to emerge – where previously production had been reliant on imported feed from Europe and Asia.

By 2030, due to the pressures for greener shipping and the diversification and shortening of supply chains for critical goods such as medical supplies in response to the Covid-19 crisis at the beginning of the decade, greater investment in African maritime capacity had begun to emerge, particularly from Europe. This progress towards the end of the decade was initially made largely by way of joint ventures, with part ownership from international investors. Nigeria led the way in this respect, having gradually lifted its system of cabotage waivers from 2021 (following the ill-fated enacting of a strict Cabotage Act in 2004).

The single most important positive change was a new reform-minded government elected in Nigeria in 2023 that prioritised maritime security (including appropriate enforcement of the Piracy Act of 2019, setting an example for the region) and re-engaged in collective maritime action with its neighbours. The result was a significant decline in piracy and armed robbery at sea in the Gulf of Guinea – including violent kidnapping of crew and oil theft.

⁴⁶ World Trade Organisation, "WTO members search for compromise as text-based negotiations on fishing subsidies continue", October 9, 2020, https://www.wto.org/english/news_e/news20_e/fish_09oct20_e.htm

⁴⁷ Robert Arthur et al., "The cost of harmful fishing subsidies", IIED Working Paper, March 2019, <https://pubs.iied.org/pdfs/16654.IIED.pdf>

⁴⁸ Food and Agriculture Organisation (FAO), "The State of World Fisheries and Aquaculture 2018: Meeting the Sustainable Development Goals," Rome, 2018, <http://www.fao.org/3/i9540en/i9540en.pdf>.

CHAPTER 3

WHAT COULD HAVE GONE WRONG?

The purpose of this chapter is to alert the reader to the negative implications of inaction, which can have significant strategic impact in shaping an adverse future for Africa, and more specifically hamper the implementation of free trade and economic integration as drivers of sustainable growth. Each section raises ‘red flags’ about what could happen if negative sectoral trends are not addressed or mitigated, alerting stakeholders to the need to prevent these hazards from arising. We do this by relying on horizon-scanning: in this section, the authors contributing to this publication were asked to present a sombre picture of Africa’s future, based on unmitigated trends, negative developments and data they have gathered in their areas of expertise. All scenarios are ‘grey rhinos’, i.e. highly probable and impactful events that generally occur after a long series of warnings.¹ What is likely to happen if policymakers fail to act now?

PLAGUES OF AFRICA: EXTREME WEATHER AND CLIMATE CHANGE

Africa suffered increasing weather-related challenges and crises during the 2020s, including record droughts, severe flooding and more frequent storms, affecting agricultural production, trade routes and food and water security. Millions of Africans saw their everyday lives affected, leading in some cases to forced migration, tension and conflict.

Scientists had long highlighted the potential impact of climate change on African food production, and cereal production in East and Southern Africa had fallen by more than 10% following the 2015–16 drought.² Over the 2020–2030 decade, extreme weather events began to have an increasingly catastrophic effect on harvests, impacting on food security and prices. Ethiopia, East Africa’s largest maize producer, experienced its lowest rainfall on record in 2024, causing production to fall by over 50% in some regions and fail completely in others. South Africa’s stone fruit yields dropped

1 As such, the chapter mixes approaches used in the ‘What If...?’ foresight publications by the EUISS. See in particular: Florence Gaub (ed.), “What if...Scanning the horizon: 12 scenarios for 2021”, EUISS *Chaillot Paper* no. 150, February 2019.

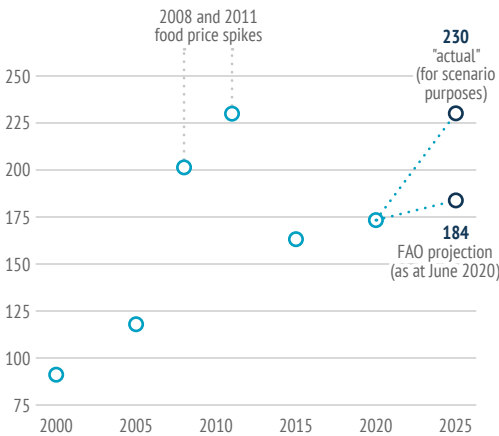
2 Organisation for Economic Co-operation and Development, “Agriculture in Sub-Saharan Africa: Prospects and challenges for the next decade”, in *OECD-FAO Agricultural Outlook 2016–2025* (Paris: OECD Publishing, 2016), https://doi.org/10.1787/agr_outlook-2016-5-en.

in three consecutive years due to poor growing conditions.

Low food production in consecutive seasons meant that food reserves dwindled and resilience weakened, while the ability to absorb catastrophic harvests was negligible. Africa became increasingly dependent on food imports to feed its growing population. Although 2020 saw a brief fall in global food prices due to Covid-19 lockdowns and logistical bottlenecks, prices began to climb steadily from early 2021 onwards as global supply chain concerns prompted an increase in protectionism on the part of some of Africa’s major food suppliers (including India for rice and the US, Russia and Canada for wheat). Extreme weather events in Brazil, India and Russia in 2024 exacerbated supply shortages, resulting in greater price volatility for Africa’s food imports and tensions over higher food prices. Weak governments came under strain, and food riots took place in 20 countries across the continent.

Global food prices

Real and as imagined in this scenario, 2000-2025



Data: OECD and FAO, 2020

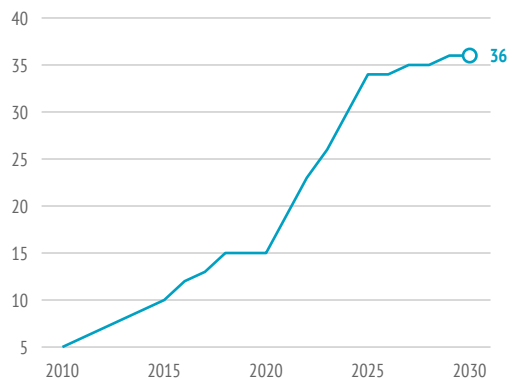
Pressure on food production and supply chains led to uncoordinated responses driven by national self-interest, hindering African integration efforts. Agricultural policy interventions such as export bans and import restrictions increased rather than decreased vulnerability, preventing risk-sharing between countries and limiting resilience.

Extreme weather events magnified the strain on Africa’s already inadequate road and rail infrastructure. In East Africa and the Horn, in 2026 storms and heavy rainfall led to flash floods, landslides and damage to roads in six countries, disrupting transport and trade between as well as within countries. Elsewhere, flooding on poorly surfaced rural roads led to traffic disruption and caused delays. This was particularly problematic for the agriculture sector, which saw significant wastage of perishable food crops on their route through the supply chain. Individual farmers found it increasingly difficult to connect to markets, and more were forced to restrict themselves to subsistence agriculture.

As the demand for food surged and temperatures rose, the amount of water required for agricultural production increased significantly. At the same time, however, recognition of Africa’s huge hydropower potential saw an increasing amount of water diverted for energy use. Ethiopia’s decision to fill the Grand Ethiopian Renaissance Dam in only three years to achieve a swift return on its investment saw regional tensions rise, and during the 2024 drought the refusal to release water to downstream countries led to severe shortages in Egypt and Sudan. Regional tensions increased, leading to the suspension of trade relations and closure of the Ethiopia-Sudan border.

Amount of electricity generated by hydropower

Ethiopia, 2010-2030 (projected), terawatt hours generated



Data: International Energy Agency, 2019

As Africa's population increased, more people became exposed to the impact of severe weather events and their effects on food and water security. This led to more people migrating to neighbouring areas as their own became uninhabitable, fuelling tensions and placing strain on communities. Although migration was usually at the local level in the first instance, in some cases it resulted in tensions which then pushed people across national borders. In South Africa and Zambia, tensions between the local population and Zimbabwean migrants fleeing the 2022 famine led to public pressure to close borders, jeopardising the free movement of people between countries and hindering Southern African integration efforts.

While rarely a direct cause of conflict, climate change often acted as a threat multiplier and driver of state fragility, undermining African stability and security. The unsustainable exploitation of resources such as oil in Nigeria and minerals in the DRC continued to contribute to land degradation and pollution, adversely affecting local populations and acting as a valuable recruiting tool for rebel movements and criminal networks. Elsewhere, lack of access to food, water and land exacerbated other political, economic and social drivers of conflict. By 2030 the number of conflict-affected African countries had increased to 24, hindering both human and economic development. Where such conflicts developed a cross-border element, or disrupted the internal movement of people and goods, this hampered the achievement of further economic integration on the continent.

A DIGITAL ODYSSEY: DIGITAL REGRESSION

In 2019, Africa was still the region with the lowest internet usage rates. Although Africa's total operational fibre optic network reached the milestone of 1 million km in 2019, increasing the number of people living within reach of a fibre optic node in sub-Saharan Africa to 584 million people³ (out of a total population of approximately 1.08 billion), only 28.2% of Africans were using the internet,⁴ almost exclusively through their mobile phones, with only 19.1% in the least developed countries. From a demand-side perspective, several African countries including Uganda and Tanzania were below 15%, with Rwanda and Mozambique at around 10%.⁵ Least developed countries also had a large gender gap in internet use, with more men than women using the internet, although more women were informally trading across borders. Unaffordable broadband services and data, expensive smart devices, slow bandwidth connectivity in certain areas, particularly rural areas, and an unskilled population meant that usage was generally very low and infrequent.⁶ For the same reason, there was a danger that new digital technologies and internet-based services could contribute to amplifying existing inequalities rather than offer solutions.

Because of the relatively low and constrained growth of internet users on the continent, intracontinental traffic failed to reach regional hubs. Affordability and lack of digital skills represented the main barriers to internet use among sub-Saharan households.

3 Hamilton Research, "Africa: Africa's Operational Fibre Optic Network Reaches 1 Million Route Kilometres", 2019, <http://www.africabandwidthmaps.com/?p=6158>.

4 International Telecommunications Union (ITU), "Measuring Digital Development. Facts and Figures, 2019", 2019, Geneva, <https://www.itu.int/en/ITU-D/Statistics/Documents/facts/FactsFigures2019.pdf>.

5 The countries surveyed by the Research ICT Africa (RIA) After Access Survey 2017–2018 were: Ghana, Kenya, Lesotho, Mozambique, Nigeria, Senegal, South Africa, Tanzania and Uganda.

6 Alison Gillwald and Onkokame Mothobi, "After Access 2018: A demand-side view of mobile Internet from 10 African countries". RIA Policy Paper Series no. 5 (After Access: Paper no. 7), April 2019, https://researchictafrica.net/2019_after-access_africa-comparative-report/.

As far as enabling online trade was concerned, the majority of sub-Saharan residents did not have access to formal financial services, especially those in rural areas. Mobile money services were only introduced successfully in a few countries. Despite a number of initiatives to enhance digital opportunities in Africa, such as the creation of online jobs, few people participated in the digital economy beyond passive consumption.

Digital flows mirrored continental trade flows: the vast majority of internet traffic passed through Europe, where African operators and large internet service providers were able to get the best peering prices as a result of economies of scale. Despite extensive fibre optic networks delivering greater speeds, there were still challenges of connectivity and quality of internet services due to high latency, especially for countries and users located far from fibre routes or points of access.

Over time, the absence of effective legislation and institutions also turned the continent into a safe haven for cyber criminals. Africa not only became a playground for big powers competing for influence, but also a fertile breeding ground for non-state actors who wished to engage in malicious activities. Many African countries became testing grounds for cyber criminals who could develop, trial and test malware, ransomware and phishing scams. These trends were further accentuated by weak domestic institutions and instrumentalisation of African aspirations for economic growth by external powers. For instance, in response to an increase in disinformation campaigns by Russian political technologists, aimed at influencing electoral processes across the continent, some African governments decided to follow approaches adopted in other parts of the world – notably in Europe – and tightened control over online content, at the cost of internet freedom. This trend was not accompanied by strengthening check-and-balance systems, which

significantly impacted the open and free nature of the internet. At the same time, scepticism towards solutions originating from outside of Africa – driven by the colonial past – and the instrumentalisation of the decolonisation narrative by powers such as Russia or China, further contributed to the growing gap between Africa and Western countries when it came to the governance of cyberspace and further undermined the institutions in Africa.

The prevalence of malicious activities in cyberspace further undermined trust between countries in Africa and posed a serious barrier to regional cooperation focused on the digital economy and growth. Concerns about losing control over personal data through cross-border data flow pushed countries to impose data localisation practices by legislation. At the same time, growing political dissent due to increased corruption and poverty resulted in the criminalisation of freedom of expression online and pushed African governments to authorise internet shutdowns as a cybersecurity practice.

A GRIM DECADE: EXPANSION OF VIOLENT EXTREMISM

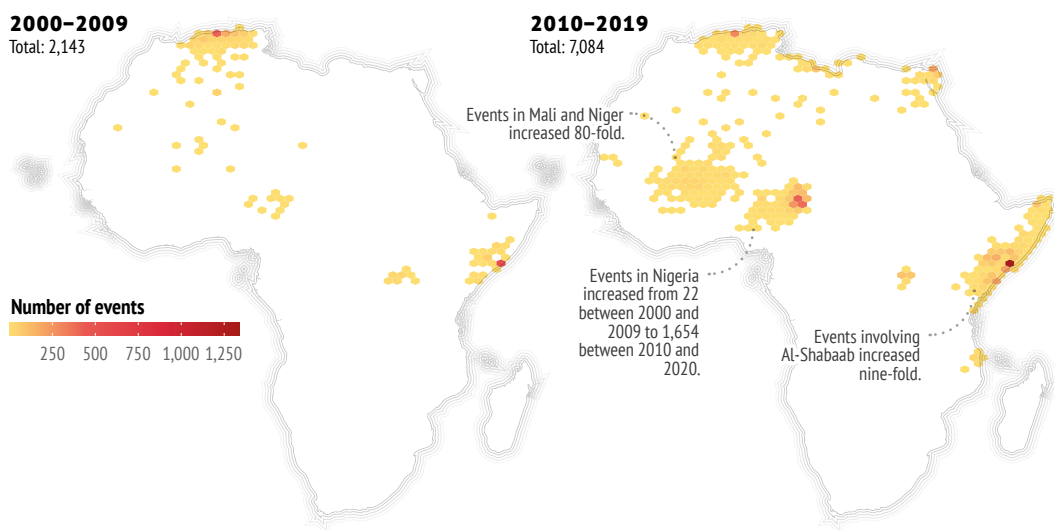
The proliferation of hotbeds of violent extremism in Africa, predominantly linked to militant Islamist organisations, presented a major security threat and a considerable obstacle to economic integration on the continent.⁷ In 2019, the so-called Islamic State became active in conflicts in four more countries than the year before, all of these countries being located in Africa.⁸ The previous year, sub-Saharan Africa became the second most terrorism-impacted region in the world according to the Global

7 Violent extremism refers to organised violent mobilisation that aims at disrupting and replacing the existing state order with an alternative, totalitarian governance system. See Mathias Bak, Kristoffer Nilaus Tarp and Christina Schori Liang, “Defining the concept of violent extremism: delineating the attributes and phenomenon of violent extremism”, *Geneva Paper* no. 24, 2019.

8 Therése Pettersson and Magnus Öberg, “Organized violence, 1989–2019”, *Journal of Peace Research*, vol. 57, no. 4, 2020.

The spread of transnational jihadist violence

Spatial distribution of conflict events initiated by jihadists in Africa, 2000-2019



Data: UCDP Georeferenced Event Dataset, 2020; Natural Earth, 2020

Terrorism Index, overtaking the Middle East and North Africa for the first time.⁹ While not all terrorist violence was committed by transnational violent extremist groups, much of the increase in violent extremism in Africa was connected to groups affiliated to organisations such as al-Qaeda and the Islamic State. While violence was concentrated in conflict-affected regions in the Sahel and the Horn of Africa, the influence of violent extremist groups in Africa spread geographically within the continent. By 2025, the number of countries directly affected by armed violence emanating from these groups had risen from ten to fifteen.¹⁰ Southern Africa witnessed a worrying development from 2017 onwards, as the extremist-fuelled insurgency that had emerged in the Cabo Delgado province in Mozambique made significant territorial and military gains. In the DRC, where

the Islamic State claimed its first attacks in 2019, violent extremism undermined years of peacebuilding efforts.¹¹

The situation in northern Mozambique exemplified the evolution of violent extremist groups in Africa. While transnational networks and ideologies may have facilitated the arrival of extremism in Cabo Delgado, the violence in the natural gas-rich area was fuelled by local drivers, particularly grievances towards the state stemming from inequalities in land use/management, corruption and underdevelopment.¹² The insurgency became more organised and increased its tactical sophistication, as well as allegedly forging links with a transnational organisation – e.g. the Islamic State-Central Africa Province (IS-CAP). The state's counter-insurgency tactics,

⁹ Institute for Economics & Peace, *Global Terrorism Index 2020: Measuring the Impact of Terrorism*, Sydney, 2020, <https://www.visionofhumanity.org/wp-content/uploads/2020/11/GTI-2020-web-1.pdf>

¹⁰ In 2019, 10 out of 18 conflict-affected countries in Africa were directly influenced by violent extremist organisations. See "Organized violence, 1989-2019", op.cit.

¹¹ Raphael Obonyo, "African youth and the growth of violent extremism", *Africa Renewal*, December 23, 2019, <https://www.un.org/africarenewal/magazine/december-2019-march-2020/african-youth-and-growth-violent-extremism>.

¹² Gregory Pirio, Robert Pittelli and Yussuf Adam, "The Many Drivers Enabling Violent Extremism in Northern Mozambique", Africa Centre for Strategic Studies, May 20, 2019, <https://africacenter.org/spotlight/the-many-drivers-enabling-violent-extremism-in-northern-mozambique/>.

which relied heavily on the use of security forces, faced human rights abuse allegations and further boosted the insurgency.¹³ During 2021–2023, extremist violence in Mozambique claimed nearly 3,000 lives and forced over half a million people to flee the expanding region of territorial influence. Empirical evidence from elsewhere in the continent told a similar story of local grievances and governance weaknesses driving violent extremism, while counter-insurgency tactics pushed certain communities closer to transnational militant groups.¹⁴ Worryingly, this was also accompanied by an increase in violence against civilians committed by state forces.¹⁵

The upward trend of conflicts involving violent extremist groups was costly to Africa: by 2025, the continent had lost an extra \$93 billion to terrorism, in addition to the \$171.7 billion it lost during the 2010s.¹⁶ These costs clustered in countries most impacted by violent extremism: in Nigeria, terrorism continued to cost over 2% of GDP in 2021–2025.¹⁷ Burkina Faso's GDP contracted by 2.6% in 2025 as a result of violent extremism. On average, countries that were epicentres of terrorism lost 1.5% of their GDP per year to terrorism by the mid-2020s, in comparison to 1.1% in 2007–2016.¹⁸ Moreover, foreign direct investment flows in countries directly affected by violent extremism dropped to under \$2 billion in 2025, following a decrease of 43% in 2007–2016.¹⁹

The totalitarian aims of violent extremist groups presented an existential threat to

countries' economic and political structures and often meant explicit targeting of existing local economic and governance institutions. Violence against civilians by extremist groups and the threat of violence had particularly destructive consequences in the agricultural sector and especially for women's employment within this sector, as attacks rendered land inaccessible, work dangerous, and trade insecure.²⁰ One salient challenge that ensued with regard to economic integration was that countries and regions struggling with violent extremism were obliged to shift their spending increasingly to counterinsurgency efforts, putting them at a disadvantage *vis-à-vis* countries and regions unencumbered by this burden.

The threat of violent extremism also made some states reluctant to increase economic interdependence with conflict-affected countries. Cross-border spillovers of violence committed by extremist groups translated to a high risk of diffusion of the considerable economic costs as well. Moreover, there was a danger that the opening-up of borders could facilitate transnational crime and the movement of violent groups.²¹ Until states had the capacities to secure borders against illicit actors, while keeping them open for citizens and goods, the political will of the relatively peaceful countries to open borders at a continental level was curtailed. Empirical evidence shows violent extremist groups to be resilient and adaptive to changes in their political environment, and a poorly managed integration process can enable rather than disable them.

13 Armed Conflict Location and Event Data Project (ACLED), "Cabo Ligado Weekly: 10–17 May", 2020, <https://acleddata.com/2020/05/19/cabo-ligado-weekly-1017-may-2020/>.

14 Op. Cit., "African youth and the growth of violent extremism".

15 ACLED, "Dashboard data analysis tool", 2020, <https://acleddata.com/dashboard/#/dashboard>.

16 Op. Cit., *Global Terrorism Index 2020: Measuring the Impact of Terrorism*.

17 Ibid. In 2019, terrorism cost Nigeria 2.4% of its GDP.

18 United Nations Development Programme (UNDP), "Measuring the economic impact of violent extremism leading to terrorism in Africa", 2020, <https://www.undp.org/content/undp/en/home/librarypage/democratic-governance/measuring-the-economic-impact-of-violent-extremism-leading-to-te.html>.

19 Ibid.

20 Ibid.

21 Christian Abadioko Sambou, "The African free trade zone can't ignore continent's security issues", *The Conversation*, September 4, 2019, <https://theconversation.com/the-african-free-trade-zone-cant-ignore-continent-security-issues-122951>.

THE GREATER DEPRESSION: ECONOMIC COLLAPSE

The final report presented to the 2030 UN Summit on the achievement of Sustainable Development Goals made for sombre reading. While extreme poverty had largely been eliminated elsewhere in the world, almost 37% of Africa's population still lived on less than 1.90 USD a day, amounting to more than 640 million out of its 1.7 billion people. When alluding to extreme poverty in 2030 the global community referred almost exclusively to sub-Saharan Africa. Looking back to 2020 it was evident that Africa had not fully heeded the lessons from the Covid-19 crisis.

The first of these was to invest in the delivery of basic infrastructure such as the provision of safe water and sewerage systems for the continent's rapidly urbanising population.

Africa's urban citizens still had some of the lowest levels of access to basic services worldwide. In fact, access to modern medicine, rather than proper planning and water, sanitation and hygiene (WASH) infrastructure, has been helping to keep epidemics and ill health at bay in much of urban Africa. The Covid-19 pandemic underlined the deficit in basic infrastructure but little was done to remedy this in subsequent years.

The lack of access to safe water in Africa, particularly in urban areas, was a result of poor management and outdated infrastructure that had not kept up with growing demands for WASH services. Many housing units were almost exclusively self-built and neighbourhoods were organised independently of the central governing authority. The result of this was that recurring bouts of infections continued to sweep across the continent, which already had

a higher communicable disease burden than other regions. In 2030, for example, still barely half of the continent's population had access to improved sanitation, an amelioration of less than ten percentage points compared to 2020.

Second, as happened with the previous experience with Ebola in West Africa, Covid-19 resulted in resources being channelled away from basic healthcare services. Most African countries still spent significantly below the 2001 Abuja Declaration target of allocating at least 15% of public revenue to health.²² Some, such as Ethiopia, also relied on significant levels of external funding that declined as development assistance dried up in 2021/22. Whereas Covid-19 necessitated significant additional health financing to prepare for, respond to and treat the disease, never mind expenditure on other health services, debt repayments squeezed out all other priorities. Eventually more Africans died from the impact of reduced health spending (such as lower levels of vaccination, less resources to combat malaria, etc.) and from poverty by 2030 than from the direct effect of Covid-19.

A third lesson from Covid-19 that was not heeded was the need for Africa to focus on food self-sufficiency and agriculture. In fact, Africa's trajectory of increased reliance upon food imports had not shifted and the continent was dependent on imports for almost 30% of its food demand in the early 2020s, in spite of its huge agricultural potential. Africa in 2030 was significantly less food secure than a decade previously. Climate change had, of course, played a significant role, but the most important factor had been the ongoing dereliction of small-scale farming and the lack of a focus on indigenous crops as the main means of ensuring food self-sufficiency. Instead of growing its own, Africa remained increasingly dependent upon food imports.

Finally, the international community turned its back on Africa. In 2020 the G20 agreed on

²² See, for example: World Health Organisation (WHO), "The Abuja Declaration: Ten Years On", www.who.int/healthsystems/publications/abuja_declaration/en/, 2011.

a limited moratorium on bilateral payments that postponed payments of more than 11 billion USD due by poor countries in that year, well short of the 44 billion USD debt relief that the AU envoys and African finance ministers sought at the time. Nothing else was done and within three years Angola, Ethiopia, Kenya, South Africa and Zambia defaulted on their debt, much of it owed to China. Although African economies and the associated monies owed were small in absolute terms, the impact on global risk perceptions was such that it starved the entire continent of investment until such time as the IMF, the World Bank and various Chinese state-owned banks stepped to the fore, all eventually having to accept significant debt cancellations and debt forgiveness. The 2025–2030 African debt crisis was significantly larger than any that the continent had previously known.

GOMORRAH: A WAVE OF URBAN REVOLUTIONS

A Pew Research Center survey released in 2024 indicated that in West Africa, people moving from rural areas to urban ones failed to improve their economic situation and opportunities. West Africa was only the tip of the iceberg in this regard. In the whole continent, the mismatch between urban growth and industrialisation fuelled informal job markets, swelled the number of people living in slums and exacerbated urban crime and violence. The

percentage of the population living in urban slums in sub-Saharan Africa rose from 57% in 2009 to 78% in 2029, with Ghana and Côte d'Ivoire experiencing an enormous increase (from 40% to 80% and from 57% to 90%) due to regional mobility trends.²³ Urban growth without industrialisation created, in contrast to the model of 'production cities', so-called 'consumption cities', characterised by resource depletion, climate degradation, overdependence on imported foods and tradable goods and a concentration of workers in the non-tradable and informal sectors of the economy.²⁴

The low level of industrialisation however could only partly explain the problems linked to urbanisation. The structure of African cities and poor urban planning was a key factor in this regard. In lieu of becoming geo-economic spaces where the benefits of economic agglomeration could have flourished, chaotic and badly-planned cities created obstacles to industrial development and trade. African urban sprawl increased disconnection between people and between workers and firms, reducing household budgets,²⁵ hindering productivity and hampering a smooth 'search and matching' process in the labour market, which according to Pew data proved particularly onerous in Accra, Addis Ababa and Banjul. It soon became less convenient for firms to locate to African cities: to attract workers and offset high urban living costs, they had to raise nominal wages with a consequent increase in their labour costs.²⁶ Against this backdrop, firms that were more competitive in African cities became those that could afford to increase their selling price, namely those producing non-tradable goods,²⁷ demand for which is driven almost exclusively by income generated within a city and

23 World Bank, "Population living in slums (% of urban population – Sub-Saharan Africa)", (UN-HABITAT), https://data.worldbank.org/indicator/EN.POP.SLUM.UR.ZS?end=2009&locations=ZG&most_recent_year_desc=false&start=2009&view=map&year=2009.

24 Douglas Gollin, Remi Jedwab and Dietrich Vollrah, "Urbanisation with and without Industrialisation", International Growth Center (IGC), March 9, 2016, <https://www.theigc.org/blog/urbanisation-with-and-without-industrialisation/>.

25 Aiay Kumar and Fanny Barrett, "Stuck in Traffic: Urban Transport in Africa", *Africa Infrastructure Country Diagnostic (AICD)*, Background Paper, 2008, <http://www.eu-africa-infrastructure-tf.net/attachments/library/aicd-background-paper-1-urban-trans-summary-en.pdf>.

26 Gelb Alan, Meyer Christian and Ramachandran Vijaya, "Does Poor Mean Cheap? A Comparative Look at Africa's Industrial Labor Costs", *Revue d'économie du développement*, vol. 24, p. 51–92, 2016, <https://www.cairn.info/journal-revue-d-economie-du-developpement-2016-2-page-51.htm>.

27 This can be explained considering that the demand for non-tradable goods is generally less elastic than that for tradable goods.

its hinterland.²⁸ This mechanism constituted *per se* an obstacle to free trade and economic integration.

Another critical obstacle to the AfCFTA was the wave of urban revolutions that began in 2024, triggered by spatial segregation, high unemployment and poor living conditions, and that haunted Africa for years. In November 2024, Ajegunle, a slum in Lagos containing 500,000 inhabitants, was the theatre of an intense week of riots which spread to Makoko, the ‘floating slum’, and then to other African slums, such as Mathare in Kenya’s capital city. Another trigger of urban protests was unclear land ownership regulations. In February 2025 Abidjan experienced more than 20 days of riots, which began when police forces bulldozed homes and shops that, according to the municipality, were illegally built on government land. A few months after Abidjan’s turmoil, massive evictions occurred in Luanda, sparking deadly riots in many *musseques* and leading to hundreds of deaths and imprisonments. In early 2026, Kampala and other cities in Uganda experienced intense riots, the outcome of a combination of urban problems and badly-managed intra-African migration policies. At the same time, the large concentration of city dwellers alongside the lack of basic services facilitated the risk of disease transmission, as the spread of Covid-19 in the top 5 African urban agglomerates (Lagos, Cairo, Algiers, Casablanca, Kinshasa) between 2021 and 2023 dramatically demonstrated, with Lagos having the unenviable record of ‘most deadly Covid-19 city’ in the world since the beginning of the pandemic.

The causes and drivers of poor urban planning were manifold, and not always a direct responsibility of municipal or national administrations. Addis Ababa was a case in point. Urban renewal initiatives and reforms undertaken by the Abiy Ahmed government in the previous decade, fell short of full implementation as a series of political crises hit the country in

the years after 2020, causing widespread instability. Because of the crisis, initiatives such as the ‘Beautifying Sheger’ and ‘La Gare’ projects, as well as many other ambitious construction projects in the city, were abandoned. Rapidly, the ‘New Flower’ of Ethiopia²⁹ turned into an agglomerate of decaying towers and polluted streets, with the seat of the African Union resembling a cathedral in the desert, a daily testimony of the incapacity or inability of decision-makers to act for the common good.

LORDS OF WAR: ARMAMENTS PROLIFERATION

Although the AfCFTA came into force in 2019, there were no significant reductions in tariffs on a continental scale until 2024, which is considered the starting point for the actual implementation of the treaty. In the initial stages, AfCFTA implementation brought about a rise in intra-African trade, and the continent experienced steady overall growth, a development widely celebrated both in and outside Africa. However, there were signs that militarisation was on the rise, particularly among the most affluent states, while SALW proliferation continued to fuel conflicts in the continent. The trends threatened to derail progress towards liberalisation: militarisation risked the diversion of resources towards military budgets, and a proliferation of firearms could fuel armed conflict and strengthen trafficking networks that could disrupt or displace regular trade flows.

Unexpectedly, fighting erupted in the borderlands within the SADC, adding to its long-standing history of ethnic strife. This had been one of the first sub-regions in the continent to proceed decisively with economic

²⁸ Op. Cit., “Africa’s Cities. Opening Doors to the World”.

²⁹ The meaning of Addis Ababa in Amharic.

integration.³⁰ The onset of a brand-new conflict in an area that was becoming increasingly prosperous thanks to the AfCFTA caught policymakers off guard. This crisis threatened to disrupt trade exchanges along the borders between SADC countries, particularly between DRC and Zambia, Mozambique and Malawi – spreading to the southern segment of sub-Saharan Africa. The ramifications could be severe, including the precipitation of a food crisis. The new crisis was a blemish on the AfCFTA's otherwise encouraging record.

An AU Commission research team reported that the armed groups were criminal organisations vying for control of illicit trade routes. Most of this trade concerned small arms, but other items were routinely smuggled through these border areas. Now that more wealth circulated in Africa, there was also more profit to be made from trafficking. Criminal groups identified a lucrative market, building a vast network. Smuggling occurred in two directions: commodities were trafficked from conflict areas to peaceful countries, where they could be safely re-exported to outside markets, while SALW could be smuggled in the opposite direction, from peaceful countries to conflict areas. These trade routes had become so profitable that organised networks started to compete for control of them. Thanks to their access to firearms, they evolved into heavily armed organisations that became virtually indistinguishable from militias. The logic behind the two-way flows was straightforward. Western regulation of trade in conflict minerals – which started with the Kimberley process, and was later extended to other items – made it difficult to export them from countries where civil strife prevailed.³¹ However, nothing prevented the re-export of minerals from neighbouring countries at peace, via legal deals. Arms flowed in the opposite direction for similar reasons. Arms exports, unrestricted to peaceful countries, were

often banned to countries embroiled in conflict. Procuring them from Western countries had become even more difficult after the adoption of the ATT. In a number of conflict areas, the UN had imposed sanctions regimes which, on account of the thorough work of investigative panels of experts, were increasingly difficult to circumvent. The armed groups that exploited the mineral trade were avid consumers of SALW, adding to the region's woes. On top of ethnic conflict and religious extremism, Africa now had to cope with criminal groups in the borderlands of its southeast.

Something had gone wrong in AfCFTA implementation. Back in 2016, the AU Peace and Security Council had adopted the 'Silence the Guns' masterplan in Lusaka, which identified illicit arms trade as contributing to violent conflict. The 'Silence the Guns' initiative identified steps to disrupt the business model sustaining illicit arms flows.³² AU governments committed to implement agreements on SALW-control. Foremost among these steps was the implementation of the ATT; yet it remained suboptimal. Several states engaged in the manufacture of SALWs and ammunition faced domestic opposition to ATT accession, even though some of them were located next to hotspots or hosted hotspots of violence themselves, like Angola, DRC, Ethiopia, Namibia, Sudan and Uganda. Also, little attention was paid to securing porous borders against transnational trafficking networks, undermining the cross-continental effort to stem the flow of arms.³³ When committing funds to support the implementation of the AfCFTA, little had gone to customs and border management. Securing borders had never been a priority and now that tariffs were lower, this issue had lost salience. Instead, the extra tax revenue generated by increased trade had been devoted to modernise arsenals. Several leaders had been pleased to find that, after decades of scarcity, state coffers finally offered

30 Evita Schmieg, "The African Continental Free Trade Area", *SWP Comments* no.10, March 2020.

31 Martijn Vlaskamp, "The European Union and natural resources that fund armed conflicts: Explaining the EU's policy choice for supply chain due-diligence requirements", *Co-operation and Conflict*, vol. 54, no. 3, 2018, pp. 407-425; Ilari Aula, "Due diligence as a conflict prevention tool in the DRC", *Afers Internacionals*, no. 125, 2020, pp. 61-85.

32 African Union, "Master Roadmap of Practical Steps to Silence the Guns in Africa by 2020", Lusaka, 2016.

33 Julian Karssen, "Silencing the guns in Africa: Achievements and stumbling blocks", *Africa Portal*, February 2020.

sufficient funding to better equip their armed forces. Providers of sophisticated technology flocked in from both East and West, while programmes of military training and advice were also offered. Leaders had gladly accepted, gratified by the unusual level of attention they received.

To their dismay, they now found that defence modernisation programmes had equipped them with capabilities unsuited to address the emerging crisis. Following initial satisfaction with their brand-new equipment, they realised that their ability to address arms trafficking had not improved. Instead, capabilities were designed for conflagrations with neighbouring states, a scenario that was fortunately distant. Their frustration grew when they realised that illicit trade was not only fuelling fighting and nurturing organised crime. It was also depriving the African private sector of revenues they would have garnered from legal trade in ammunition and commodities in the absence of illicit exchanges.

NO MAN'S LAND: FAILURE OF THE STATE

Between 2020 and 2030, public welfare provision deteriorated in Africa, with fewer people having access to basic services. Even though the AfCFTA became a reality, economic integration did not suffice to address inequalities or improve basic human needs.

Public reforms were designed to meet the needs of transnational capital in the era of the global marketplace, rather than prioritising public services. The legacy of the New Washington Consensus tried to stress the importance of improving education and health as ends in

themselves and not only mere instruments in achieving growth. However, poor countries where governments were too weak to undertake such initiatives were not able to provide improved social services. In terms of international partnership, the EU implemented its Comprehensive Strategy with Africa: yet the Strategy mainly paid attention to the Sustainable Development Goals, while basic needs and human development were supported only as a precondition for economic growth. Healthcare, for instance, was only linked to a healthy workforce and investments.³⁴ This approach undermined the role of the main international partners. Other international partners like China or the Gulf Countries increased their support to public services, but their efforts remained marginal and of limited efficacy.

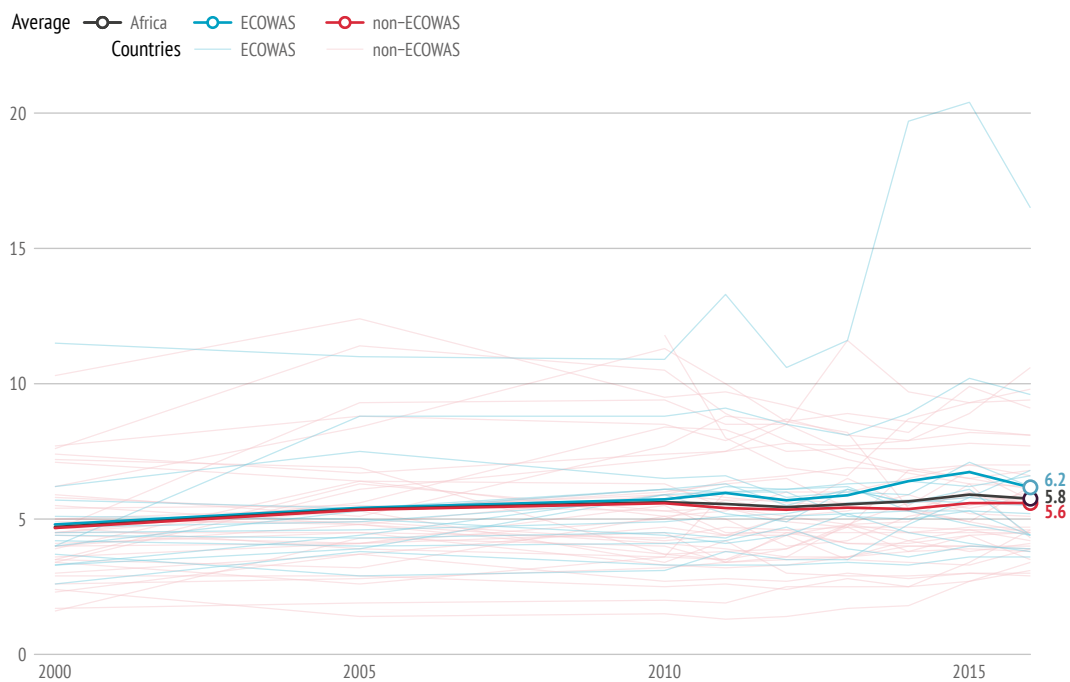
Even though the African market became integrated from Cairo to Cape Town, this approach echoed what had already happened in the continent in the 1980s, with strong pressure for market liberalisation, but without accountability and attention to the weakest social categories. Between 2020 and 2030, privatisation became a central pillar of economic policy, hailed as the most efficient form of management and the key to growth and development. The lack of regulation of the private sector led to monopolies, higher prices and increased exploitation of consumers. Tariffs were significantly reduced or removed, but, because of the limited sources of domestic revenue and tax bases, this resulted in poorer and low-quality public services. The overall tax collection capacity of African countries remained very low and, inevitably, fewer taxes generated fewer public services.

African leaders were able to push forward continental economic integration, but they showed – in particular the low-income countries – very limited capacities to regulate and to provide efficient and effective services. Corruption remained a huge issue, with governments configured as rent-seeking coalitions

³⁴ European Commission, "Towards a comprehensive Strategy with Africa Brussels", *JOIN(2020) 4 final*, March, 9, 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020JCO004&from=FR>.

Current health expenditure

Africa, 1990-2018, % of GDP



Data: UNDP, 2020

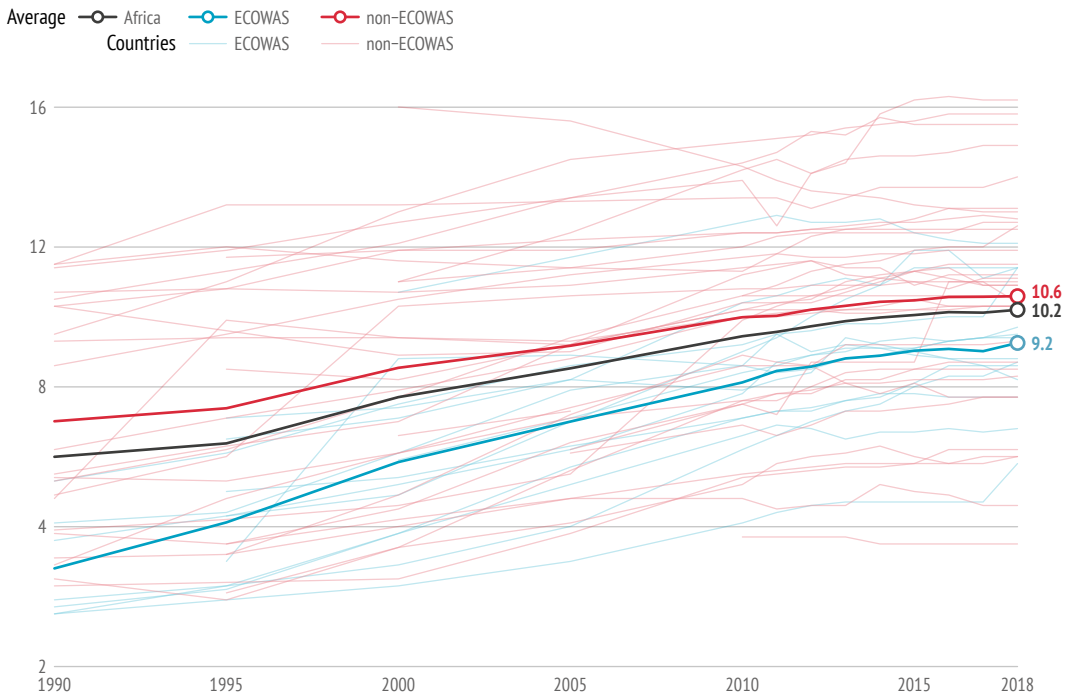
acting according to self-interest, instead of an ideal of impersonal public service. The Corruption Perception Index released by Transparency International based on data collected in 2028 showed a stable trend in the last decade, with many African countries placed at the bottom of the Index. In West Africa, some countries such as Benin, Ghana and Senegal reduced corruption and had more incentives to improve services, while they focused mainly on urban centres and not on rural and peripheral areas. Others deteriorated or worsened, as in the case of Mali, Niger and Nigeria. What many West African countries showed was that private companies were often deeply corrupt and engaged in state capture: in the absence of regulation, the private sector emerged as more corrupt than the state itself.

The Covid-19 pandemic created momentum for public health initiatives in the early 2020s, but this was not followed by structural and sustainable reforms. Against this critical backdrop, the AfCFTA played a role. As was the case with other trade blocs, AfCFTA rules allowed people to access government-funded health services in any member country. This increased the number of foreign patients seeking treatment in countries with better healthcare systems.³⁵ However, this had negative consequences for citizens of these destination countries as underfinanced medical services became stretched even further. Private health services and ‘medical tourism’ engendered by the AfCFTA induced clinicians to move from low-income to richer countries, and from public to private healthcare. This resulted in weaker, understaffed public health systems, especially in low-income countries. Another

³⁵ Ochieng Walter, “This is how an African free trade area could impact people’s health”, *World Economic Forum*, April 18, 2019, <https://www.weforum.org/agenda/2019/04/will-free-trade-make-africans-sick>.

Female access to school education

Expected years of female schooling in Africa, 1990-2018, years



Data: UNDP, 2020

unexpected consequence in the health system was that the main pharmaceutical companies pushed for restrictions on imports of generic drugs into the AfCFTA, generating higher costs of these drugs. Moreover, because no country wanted to subsidise its neighbours' health systems, political tensions rose in some regions, for instance between Ghana and Nigeria. Overall, the AU Agenda 2063 objective to expand access to quality healthcare and services remained neglected.

The African Education Accreditation Agency failed to create a common educational system. As a consequence, young people in Africa were unable to avail of the possibility to study at any university or to work anywhere on the continent. This was mainly due to the failure to prioritise educational integration in the early 2020s, as efforts to support the harmonisation of educational and professional qualifications started very late in the AfCFTA implementation process. Ideas such as the Pan African

University outlined in Agenda 2063 seemed to be a pipedream, along with the plan for one out of every three children to have access to kindergarten education and for every child of secondary school age to be enrolled in school. The gap between regions already disadvantaged by poor public services, such as the Sahel, and the rest of West Africa, increased, especially in terms of female education. For instance, female school enrolment in the Lake Chad Basin remained similar to the numbers of the previous decade.

As many African governments lost the opportunity to gain broader access to basic services such as health and education to enhance their legitimacy, they also lost an important means of leverage to counter violent extremism. As a result, extremist groups, for instance in the Sahel, became increasingly involved in service delivery through tax collection or extortion and fuelling the illicit economy, thereby increasing their territorial control throughout the continent.

THE SAHEL'S GLOBAL PUBLIC BAD: VIOLENCE AND ORGANISED CRIME

For more than two decades, international organisations had been stressing that poverty reduction was inextricably tied to safety and security.³⁶ But unified programming along the security–development nexus remained elusive. As a result, violence and organised crime created powerful barriers and counterforces that ‘walled off’ the Sahel from the tide of African economic integration. Why did this happen?

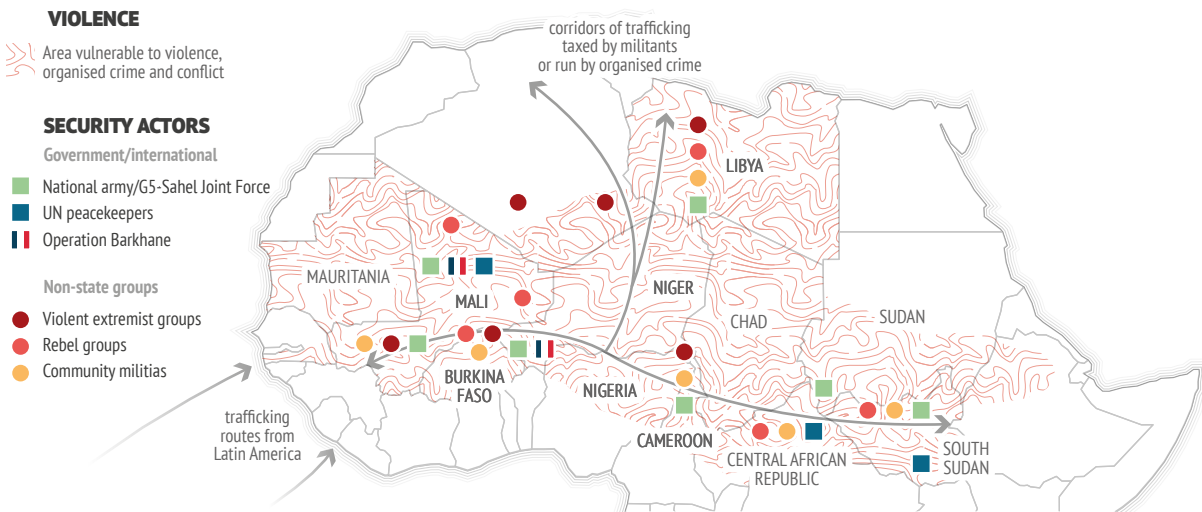
First, because neither decision-makers nor citizens had better incentives. Of the 39 countries classified as fragile or conflict-affected by the World Bank in 2020, 21 were in Africa.³⁷ For the 500 million people living in these countries, poor governance, the chronic lack

of service delivery, resource scarcity, and unsustainable livelihoods formed part of daily life. Without alternatives, people looked for the most tangible sources of security, prosperity and meaning: smuggling arms from Libya to Mali; trafficking narcotics from Guinea-Bissau to northern Africa; or joining violent extremist groups. For elites, survival meant pursuing only those opportunities for economic integration that favoured the capture of potential revenues or providing a cover for criminal operators in exchange for additional rents.

Second, because of short-sighted support from Africa’s partners. Seeking quick wins, international security assistance to Africa continued to bolster military capacity to fight better counterinsurgency wars rather than accelerate the full professionalisation of armed forces, police, and justice institutions. In the Sahel, defence and security forces became more lethal, but also more reckless, perpetrating gross human rights violations against their own citizens. Meanwhile, development assistance was undermined by risk aversion and the prioritisation

Violence and organised crime

The Sahel as a hub for illicit trafficking



Data: Natural Earth, 2021; ACLED, 2021

³⁶ See United Nations and World Bank, *Pathways for Peace: Inclusive Approaches to Preventing Violent Conflict* (Washington, DC: World Bank, 2018); World Bank, *World Development Report 2011: Conflict, Security, and Development* (Washington, DC: World Bank, 2011); United Nations Development Programme (UNDP), *Human Development Report 1994* (New York: UNDP, 1994).

³⁷ Op. Cit., *FY21 List of Fragile and Conflict-Affected Situations*.

Logistical fragmentation

Major infrastructure in Africa, 2020





Data: Natural Earth, 2020

of quick disbursement of aid to governments. This led to a concentration of projects in more secure areas while neglecting highly unstable, lagging regions. The focus on transactional, fragmented international support rather than long-term systemic assistance became even more entrenched due to geopolitics. The United States was slow to reengage after the 2020 presidential election, while the EU struggled with the post-Covid recovery. But China pursued a more aggressive quest for economic opportunities that favoured influence and investment gains over good governance.

By 2025, growing internal fragility and disjointed external support led to the Sahel's descent into chaos. Organised crime syndicates morphed with armed groups and community self-defence militias to become the arbiters of law and order across vast swathes of territory, from Mauritania to South Sudan. In hotspots such as Liptako-Gourma and the Lake Chad Basin, community militias set up to fight against terrorist groups became recruiting pools for drug traffickers, who took advantage of their command and control hierarchies to expand illicit operations. With a dwindling tax base,

Effects of violence and organised crime on regional integration¹

DIMENSION OF REGIONAL INTEGRATION	Violence and organised crime lead to...	
	 BARRIERS	 COUNTERFORCES
TRADE INTEGRATION	Violence increases the cost of doing business and undermines the case for FDI. Physical insecurity makes it impossible to supervise and execute investments.	Concentration of FDI in more secure environments at the expense of lagging regions.
FINANCIAL INTEGRATION	Physical insecurity makes it impossible to assess investment opportunities or execute investment plans.	Financial institutions that rely on the proceeds of organised crime create volatility and higher risks of bank failures. Finance allocations and investment decisions are distorted either by direct interests of organised crime or by real or perceived costs associated with insecurity and instability.
REGIONAL INFRASTRUCTURE	Violence and organised crime increase costs of electricity, transport, and ICT infrastructure projects and can even deter project execution.	Regional connectivity remains fragmented, inefficient, and costly.
PRODUCTIVE INTEGRATION	Large parts of Africa are excluded from regional and global economic activity due to the inability to build and operate productive facilities in insecure or unstable environments. Violence and insecurity cause the fragmentation of potential trade corridors.	Industrial clusters cannot be created in violent areas. If clusters exist, organised crime affects performance either directly or indirectly (extortion, theft, threats, resource distortions). Trade corridors are inefficient because violence and organised crime impose additional costs to operating.
FREE MOVEMENT OF PEOPLE	Combatting smuggling and human trafficking requires border controls. Countries have security incentives to control the movement of people.	Organised crime relies on illicit labour markets. Exit from these labour markets is impeded by violence.

¹ Source: Authors, 2020, built on the dimensions of regional integration described in Carlos Lopes, “Inching Toward Integration,” *Finance and Development*, June 2016, vol. 53, no. 2, <https://www.imf.org/external/pubs/ft/fandd/2016/06/lopes.htm>

national leaders became dependent on illicit financing networks and criminal operators. The result was an integrated but shadow economy, fuelled by revenues from narcotics and small arms trade, oil theft, human smuggling, and wildlife trafficking.³⁸

By the end of the decade, the Sahara–Sahel crisis became a ‘global public bad’. Prior to 2020, about 20 million people had been forcibly displaced in Africa³⁹ while six million became refugees.⁴⁰ Two dozen targets linked to the Sustainable Development Goals (SDGs) were at risk due to growing violence⁴¹ – including those related to public health, economic growth, urbanisation, inequality, and peace. By 2030, the SDG agenda in the Sahel became obsolete. Africa’s displaced population reached 30 million and the number of refugees doubled to 12 million. Most refugees sought safety in neighbouring countries. This required host governments to spend more money or take on debt to fund the provision of social safety nets and public services for newcomers. Others made their way to Europe, in an echo of the 2015 Syrian migration crisis. While constructive socio-economic policies in Latin America lowered homicide rates and the spread of gang violence, Africa became the most violent region in the world.

African economies thus became more integrated, but not through the AfCFTA. Instead, interconnecting webs of drug trafficking, human smuggling, small arms trade, and environmental crime protected by high-powered elites strengthened illicit cross-country economic ties. At the same time, the Sahel’s formal economies became isolated from the rest of the world. The rehabilitation and construction of roads and railways linking Central with North Africa through Mali, Chad and Niger was

never finished. The connecting nodes of the Trans-African Highway Network across the Sahel were abandoned, as extortion, theft and innumerable attacks from armed groups made it impossible for companies to operate. By 2030, the Sahel had become a no-go zone.

BLACK-OUT: ENERGY SHORTFALLS

Short of an energy transition and without sufficient, reliable and affordable energy services, the projected socio-economic improvements for Africa were impossible to achieve. By 2030, 70 million Africans had fallen below the poverty threshold, while the levels of informal employment – largely among the younger cohorts of the population – remained very high (around 90%). In addition, the number of out-of-school children of primary school age in Africa reached 50 million (95% of the world’s total) while access to health services was ensured to only 30% of the continent’s citizens.

Failure to meet the goal of sustainable universal access to energy/electricity services impacted the most vulnerable categories of Africa’s societies: the poor, young people, the elderly and women, whose lives were profoundly endangered by both the lack of basic services and emerging climate-related threats. As an example, poor access to clean drinking water and lack of sanitation services in areas flooded due to extreme rainfall, causing latrines and septic tanks – key reservoirs for diseases such as cholera, malaria, dengue and yellow fever – to overflow, had extreme health implications

38 Op. Cit., “Africa’s Changing Place in The Global Criminal Economy.”

39 Internal Displacement Monitoring Centre (IDMC), “Global Report On Internal Displacement,” *GRID 2020*, Geneva, April 2020, <https://www.internal-displacement.org/sites/default/files/publications/documents/2020-IDMC-GRID.pdf>.

40 United Nations High Commissioner for Refugees (UNHCR), “Update of UNHCR’s operations in Africa,” New York, September 30, 2019, <https://www.unhcr.org/5d9319447.pdf>.

41 Tuesday Reitano and Marcena Hunter, “The Crime–Development Paradox: Organised Crime and the SDGs.” *Continental Report 02*, Enhancing Africa’s Response to Transnational Organized Crime (ENACT), February, 2018, <https://globalinitiative.net/wp-content/uploads/2018/02/ENACT-Continental-Report-02-14Feb1145.pdf>.

for people,⁴² further aggravated by the high population density found in slums. When not supported by economic growth and environmental sustainability, the booming demographic trends, particularly in West Africa, led to widespread social unrest, violent protests and upheavals with thousands of fatalities and wounded especially among young people – exacerbating patterns of instability and insecurity already in place at the continental level.

Generally speaking, this situation generated a vicious circle, in which instability (designating the lack of basic political, regulatory, societal, financial and security conditions) contributed to reduce the attractiveness of energy transformation investments, in fact slowing down economic growth, exacerbating climate threats, worsening people's living conditions and frustrating the ambitions and expectations of new generations of Africans. Mass migration towards wealthier countries in the northern and southern regions of Africa, uprisings in the slums of megacities such as Accra and Lagos and conflict reigniting across the continent – as in the Sahel region – were among the likely outcomes of such a scenario.

In the African context, an inadequate response to the Covid-19 pandemic was one of the factors that hampered the achievement of a faster transformation of the continental energy sector, with all the implications mentioned above. During similar crises, institutions are tempted to adopt emergency-driven approaches that appear as the most suitable option to cope with short-term difficulties, such as those brought about by Covid-19 (e.g. subsidies to fossil fuel consumption; incentives to extractive industries), but that fail to take into due consideration the mid-to-long term implications related to climate change and energy transition. Such a situation represented a fundamental risk for the continental process of decarbonisation and universal electrification, at least in the short term, and an amplifier of some negative

continental trends in terms of poverty, inequality, social instability, unease of doing business and economic integration.

Looking at the international picture, mounting resistance to multilateral cooperation and the emergence of a more nationalist rhetoric across the global community deprived African institutions, businesses and citizens of a pillar of support for their journey towards sustainable and resilient energy and electricity services for all. The fact that the United Nations – challenged by America's isolationist stance and Chinese unilateralism – was progressively weakened in its ability to set the international agenda limited multilateral policies and financial commitments in this domain.

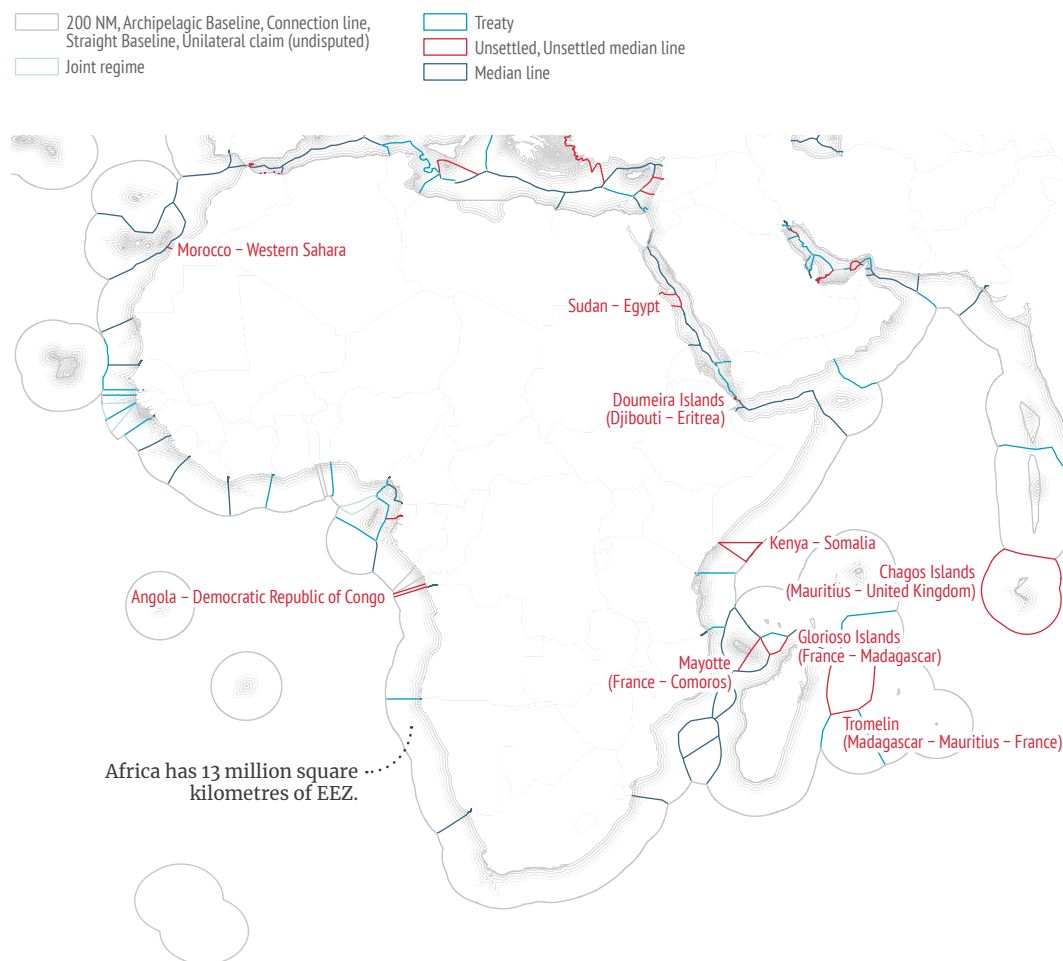
SEABLINDNESS: FRAGILITY AT SEA

In 2020, foreign commercial fishing – with 25% of all marine catches around Africa still caught by non-African countries – and small-scale artisanal fishing dominated the African blue economy. Both the Lomé Charter and AIMS aspired to the modernisation of this sector, which could also help mitigate the impacts of overfishing and climate change (as warming waters and changing weather patterns have impacted fish migration patterns). Increases in the acidification levels of water damaged many fish populations and caused some species to migrate. Already depleted fish stocks shrank even further and a decline in Sardinella stocks in the main productive area of the Gulf of Guinea caused many countries to look for alternatives by importing herrings from Europe. African fish imports were likely to rise further over the decade. A World Bank study predicted that sub-Saharan Africa's fish imports would be 11 times higher in 2030 than they were in

⁴² In Nairobi, where 60% of the city's population live in slums, child mortality in the slums is 2.5 times greater than in other areas of the city.

Exclusive Economic Zones and maritime boundaries

Africa



Data: Flanders Marine Institute, Maritime Boundaries Geodatabase, v11, 2019; Natural Earth, 2020

2000, with fish import dependency reaching 34% in 2030.⁴³

The World Bank also estimated that per capita fish consumption in sub-Saharan Africa was projected to decline at an annual rate of 1% to 5.6 kilograms during the 2010–30 period but due to rapid population growth, total food fish

consumption demand grew far more substantially (by 30% between 2010 and 2030).⁴⁴ This was not helped by a marginal increase in production and also the continued impact of IUU fishing by foreign vessels on fish stocks. The illicit trade in the marine resources of West Africa was estimated to cost the region nearly 1.95 billion USD across the fish value chain

⁴³ World Bank, “Fish to 2030: Prospects for Fisheries and Aquaculture”, Agriculture and Environmental Services Discussion Paper 03, 2003, <http://www.fao.org/3/i3640e/i3640e.pdf>

⁴⁴ World Bank, *Fish to 2030: Prospects For Fisheries and Aquaculture*, December 2013, World Bank Report No. 83177-GLB, <http://www.fao.org/3/i3640e/i3640e.pdf>

and 593 million USD per year in lost household income.⁴⁵

Disputes over maritime borders, however, continued to rumble on up to 2030. The maritime boundary dispute between Kenya and Somalia, showing little sign of being resolved despite an international arbitration process, set the tone for a decade in which very little formal progress was made in finalising boundaries. Some small respite was offered in two respects: firstly, the slowly increasing formalisation of the African fishing sector, assisted by the AfCFTA, led to an increase in trans-boundary fisheries agreements by 2030, such as between Senegal and Mauritania. This constituted a small but symbolically useful step towards settling more entrenched boundary disputes over extractive resources. Secondly, coordinated by the new AU Maritime Affairs department, African states made some limited steps towards delineating the outer limits of their own continental shelf beyond their EEZ, by making submissions to the International Seabed Authority (ISA) and reviving previously stagnant processes. Although due to the degree of investment required, by 2030 Africa was still the only regional grouping not to have engaged in exploration in the outer continental shelf area, some progress was nevertheless made by individual states in finalising their delineation processes with the ISA.

Via the AIMS and the Lomé Charter, the AU also called for the expansion of an African shipping industry: raising the possibility of imposing a cabotage restriction that would limit intra-African maritime transport to African companies. Limited progress overall on this objective was made by 2030, given the lack of

a developed maritime industry to begin with. Foreign-flagged vessels transported 95% of Africa's cargo trade, although a number did carry African flags of convenience (Liberia; Equatorial Guinea; São Tomé; Comoros and Mauritius).⁴⁶

Over the decade there was also more focus on investments and commercial influence over key African ports. Already modernisation of port infrastructure had become a matter of geostrategic significance and this became more pronounced by 2030. Ports supporting trade to landlocked countries became increasingly strategic, as Lomé and Djibouti have already demonstrated. China had been leading the way with port investments: a 2019 study identified 46 existing or planned port projects in sub-Saharan Africa which are funded, built or operated by Chinese influence.⁴⁷ Such a volume of investment led to concerns over the level of foreign influence over these projects, with rising African debt levels raising the spectre of 'debt-trap diplomacy', whereby China could extract political concessions from debtor countries by 2030.

Climate change in 2030 affected coastal communities more through rising sea levels, coastal erosion and more frequent violent weather impacts. Rising sea levels increased the vulnerability of the rapidly-growing populations living in these low-elevation coastal zones (LECZs). In Benin, Liberia and Senegal, large portions of the population – 41%, 35%, and 29%, respectively – were particularly exposed to the consequences of rising sea levels.⁴⁸ The Gambia's capital Banjul was low-lying and severely impacted, with its tourist beaches badly eroded.⁴⁹

45 Ruth Kagia, "Enough is Enough, African nations must unite against illegal fishing," *The Africa Report*, March 13, 2020, <https://www.theafricareport.com/24619/enough-is-enough-african-nations-must-unite-against-illegal-fishing/>

46 Jon Axworthy, "Africa's blue economy: five nations poised for growth," *Raconteur*, September 10, 2019, <https://www.raconteur.net/finance/blue-economy-africa>; Environmental Justice Foundation, "Lowering the Flag: Ending the Use of Flags of Convenience by Pirate Fishing Vessels," no date, <https://ejfoundation.org/resources/downloads/Lowering-the-flag.pdf>.

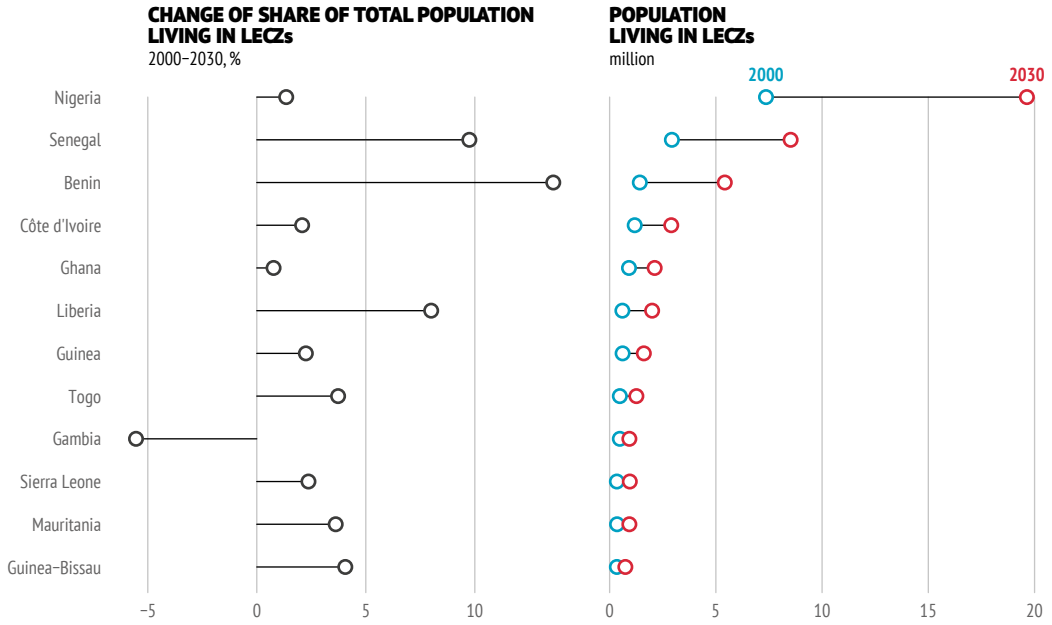
47 Judd Devermont, "Assessing the Risks of Chinese Investments in Sub-Saharan African Ports," *CSIS Commentary*, June 4, 2019, <https://www.csis.org/analysis/assessing-risks-chinese-investments-sub-saharan-african-ports>.

48 Ahmadou Aly Mbaye, "Confronting the challenges of climate change on Africa's coastal areas", Brookings, January 28, 2020; Lelia Croitoru et al., "The Cost of Coastal Zone Degradation in West Africa: Benin, Côte d'Ivoire, Senegal and Togo", World Bank Group, March 1, 2019, <http://documents.worldbank.org/curated/en/82242152504665834/The-Cost-of-Coastal-Zone-Degradation-in-West-Africa-Benin-Cote-dIvoire-Senegal-and-Togo>.

49 Op. Cit., "The Cost of Coastal Zone Degradation in West Africa: Benin, Côte d'Ivoire, Senegal and Togo."

People in low-elevation coastal zones

2000 and 2030, million



Data: Barbara Neumann et al., "Future Coastal Population Growth and Exposure to Sea-Level Rise and Coastal Flooding - A Global Assessment", PLOS ONE, vol. 10 (6), June 2015

Rising sea levels also decreased food production, limited access to clean water, increased the prevalence of catastrophic storms and flooding, and spread acidification. As seen in Mozambique in 2019, with the devastation caused by cyclones Idai and Kenneth, there was already an increase in violent cyclone activity, impacting natural defences of coastlines against storm surges. Mangroves, which constitute

natural defences, were also being impacted by the increase in salinity of inland water, which also affected drinking and irrigation water, with adverse consequences for agriculture and freshwater fishing. Coral reef tourism was a key source of income for a number of African countries but increased ocean temperatures lead to coral bleaching and damage to fragile marine ecosystems.

CHAPTER 4

POLICY LESSONS FROM THE FUTURE

Among the many possible futures for Africa, this volume has selected one in which the continent unites and prospers. We could of course have chosen other methodologies, or presented alternative futures. Instead, we decided to focus on a single positive scenario. We did so because the launch of the AfCFTA presents a potential pathway to a future worth striving for and that would represent a decisive break with a turbulent past. Choosing this approach allowed us to avoid the main obstacles to effective foresight, namely the tendency to extrapolate the future from present trends, extrapolate it from the past, or present a picture of the future distorted by excessive pessimism or optimism.¹ Trade and economic integration in Africa is history being written in the making. Notwithstanding Covid-19 and other shocks, African leaders and people's ability to implement this integration project will reshape the foundations of African politics, economics and societies. As chapter 3 has shown, there are many possible warning signs and negative trends on the horizon; but we wanted to take the opportunity to show how a desirable reality can come about. Africa's youth are demanding policies and solutions that will offer them a better future, they want to be empowered and to access economic opportunities. Regional integration is an absolute necessity for them, and this publication has aimed to provide a roadmap to head in that direction.

The journeys towards 2030 outlined in chapter 2 are policy recommendations 'in disguise': by

explaining 'what went right', the authors implied 'what should go right', even though the storyline included some elements of fiction. For those who prefer a more standard approach, this concluding chapter summarises the main 'policy lessons' emerging from the scenarios we have developed in each domain, in the form of suggested actionable items for African and European policymaking, making it possible to move fast towards a better future under the AfCFTA umbrella.

FOR A GREENER AFRICAN FUTURE

Over the next decade, African countries can choose to work together to unlock the potential for a Green Revolution, boosting economic growth and food security on the continent. The challenge is immense – but the opportunities are extensive. It will require a long-term mindset – taking action today to invest for the future. However, the longer governments wait, the more difficult and expensive this process will become.

Effective implementation of the AfCFTA could result in a sustainable African food system, linking smallholders to end consumers across the continent. Closer integration could remove

¹ Florence Gaub, "Arab Futures 2.0: the road to 2030", *Chaillot Paper* no. 154, EUISS, September 2019, p. 59.

inefficiencies within the system, reducing waste and boosting the value produced by Africa's agriculture sector. If countries can integrate effectively and work together to address the common challenge of food security, resources could be moved around the continent according to need, boosting resilience to climate change.

However, genuine transformation will only occur if driven by political will and strong leadership at the national level. Leaders need to understand the role of agriculture as a driver of economic growth and give greater priority to investment in agriculture, including research and development, insurance and capital investment schemes and effective systems of land tenure, to provide the economic, physical and social infrastructure needed to stimulate sustainable food production. Above all this is about integrating individual producers into the African economy, providing them with the requisite infrastructure, knowledge and information to access regional markets; and about making agricultural inputs such as high-quality seeds and fertilisers available to a greater number of smallholders, who currently produce two-thirds of the continent's food² and are key to driving Africa's agricultural productivity.

Getting this right will require a whole-of-Africa approach to integration – including business and civil society – to share knowledge, champion innovative approaches and disseminate these at the local level. Although much of the innovation may be private sector-led, there will be a key role for governments in providing the necessary enabling environment, including well-planned and resilient infrastructure programmes and business-friendly policies which simplify bureaucratic processes, to encourage investment in the sector.

There is a role for external actors to support Africa in its initiatives to address the challenge of climate change, both through funding and knowledge transfer. In particular, there is

a need for targeted support to resilient and sustainable infrastructure development to boost connectivity and minimise environmental impact. There is also a requirement for investment in African weather stations to enable better understanding of weather and climatic patterns.

External actors should be mindful of the effects of their interventions on Africa's climate and environment, applying the 'do no harm' principle to minimise negative impacts on communities and the environment and incentivising private investors to do the same. Where possible, they should try to work with African-owned initiatives to ensure African ownership of the agenda; the EU's cooperation with the African Adaptation Initiative is one example which might be followed elsewhere. In particular, the EU and wider Europe might seek to support Africa in its transition to a green economy and to a more inclusive, sustainable and resilient food system, providing support and flexible financing on green infrastructure development, education and training in green technologies, and adaptation and mitigation mechanisms to build resilience to climate change. Foreign donors might also consider mandating all overseas development assistance to be Paris Agreement-compliant and support a greater degree of auditing for international infrastructure projects in Africa, to ensure that these have resilience and sustainability at their core.

Greater demonstration of political will to address an issue can happen very quickly, and it is here where we might see real change occurring in Africa over the next decade. As popular awareness of environmental and climate change grows, this may translate into an increase in environmental activism over the next decade – not necessarily around the climate change agenda itself, but potentially at the touch points where people see their access to basic goods such as water, food and energy impacted, or around the issue of environmental pollution with its effect on children and human capital. In the wake of the Covid-19

2 African Green Revolution Forum, "Accelerating Africa's Path to Prosperity: Growing Inclusive Economies and Jobs through Agriculture", AGRF2017 Forum Report, Nairobi, 2017, <https://agrif.org/wp-content/uploads/2018/06/2017-AGRF-Report-.pdf>.

crisis, points of traction might emerge around the push for economic recovery, with pressure mounting for this to be combined with a transition to a sustainable green economy based on renewable energy and the principle of sustainability. If such agendas gain momentum, pressure upon governments will increase, furthering the chances of Africa seeing concerted action in this area and real progress by the end of the decade.

FOR A DIGITAL AFRICAN FUTURE

To enhance African digital trade and investment, policymakers need to address three main objectives: (i) connectivity for all; (ii) digital skills for all; (iii) digital safety and resilience for all. The implementation of these so-called “three digital imperatives for African transformation” requires new forms of trusted collaboration between the private sector, civil society organisations and the public sector. Specifically, the following policy enablers can support greater digitalisation in the AfCFTA.

With regard to connectivity for all, efficient and effective management of the radio spectrum is one of the most significant enablers to improve mobile connectivity. Wise management of this vital but finite resource is key to maximising the opportunities that mobile connectivity can bring to society. This becomes particularly important as the region transitions from 2G and 3G to next-generation mobile broadband networks, including 5G. Also, reframing frequencies in rural areas, enabling the use of TV white spaces for broadband access, and assigning spectrum to community networks allows rural connectivity to grow.

With regard to digital skills for all, and in order to promote meaningful digital connectivity, policymakers need to invest not only in supply-side interventions (i.e. improve coverage, quality of networks, and

reduce communication charges) but also in the demand-side, investing in human capital. Science, technology, engineering and mathematics (STEM) subjects and digital skills programmes need to be prioritised across all African countries and included in all curricula, from primary school education level up to post-graduate degrees, with specific provisions for women and vulnerable groups. A special effort needs to be made to provide digital entrepreneurship programmes for informal traders as well.

With regard to digital safety and resilience for all, national cybersecurity policies and strategies need to be developed and implemented across the continent, including on cybercrime and information security risks. This requires further investment in building trust and resilience through the establishment of national cybersecurity infrastructures and skills development for fully-fledged cybersecurity workforces. Cyber and information security needs to be integrated as a priority, especially in areas such as health, infrastructure, transport and FinTech. Protection of human rights online will also be key: to ensure that cybersecurity initiatives are not abused for the purposes of unwarranted surveillance or political control, legal frameworks underpinning data governance, law enforcement and intelligence cooperation should reflect a human-centric approach that promotes an open and free cyberspace. Finally, there is a need for a coordinated approach to cyber capacity building, to close gaps in different levels of capacity and efficiency of cybersecurity agencies and data protection authorities across the continent, which in turn may reduce compliance challenges for private sector organisations and facilitate trade across the African continent.

In an environment that is increasingly exposed to global interconnected risks, the EU should work with the AU on strengthening national, regional, and sub-regional normative frameworks on data protection and cybersecurity, to build interoperable cross-border data flow mechanisms within which European-African trade can take place in a fair, just and safe way. Building on the Operational Guidance for the

EU's International Cooperation on Cyber Capacity Building,³ the EU can work with the AU to strengthen institutions, to develop a common understanding on the rule of law in cyberspace, and to implement provisions on data protection and cybersecurity regulations in domestic legislation.

FOR A NON-VIOLENT AFRICAN FUTURE

Despite the positive trend of non-violent protest and resistance, it is likely that armed violence will challenge Africa and its continental integration within the coming decade. The extent of this challenge and its repercussions will depend on policymaking and concrete action by African actors and their partners. The AfCFTA can itself act as a conflict prevention tool – also with regard to countries' internal conflicts – by increasing interdependence between countries and therefore further accentuating the shared dividends of acting early and maintaining peace in order to prevent the negative spillover consequences of conflicts. Moreover, through stimulating economic opportunities that generate employment and improved livelihoods, the AfCFTA has the potential to address some of the key underlying drivers of conflict and violent extremism. Economic integration has also the potential to make the continent more self-reliant and resilient against exogenous shocks, such as climate-related supply chain problems. All these effects would help foster peace and reduce the risk of violent conflict outbreaks in Africa.

Alongside the implementation of the AfCFTA, the evolution of continental and regional peacebuilding and conflict prevention tools can strengthen the trend towards peaceful resolution of conflicts and mitigation of their escalation and spread. The AU and RECs are increasingly investing in development of their early warning and early action frameworks.⁴ While there are challenges in operationalising early action, the continent remains a forerunner in tackling many new security risks.⁵ Given the cross-border nature of the conflict risks and their repercussions, regional cooperation and coordination of prompt responses to peace and security threats is essential.

Ultimately, much depends on the political will and strategies of the member states themselves and their partners abroad. Experience suggests that hard counter-insurgency measures alone do not resolve the threat of violent extremism that has its roots in problems of governance and inequality.⁶ Alternatives exist, with civil society actors and scholars highlighting the importance of local conflict resolution efforts and mediation initiatives showing some positive results.⁷ To this end, it is vital that international partners, such as the EU, continue increasing their support to African-led prevention and peacebuilding efforts, with monitoring and evaluation mechanisms ensuring that local needs and interests are given priority in programme design and implementation.⁸

A key task in this regard is to support strengthening local governments' capacities and local governance provisions, from taxation to public health services, education and electricity, in a manner that builds on the strengths and resilience present in communities, including that of

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- 3 Patryk Pawlak, "Operational Guidance for the EU's international cooperation on cyber capacity building", EUISS, Paris, August 31, 2018, <https://www.iss.europa.eu/content/operational-guidance-eu%E2%80%99s-international-cooperation-cyber-capacity-building>.
 - 4 Amandine Gnagnouon, "Pivoting to African conflict prevention? An analysis of continental and regional early warning systems", Brief no. 3, EUISS, February 2021.
 - 5 Vane Aminga and Florian Krampe, "Climate-related security risks and the African union", SIPRI, 2020.
 - 6 José Luengo-Cabrera and Annelies Pauwels, "Countering violent extremism: The Horn of Africa", Brief no.14, EUISS, April 2016.
 - 7 Marisha Ramdeen, "Countering Terrorism and Violent Extremism in Africa", *Conflict Trends* no. 2, Accord, 2017, <https://www.accord.org.za/conflict-trends/countering-terrorism-violent-extremism-africa/>.
 - 8 International Crisis Group, "Sidelining the Islamic State in Niger's Tillabery", Report no. 289, June 3, 2020, <https://www.crisisgroup.org/africa/sahel/niger/289-sidelining-islamic-state-nigers-tillabery>.

communal leaders and civic actors. Strengthening locally legitimate governance structures undermines the appeal of violent alternatives to the *status quo*.

The analysed conflict trends and ways of responding to them suggest three broad pathways leading to 2030. The first pathway enables the positive scenario presented in this report, while the second not only challenges it but endangers the overall peaceful gains achieved in the continent in recent decades. The third highlights the potential unintended consequences of the economic integration process and demonstrates the two-way street of economic development and conflict.

Pathway 1: From peaceful conflict resolution to strengthened multilateral cooperation and economic integration. In this pathway, continental and regional peacebuilding and conflict prevention tools are systematised and intra-African mediation services are swiftly provided to societies facing civil conflicts, whether violent or non-violent. A preventive approach to state-society conflicts combined with increasing political condemnation and sanctioning of violent oppression of non-violent resistance contributes to a wave of non-violent movements that consolidates and incentivises more accountable and democratic forms of governance, ultimately also facilitating continental integration. With regard to countering violent extremism, African action and international support are increasingly directed towards tackling the grievances that give rise to disaffection and radicalisation, which helps to prevent further regional spread of extremist groups within the continent. In the hotspots, e.g. the Sahel and the Great Lakes region, the scale of armed violence is gradually reduced through a combination of internationally supported conflict management efforts, increasing political accountability and trust towards the state, and improving local governance. The successful countering of the upward trend in violent extremism allows more comprehensive implementation of the AfCFTA, which itself strengthens the trend towards peace.

Pathway 2: Accelerating violent extremism and anti-government resistance. In this pathway,

violent extremism continues to spread and conflicts involving violent extremist groups escalate, as persistent poverty, increasing inequalities and lack of alternatives push young men in particular to join armed groups. Heavy-handed responses to violent and non-violent opposition groups contribute to increasing levels of indiscriminate repression, further undermining trust between authorities and civilians. A deteriorating security situation in border regions leads to temporary closures of borders even by countries previously untouched by armed violence and some regions are left out of the economic integration process altogether due to their security situation. By 2030, continental inequalities in economic prosperity have grown considerably, with some regions experiencing growing intra-regional trade, peace and security, while others struggle with the challenges of protracted violence and extremism.

Pathway 3: The other way around: From rapid but poorly governed integration to growing inequality and chronic instability. Fast-moving but conflict insensitive economic integration exacerbates inequalities within countries and facilitates cross-border movement of transnational armed groups and criminal networks, particularly in marginalised border areas. This contributes to increasing insecurity and non-state armed conflict in border regions and increasing hybridisation of governance in these regions. As a result, Africa witnesses the evolution of two extremes: relatively peaceful, integrated hubs of urban centres and vast areas plagued by protracted violence and where there is no state control in the peripheries.

FOR A PRODUCTIVE AFRICAN FUTURE

Africa has a large and growing working-age population. Its increasing labour force will, by 2037, be larger, as a percentage of its population, than that of the EU-27 and by mid-century, larger than that of North America. This growing working-age population has

the potential to drive and accelerate economic growth, provided the continent can improve on the associated skills base. The reverse applies in Europe where the contribution from labour to growth is declining, meaning that contributions from capital and technology in Europe first have to account for the drop in the contribution from labour if growth rates are to be maintained.

The potential contribution from Africa's growing labour pool is, however, in itself insufficient to guarantee productive economic growth without adequate investment in the form of appropriate education and training for the Fourth Industrial Revolution, sufficient nutrition and access to healthcare. Africa trails significantly in all three areas compared to global averages. Since investments in human capital provide the most enduring contribution to sustainable economic growth over long time horizons, the continent needs to invest in the associated enablers.

Firstly, a productive and prosperous African future requires a dependable supply of electricity. Without sufficient household electricity Africa cannot aspire to the second enabler, internet access, which could, in turn, enable more rapid educational and technological progress. Sub-Saharan African countries such as Burundi, Chad, Malawi and Niger had electricity access rates of below 20% in 2019. The average rate of electricity access in the continent is about 44%.⁹ Modern technology can change this given the potential of renewables and off-grid systems, with countries such as Kenya experiencing unprecedented rates of improvement in electricity access within a matter of years instead of the longer time horizons

required previously when countries were reliant upon traditional technologies.

The second enabler is the internet. Once citizens have access to the internet and are able to engage with the rest of the world, the right policies and support can unlock additional opportunities. According to the World Bank, less than a third of Africa's population had access to broadband connectivity in 2019.¹⁰ The Bank subsequently set up a Working Group on 'Broadband for All: A Digital Moonshot Infrastructure for Africa' with the primary objective of identifying investment requirements and policy roadmaps to increase connectivity and to reach full coverage in Africa. According to the Bank, achieving universal, affordable, and good quality internet access by 2030 will require an investment of 100 billion USD, pointing to the third requirement for Africa's growth, massive capital investment.¹¹

The third enabler is foreign investment. On average foreign direct investment flows to sub-Saharan Africa amount to about 2.7% of GDP, about half the rate for Europe.¹² The result is that the stock of FDI as a percentage of GDP in the region is about 30 percentage points below that in Europe and about 20 percentage points below even that of Latin America. The potential of trade within the AfCFTA and the attraction of a larger market has the potential to unlock Africa as an attractive investment destination for the future and in this manner trade integration could serve as a general multiplier. Much more is required, of course, including the mobilisation of domestic revenues and halting the flow of illicit financial flows from the continent, but given Africa's fiscal deficits, FDI will be crucial.

⁹ World Bank, "World Development Indicators", 2020: <https://databank.worldbank.org/source/world-development-indicators>.

¹⁰ World Bank. "Achieving broadband access for all in Africa comes with a \$100 billion price tag", Press Release, October 2017, <https://www.worldbank.org/en/news/press-release/2019/10/17/achieving-broadband-access-for-all-in-africa-comes-with-a-100-billion-price-tag>.

¹¹ Ibid.

¹² Source: World Bank, World Development Indicators, 2020: <https://databank.worldbank.org/source/world-development-indicators>.

FOR A CIVIC AFRICAN FUTURE

To link sustainable urbanisation and industrialisation, it is crucial to support tradable sectors, manufacturing and labour-intensive industries, creating industrial clusters in urban areas (such as SEZs), investing in inter-city corridors and enhancing a balanced and complementary system of primary and secondary cities. To be effective, these investments have to be based on preliminary spatial planning policies, aimed at identifying those strategic areas and sectors where investments can have a higher impact. On the other hand, policymakers should focus on urban planning, to design and create functioning, resilient and sustainable cities, promote urban smart growth and counteract urban sprawl. It is essential to invest in urban mobility, recycling, sustainable housing, innovative technological and green projects, and in the provision of basic services, such as running water, electricity and adequate sanitation. To curb the outward expansion of African urban settlements, municipalities have to draw so-called 'urban growth boundaries' and promote urban infill development. Another key aspect would consist in clarifying urban land and property rights as well as gathering data and mapping African cities and boundaries, so as to have information on informal settlements which are home to the most fragile and segregated urban dwellers. These actions have to be underpinned by three guiding principles: a bottom-up participatory process, a multidimensional and holistic approach, and greater cooperation between national and local governments.

European policymakers can play a key role in helping African countries achieve sustainable urbanisation, by intervening, at least, in three key areas: human capital, technology and financing. Firstly, Europeans can share their

knowledge and expertise in the matter of urban planning, provided that this synergy does not result in a counterproductive effort to replicate and apply Western urban models to African cities. Secondly, sharing technology might be an effective tool to address common priorities, such as the development of green, safe and resilient smart cities. Cooperation on these two issues can be achieved not only at intergovernmental level but also and above all by developing a network of sister cities between Europe and Africa. Boosting city-to-city cooperation would be a successful solution to encourage exchange of urban experts, best practices and technologies. Lastly, Europe should support urban management in Africa by promoting a substantial investment plan, targeted on the basis of the aforementioned concept of spatial planning, with the aim of upholding African governments and municipalities in the achievement of UN Sustainable Development Goal no. 11 and in an effort to finally link urbanisation to industrialisation and harness the potential of the AfCFTA through the implementation of sound urban economic development strategies.

FOR A DISARMED AFRICAN FUTURE

Because of the apparent distance between economic integration and defence issues, the issues of militarisation and arms proliferation are at risk of neglect. SALW proliferation is already the subject of international cooperation, notably in the UN framework and in EU external assistance programmes.¹³ SALW control measures take up no less than 29% of the common foreign and security policy (CFSP) Non-proliferation and Disarmament budget for 2004-2019, in addition to the 7.8% portion of the budget that supports arms exports and ATT implementation.¹⁴ This makes SALW

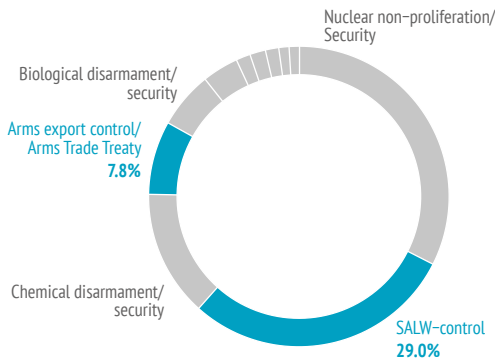
¹³ Nils Duquet, "The 2018 EU SALW Strategy: Towards an integrated and comprehensive approach", *Non-Proliferation and Disarmament Paper* no. 62, April 2019.

¹⁴ Data supplied by EEAS, December 2019.

control one of the most generously endowed themes in the CFSP Non-proliferation and Disarmament budget, second only to nuclear non-proliferation. Indeed, if we cluster SALW and ATT/export control initiatives, they top the ranking. By contrast, militarisation is hardly addressed as it is considered a prerogative of sovereign states. However, the risk that global arms exporters will attempt to take advantage of rising African prosperity to strike profitable deals threatens to unleash arms race dynamics likely to disrupt the implementation of the AfCFTA. Notably, it is likely to compel states to upgrade capabilities in competition with neighbours for the sake of prestige, diverting much-needed funds from the acquisition of equipment and resources to fight trafficking, terrorism and organised crime, with adverse consequences for economic integration. A legally binding arrangement setting ceilings on those military capabilities less central to African states' security needs, loosely modelled on Europe's Treaty on Conventional Forces in Europe, can prevent the development of such negative trends.

CFSP funds to fight small arms proliferation

% of committed CFSP budget, 2004-2019



Data: EEAS, 2019

In our scenario, the initiative originated from the concerned states. However, ample opportunities exist for the EU to accompany the process. Firstly, the EU could, jointly with the OSCE, dispatch an advisory expert team to share experiences on the CFE and help the AU adjust its concept to the current African context. Secondly, the EU could devote part of its generous CFSP Non-proliferation and Disarmament budget to assist with the destruction of any equipment declared to be in excess of agreed ceilings, to keep it from falling into the wrong hands. Thirdly, and most centrally, the EU could offer an incentive to participating states, pledging to maintain development aid levels in reward for their participation in the CFA. From a donor perspective, cuts in defence spending indirectly contribute to enhance aid effectiveness. Although much aid is disbursed as project aid for earmarked purposes other than the defence sector, recipients are still free to reallocate their own resources to other political priorities such as military modernisation.¹⁵ Conversely, a guarantee to sustain current aid levels will assuage African fears of donor disengagement, increasing the economic benefit associated with participation in the CFA scheme. The EU could draw inspiration from its extensive experience in framing conditionality in its relations with African countries to support the CFA process and adherence to agreed ceilings.¹⁶

FOR A WELL-GOVERNED AFRICAN FUTURE

Public services emerge as a key area for the implementation of a sustainable human development strategy and to see how this can be applied to other sectors. A focus on the

15 Julia Bader and Jörg Faust, "Foreign aid, democratization and autocratic survival", *International Studies Review*, 2014, vol. 16, no. 4, p. 581.
 16 Clara Portela, "Aid suspensions as coercive tools? The European Union's experience in the African-Caribbean-Pacific (ACP) context", *Canadian Journal of European and Russian Studies*, vol. 3, no. 2, 2007.

ECOWAS region, where public services are often under-resourced, can represent a stimulating case study for analysis of the future of public services, in particular education and health.

Against this backdrop, African states could avoid relying on international aid to fund public services, and instead invest in social infrastructure and services. Similarly, African governments could prioritise the creation of a common educational system to support mobility, economic integration and foreign long-term investments. The persistence of inequalities can be considered a litmus test to determine if governments are delivering. In this process, the direct involvement of differentiated stakeholders remains pivotal. African governments and local authorities should interact with traditional and communal structures also in remote areas to provide public services.

The AU should tie regional economic integration to early planning in terms of governance of public goods and services to avoid hampering human development and increasing inequalities. The EU and other international organisations should not support reforms of public services only to meet the needs of the global marketplace, but primarily to reduce social inequalities. Furthermore, the EU should draft its “Comprehensive Strategy with Africa”¹⁷ with a focus on how to jointly reach the Sustainable Development Goals, with particular attention to human development, which should not be considered only as a precondition for economic growth.

Finally, the relationship between the private and public sector can improve sustainable public services. Private investors need the necessary incentives to ensure that their investment strategies are aimed at development goals. Private investors are motivated primarily by return on investment, but in many cases with a definite preference for ‘doing good’. African governments and civil society should therefore

incentivise sustainable investment and hold investors to account for their impacts on sustainable development.

FOR A SECURE AFRICAN FUTURE

Achieving the implementation of the AfCFTA in hotspots of fragility, conflict and violence is only possible if a radical rethinking of security and development programming is spearheaded by African leaders and this is supported by the EU. The Sahel can be both a test case and a hard case.

The ASAP is not just an abstract endeavour: it can be a concrete plan to bring together disparate security assistance efforts to transform defence and security forces into pillars of stability that could safeguard trade integration. For military officers and police in Africa, belonging to effective, efficient and accountable security institutions could become a source of dignity and pride. For example, Mali, Niger and Burkina Faso could create the first military academy in Africa where applied principles of development effectiveness can become requirements in the curricula for senior officers, whose training in public administration would also require stints in international financial institutions.

For citizens, credible commitments by elites to end violence and guarantee the conditions for prosperity and human security would lead to a reinvigorated civic life. The link between human security and trade integration can draw the contours of a new social contract focused on the dual rights to personal safety and prosperity. This new social contract can be powered by the digital revolution, which will enable governments and publics alike to use technology for effective citizen engagement. In turn,

¹⁷ The EU’s approach on the strategy has been outlined in the Joint Communication “Towards a comprehensive Strategy with Africa”. See: European Commission and High Representative of the Union for Foreign Affairs and Security Policy, “Towards a comprehensive Strategy with Africa”, Joint Communication to the European Parliament and the Council, JOIN(2020) 4 final, Brussels, 9 March 2020.

African civil society actors and informal community groups should get a seat at the table.

Lastly, the EU's realignment of security and development assistance in support of an 'ASAP' framework can show how Europe can reinvent its tools and approaches in response to global challenges. Cognizant of the multiple dimensions of human security, Europe has an opportunity to adapt its development financing instruments to support the civilian administration and oversight of security forces in the Sahel, with reform efforts guided by constant input and feedback from citizens. At a time when the other major geopolitical actors are wavering between withdrawal from the global stage and ruthless competition, the EU can thus demonstrate its ability to learn, adapt, and project influence for the greater good.

FOR A DECARBONISED AFRICAN FUTURE

The sustainable electrification of Africa by 2030 is a complex process to be undertaken and implemented at different levels and through a multi-sectoral approach. International organisations¹⁸ are committed to boost sustainable energy transformations in Africa in the

framework of Agenda 2030 and SDG7, as witnessed by ambitious *ad hoc* initiatives such as Sustainable Energy for All (SEALL).¹⁹ At the regional level, the AU,²⁰ the African Development Bank²¹ and the EU²² are particularly active. Sub-regional efforts complete the picture, with initiatives such as the East African Community, committed to adopt joint policies and mechanisms to promote energy transformation. At the same time, almost all African states are encouraged to implement national plans to decarbonise their energy systems.²³

Given the high number of players, rationalisation and better coordination of their activities would certainly contribute to faster and more effective transformations. The structural engagement of local institutions and communities, in particular cities and municipalities, also represents a strategic priority.

Attention should also be paid to trans-sectoral collaboration, as exemplified by multi-stakeholder initiatives such as the Global Commission to End Energy Poverty.²⁴ A fundamental role is played by regulatory authorities, the financial sector, technological players and operators – in particular businesses and private companies – academia and educational institutions, as well as civil society. Regulation, in particular, is needed to independently set up a functioning and transparent system for the governance of the energy sector. Mobilising domestic and international capital for financing energy transformation, and mixing public

¹⁸ Starting from the UN and the World Bank, through the action of agencies such as UNEP, UNECA and UNDP, IFC and MIGA, and including IRENA and IEA.

¹⁹ SEforALL, *SEforALL and the Decade of Action*, April 2020, <https://www.seforall.org/publications/seforall-and-the-decade-of-action-april-2020>.

²⁰ The African Union's efforts are guided by the African Energy Commission (AFREC), the AU's specialised agency established under the Commission for Infrastructure and Energy. The Union also launched the Africa Renewable Energy Initiative (AREI), meant to achieve at least 10 GW of new and additional renewable energy generation capacity by 2020, and mobilise the African continent's potential to generate at least 300 GW by 2030.

²¹ The African Development Bank launched the New Deal on Energy for Africa, a transformative partnership to light up and power Africa by 2025. The initiative has invested about US\$12 billion in the energy sector between 2016 and 2020 and is expected to leverage US\$45–50 billion in co-financing for energy projects in Africa during the period.

²² The European Union – among other external actors – is active in promoting the transformation of the African energy and electricity sector, in particular through the Africa-EU Energy Partnership (AEEP) and the Africa-EU Renewable Energy Cooperation Programme (RECP). The EU's action is supported by the financial tools enabled by the European Investment Bank (EIB): energy finance is a cornerstone of its activity in sub-Saharan Africa, representing about one third of total lending in the region.

²³ According to the NDC submitted to COP21 and agreed in the Paris Agreement.

²⁴ Global Commission to End Energy Poverty, official website: <https://www.endenergypoverty.org/>

funds with capital from the private sector is another fundamental process to be strengthened, as highlighted by the renewAfrica initiative.²⁵ The private sector itself goes beyond this role: thanks to competences, skills and technologies, private companies can play a key role in accelerating the current pace of electrification, improving the reliability of existing infrastructures and eventually lowering the costs of electricity. In parallel, digitalisation can amplify sectoral transformations: on the one hand, it allows new electricity systems to be resilient and efficient, fully exploiting the benefits of renewable energy sources; on the other, the growth of electricity demand driven by the expansion of ‘digital’ applications spurs the expansion of smart networks, particularly in urban areas.

Other elements can contribute to maximise the transformative patterns put in place, and the human factor is certainly one of them. Public opinion awareness, leadership and education, youth and women empowerment, represent a boost for green energy transformations. Creating local leaders with an awareness of the importance of developing a new energy economy is a top priority for Africa. Any effort to establish know-how emerges as essential to enhance local leadership, facilitate vigorous entrepreneurial drive and enable these changes. Local competences can in fact encourage investments and boost the deployment of massive renewable energy capacity, smart transmission and distribution systems, energy efficiency applications and all the other elements necessary to enable the sector’s transformation.

However, while Africa’s population is growing fast, its rates of higher education enrolment are still too low.²⁶ This state of affairs means that cooperation between local and international academic players is much needed, offering interesting opportunities for local talents to remain in the continent and fuel Africa’s sustainable transformation. Corporate

stewardship initiatives promoting higher education and vocational training can provide an important contribution to achieve the 2030 energy objectives.

Last, but not least, national and local governments’ responses to the effects of the Covid-19 pandemic matter. If financial stimuli mean that they will prioritise universal access to decarbonised energy and electricity services and place this goal at the centre of their agendas, their economies and societies stand a greater chance of making a greener and more resilient recovery.

FOR A BLUE AFRICAN FUTURE

By 2030, Africa can achieve significant progress in implementing the AU’s 2050 Integrated Maritime Strategy (AIMS). By prioritising maritime security and sustainable development of the blue economy, momentum can be generated towards a CEMZA to create a “common African maritime space without barriers”. This would include capacity building and investment in key sectors, such as maritime defence and security, scientific research, tourism, fisheries and port management.

Overall, a prerequisite for achieving this result is the reduction of ‘seablindness’ on the part of African governments, through their realisation that effective management of their maritime domain is integral to their collective developmental and economic ambitions. Such an approach can pave the way for the blue economy to emerge as a major supporting facet of the Af-CFTA: boosting connectivity via established sea routes and investment in port infrastructure, adding an enhanced dimension of intra-African

²⁵ renewAfrica Initiative, official website: <https://www.res4africa.org/renewafrica-initiative/>

²⁶ According to a joint Enel Foundation–Bocconi study “Italy as an international education hub to support Africa’s sustainable future”, enrolment rates in Africa are just over 20%, well below the global average of 38%. Source: ENEL Foundation (2020).

trade, and linking these aspects to developments further inland.

More likely, though, we can expect the *status quo* to continue in the near future. Progress may be seen among some clusters of countries but this will be accompanied by setbacks. In this scenario, groups such as those within the Indian Ocean Commission make progress and some of the Yaoundé zone states increase their effectiveness, but substantive wider advances – beyond Africa’s established maritime champions – are limited.

Direction and increased capacity at the continental level will be essential if such stasis is to be avoided. AU initiatives such as the AIMS, Lomé Charter and Blue Economy Strategy are not short of ideas, but their implementation has fallen well short of targets and will not be revived without dedicated leadership expertise and accompanying resources in place. The establishment of a stand-alone AU department on maritime affairs would mark a critical step in the right direction: both to push for greater visibility of these issues among more reluctant countries, and in ensuring crucial buy-in to continental initiatives from existing blue economy champions such as the Seychelles and South Africa. Equally,

a dedicated maritime expert presence should be included within the newly created secretariat of the AfCFTA, to safeguard its coherence with blue economy ambitions.

International partners too must prioritise support for African leadership of the continent’s maritime domain. The EU, through its Directorate-General on Maritime Affairs and Fisheries, is especially well-placed to offer foundational assistance and guidance for any burgeoning AU counterpart – including lesson sharing from its own Common Fisheries Policy.

Yet the effectiveness of such support risks being undermined by the EU’s own failures to rein in IUU fishing by European vessels in African waters and to offer fair deals to African governments for access to these waters.²⁷ While the onus is on global partners not to give with one hand and take away with the other, acceptance of these poor fishing access deals is also a clear reflection of the prevailing seablindness that remains entrenched in many African states. Addressing this obstacle across the continent is a fundamental prerequisite if Africa is to harness the potential of its maritime resources over the coming decade.

²⁷ Ifesinachi Okafor-Yarwood, “EU targets fragile West African fish stocks, despite protection laws”, *The Conversation*, November 5 2019, <https://theconversation.com/eu-targets-fragile-west-african-fish-stocks-despite-protection-laws-125679>

CONCLUSION

Now what? Getting off on the right foot

The problem with strategic foresight is that it gives many options, but little practical advice on what to start with. It may be objected that this publication also suffers from the proverbial ‘easier said than done’ syndrome, as it confronts policymakers with many competing policy priorities in several action areas, from the maritime to the digital domain. Yet, as we have tried to demonstrate, these areas are far from being disconnected from each other, not just in terms of their contribution to the AfCFTA. This *Chailot Paper* identifies six common policy lessons, which can serve as cross-sectoral enablers of transformation. The list that follows begins by emphasising the need for *leadership* to ensure a well-governed future, and ends with *mobilisation*, which highlights participation and inclusive political processes. It is meant to serve as an urgent call for action, as Africa’s overall governance performance reported in the 2020 Ibrahim Index of African Governance (IIAG) has declined for the first time in a decade, as attested by a disquieting erosion in civil rights as well as civic and democratic space.¹ Human development and sustainable economic growth, through integration, are only possible if such space allows for fair representation, reforms and youth empowerment.

LEAD

A first policy lesson is leadership. Nothing is possible without political consensus, the ability and willingness of leaders to act for the common good, and move away from the continent’s turbulent past. This publication has highlighted that the Covid-19 pandemic can provide an incentive for leadership to assume this responsibility and embrace reform, albeit risks and challenges persist. The emergence of coalitions or individual champions, pushing for reforms and closer integration, has emerged in many scenarios, starting with the beginning of the journey, through the pivotal role played by Rwanda, South Africa and Ghana in supporting the implementation of the AfCFTA. In the silenced guns scenario on disarmament, it was instead a consensus led by Malawi, Tanzania and Zambia, three ‘small’ African states, that managed to table an idea to stop the arms race that was starting to take shape in Africa before it reversed the prosperity trend, leading to a Treaty on Conventional Forces in Africa. Leadership can and should also produce agency, meaning Africa’s collective capacity to speak as one voice and reshape the international order. Here, the publication marks a clear distinction between the gloomy scenarios in chapter 3, where agency is fragmented and nationalisms prevail, and the positive scenarios in chapter 2, where African countries manage to identify collective interests.

¹ Mo Ibrahim Foundation, 2020 Ibrahim Index of African Governance, p. 22.

CONNECT

A second lesson is connectivity. Connecting Africa is a policy priority in several domains, whether in the sphere of the blue economy, sustainable urbanisation, agro-food systems, or digital innovation. Providing African countries with adequate infrastructures to boost connectivity is the main transformational enabler, bearing in mind that the type and quality of those infrastructures make the difference in achieving a sustainable integration path. The publication has offered some actionable examples: stimulating food production is above all about integrating individual producers into the African economy, providing them with the requisite infrastructure, knowledge and information to access regional markets; and about making quality inputs such as appropriate seeds and fertilisers available to a greater number of smallholders. Contributions on jobs and digital evolution have highlighted that Africa significantly benefited from digitalisation and the Fourth Industrial Revolution: the roll-out of 5G by means of various technologies including a fleet of low-earth satellites meant that the entire continent of Africa became connected to the rest of the world. The blue economy emerged as a major supporting facet of the AfCFTA, by boosting connectivity via established sea routes and investment in port infrastructure, adding an enhanced dimension of intra-African trade, and linking these aspects to developments further inland.

BIND

A third lesson is multilateralism. The call for greater cooperation between Africa and external actors has been prominent in nearly all domains analysed in this volume, and constitutes a strong and clear response to the multipolar ‘scramble for Africa’ narrative that dominates policy discussions today. The future of Africa must not be a competitive and conflict-prone multipolar one. This, however, should entail a change of approach and a call for donors to adapt their support to the new needs

and priorities emerging in Africa. Multilateral instruments, the way they were conceived 20 years ago or more, have become outdated. New forms of multilateral cooperation should be sought and pursued, to respond to ongoing transformations. For instance, a well-governed African future is one in which the EU and other international organisations do not support reforms of public services only to meet the needs of transnational capitals in the era of the global marketplace, but primarily to reduce social inequalities. The ‘ASAP’ plan for the Sahel framework showed that Europe can reinvent its tools and approaches to support the civilian administration and oversight of security forces in the Sahel, being reformed with constant feedback and input from citizens.

SHARE

The continent needs more knowledge and information sharing. Increased cooperation aimed at sharing technical know-how, but also better education and training policies, are considered as essential enablers for the green revolution, digital innovation, jobs and skills, and governance, among other sectors. The publication has therefore emphasised that across sectors, creating an ‘African information and knowledge society’ is a strategic priority. For instance, with regard to digital skills for all, it has highlighted the need to invest not only in supply-side interventions, but also on the demand-side, investing in human capital, building digital skills programmes across all African countries and included in all *curricula* up to postgraduate degree level, with specific components for women and vulnerable groups.

BUILD

A fifth lesson is private-public cooperation. Many sectoral transformations outlined in this volume are only possible through cooperation between the private and public sector. Because of the magnitude of many projects in which

African countries need to invest in their journey towards 2030, the involvement of governments and businesses, working together to provide services to the population, is the only way to achieve sustainable development through multi-stakeholder governance. In the field of energy access and electrification, the fundamental recipe to achieve the 2030 desirable scenario is based on coordination, transparency and governance of both international-local and public-private dynamics, combined with public opinion awareness, leadership and education, youth and women empowerment.

MOBILISE

A sixth and last lesson is peaceful mobilisation. Political violence is on the rise in Africa, but peaceful protests and non-violent resistance can be channeled, contained, and serve as a stimulus for democratic development as well as an antidote to prevent escalations into

violence and conflicts. Peaceful mobilisation is also another way to define local engagement, providing people in urban or rural areas, and especially young people, with a voice, and an opportunity to express their opinions and discontent. An efficient and well-functioning democracy, whereby communities can have a seat at the decision-making table, is perhaps the most powerful antidote against the rise of violent extremism. In the field of urban planning, it has been highlighted that investing in mobility and infrastructures, and implementing ambitious energy policies, only makes sense if guided by bottom-up participatory and inclusive processes.

These broad policy lessons do not tell us how the future of Africa will evolve. For better or worse, there is always something new coming out of Africa, invariably including the unexpected. This *Chaillot Paper* has shown one possible way forward. Anticipating the future and endeavouring to shape a positive path is better than suffering an adverse fate.

ABBREVIATIONS

2G

Second generation
(of wireless mobile
telecommunications
technology)

3G

Third generation (of wireless
mobile telecommunications
technology)

4IR

Fourth Industrial
Revolution

5G

Fifth generation (of wireless
mobile telecommunications
technology)

AfCFTA

African Continental Free
Trade Area

AGOA

African Growth and
Opportunity Act

AIMS

Africa's Integrated
Maritime Strategy

AMISOM

African Union Mission to
Somalia

ATT

Arms Trade Treaty

AU

African Union

BRI

Belt and Road Initiative

CAPEX

Capital Expenses

CEMZA

Combined Exclusive
Maritime Zone of Africa

CFE

Treaty on Conventional
Armed Forces in Europe

CFSP

Common Foreign and
Security Policy

COMESA

Common Market for Eastern
and Southern Africa

COP21

The 21st Conference of
the Parties to the 1992
United Nations Framework
Convention on Climate
Change

Covid-19

coronavirus disease 2019.

DRC

Democratic Republic of
Congo

EAC

East African Community

ECOWAS

Economic Community of
West African States

EEZ

Exclusive Economic Zones

ESA-IO

Eastern and Southern
Africa and Western
Indian Ocean region

FDI

Foreign Direct Investment

G20

Group of Twenty

GCC

Gulf Cooperation Council

GDP

Gross Domestic Product

GSM

Global System for Mobile
Communications

HDI

Human Development Index

HIV/AIDS

Human Immunodeficiency
Virus/Acquired
Immunodeficiency
Syndrome

ICBT

Informal Cross Border
Trade

ICT

Information and
Communications
Technology

IEA

International Energy
Agency

IFC

International Finance
Corporation

IGAD

Intergovernmental
Authority on Development

ILO

International Labour
Organisation

IMF

International Monetary
Fund

IOC

Indian Ocean Commission

IRENA

International Renewable
Energy Agency

ISA

International Seabed
Authority

IUU

Illicit and Unreported and Unregulated Fishing

LDCs

Least developed countries

MIGA

Multilateral Investment Guarantee Agency

MINUSMA

United Nations Multidimensional Integrated Stabilisation Mission in Mali

Mtoe

million tonnes of oil equivalent

MW

megawatt

NDC

Nationally Determined Contributions

Non-LDCs

Non-Least developed countries

OPEX

Operating Expenses

OSCE

Organisation for Security and Co-Operation in Europe

PACCI

Pan-African Chamber of Commerce and Industry

PSMA

Port State Measures Agreement

REC

Regional Economic Community

SADC

Southern African Development Community

SALW

small arms and light weapons

SDG

Sustainable Development Goals

SEALL

Sustainable Energy for All

SEZ

Special economic zone

SMS

Short message service

SSR

Security sector reform

STEM

Science, technology, engineering and mathematics

TWh

terawatt hour

UAE

United Arab Emirates

UN

United Nations

UNDP

United Nations Development Programme

UNECA

United Nations Economic Commission for Africa

UNEP

United Nations Environment Programme

USD

US dollars

WASH

Water, Sanitation and Hygiene

WTO

World Trade Organisation

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This *Chaillot Paper* is the outcome of a Task Force on African Futures, launched in November 2019 by the EUISS in partnership with leading African and European research institutions. The Task Force identified the implementation of the African Continental Free Trade Area (AfCFTA) as a key factor driving economic, technological and societal transformations in Africa in the next decade.

Based on the premise that continental integration is critical for Africa's economic recovery and future resilience, the publication portrays what an integrated and prosperous African continent could look like in 2030, thanks to the full implementation of the AfCFTA. It describes the pathways, milestones and initiatives that can lead to such a desirable scenario in ten selected, cross-cutting areas, showing how coordinated policy action in these sectors is essential to achieve trade integration. In contrast, it also warns about what could happen if negative sectoral trends are not addressed, highlighting the perils and costs of inaction. Finally, it argues that integration under the AfCFTA can be a primary conduit for the strengthening of African multilateralism, and an antidote to proxy conflicts and depredation.