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Research Article

The Costs, Challenges and Prospects of the African Continental Free Trade Area in Regional Integration

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Abstract
The study investigates the African Continental Free Trade Area, also known as AfCTA costs together with its operational difficulties and future development possibilities for enhancing African regional unity. The AfCFTA functions as one of the world most extensive free trade agreements which aims to boost intra-African trade while enabling industrial development and economic collaboration among its member nations. The research uses a qualitative research design which analyses secondary data through a review of recent peer-reviewed literature and institutional reports from 2020 until now. Three theories, including neofunctionalism, liberal intergovernmentalism, and trade liberalisation theory were used for the analysis to explain how regional integration process work in multiple ways. The study findings indicate that AfCFTA shows strong potential to boost intra-African trade while driving economic development and helping to build regional value chains. The study reveals essential challenges which include infrastructure shortages, ongoing non-tariff trade restrictions, inadequate institutional strength and unfair benefit sharing between different nations. The implementation process faces additional problems because the member states possess different political and economic conditions which determine their implementation speed and efficiency. The study shows that the AfCFTA presents Africa with a transformative chance which requires political dedication and institutional collaboration and specific policy actions for achieving sustainable development with inclusive results. The agreement requires countries to enhance infrastructure development between their borders while decreasing trade restrictions and helping developing countries to achieve maximum benefits from the agreement. The study helps advance current discussions about how African nations achieve regional integration and economic growth.

Introduction

The process of regional economic integration functions as the essential method which supports both economic development and political partnerships and the achievement of sustainable development goals in developing regions (Wapmuk& Ali, 2022). The African continent has faced many obstacles which impede its integration efforts because of its divided systems and its lack of proper institutional capacity and its

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minimal development of intra-regional commerce (Wapmuk& Ali, 2022; African Union 2020). The African Continental Free Trade Area functions as an important solution which helps solve the problems that have persisted throughout these years. The AfCFTA which started in 2018 and became active in 2021 establishes a united African market for products and services while allowing unrestricted movement of financial resources and people and advancing economic unity among African nations (African Union 2020).

The AfCFTA stands as one of the most extensive free trade agreements in the world because it includes 54 African countries which together have more than 1.3 billion citizens and a total economic output that surpasses $3 trillion (World Bank, Maliszewska and Ruta, 2020). The main goal of the program is to achieve complete tariff elimination for 90 percent of products while decreasing non-tariff restrictions and supporting industrial growth and economic diversification throughout the African continent (Odeku & Rikhotso, 2023). The agreement establishes a strategic framework which enables African states to increase their self-sufficiency and decrease their market dependence while creating a stronger African presence in international trade (Wapmuk & Ali, 2022).

The AfCFTA implementation process brings substantial expenses and operational difficulties which create obstacles for its successful execution. The main issue stems from the temporary decline in government revenue which results from decreased import taxes that affect countries which depend on their import duties to generate revenue (World Bank, Maliszewska and Ruta, 2020). The continents trade facilitation systems face ongoing challenges because of its insufficient infrastructure which includes substandard transport systems and restricted energy resources and inadequate logistical capabilities (Songwe et al., 2021). The achievement of agreement objectives faces additional challenges because of existing institutional deficiencies and inconsistent regulations and ongoing non-tariff obstacles which include customs processing delays and corrupt practices (UNCTAD, 2021).

The different economic structures in African countries make it difficult to achieve fair economic integration. Concerns about unequal benefits distribution arise from differences in economic size and industrial strength and development status as industrialized countries stand to benefit more than developing nations (Abrego et al., 2020). The presence of several regional economic communities (RECs) which share member states between them and enforce different trade regulations creates new problems for both policy execution and policy alignment (African Union, 2020). The AfCFTA framework currently faces challenges which make it difficult to achieve its intended economic results.

The AfCFTA shows positive future potential. The agreement will create new market opportunities which will enable businesses to achieve greater operational efficiency while establishing regional production networks, which will lead to a substantial increase in African trade that currently amounts to less than 20 percent of total continent trade (World Bank, Maliszewska and Ruta, 2020). The AfCFTA will drive industrial growth together with foreign direct investment and economic diversification, which will help achieve sustainable development objectives (Songwe et al., 2021). The organization establishes a framework through which African countries can work together to strengthen their ability to negotiate trade agreements with other countries.

This study aims to critically examine the costs, challenges, and prospects of the AfCFTA in advancing regional integration in Africa. The study will examine two things, which are the obstacles to implementation that stem from economic and institutional factors, and the advantages that the agreement will provide to regional development, as well as its capacity to foster regional integration. This research uses

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current developments together with empirical data to advance existing debates about how regional trade agreements affect economic and political developments in developing areas.

Conceptualizing Regional Integration in Africa

International relations scholars and international political economy experts have researched regional integration because it helps to develop trade relations and stimulate economic growth and establish political partnerships. Regional integration in Africa has progressed through different stages starting from the creation of regional economic communities which developed into the more advanced AfCTA system (Zwanbin, 2023). The research investigates existing studies about the AfCFTA implementation costs and challenges and its effects on African regional integration efforts.

Countries engage in regional integration by combining their national policies to create free trade areas that help them accomplish common economic and political goals (Yang et al., (2025). Wapmuk & Ali (2022) describe African integration as a process which requires member countries to work together but their cooperation only extends to trade agreements which do not include industrial partnerships. The African integration process faced challenges because African countries established weak institutional systems and showed insufficient political dedication which resulted in lower intra-African trading patterns compared to other regions (Miftah & Mutta, 2024).

Recent research shows that the AfCFTA has moved towards greater economic integration because its trade liberalization efforts work to enhance industrial development and value chain creation (World Bank, Maliszewska and Ruta, 2020). The process of structural transformation which African countries need to achieve sustainable development serves as their main development goal (Songwe et al., 2021). Scholars warn that deep integration needs more than tariff reductions because it needs better infrastructure systems together with governance enhancements and improved policy coordination (UNCTAD, 2021).

Economic Benefits and Prospects of the AfCFTA

Extant studies establish that the AfCFTA will bring various economic advantages to participating countries. Abrego et al. (2020) use computable general equilibrium (CGE) models to show that the agreement will boost intra-African trade by more than 50% through its tariff and non-tariff barrier reductions. The World Bank, Maliszewska and Ruta (2020) predicts that the AfCFTA will help approximately 30 million people escape extreme poverty by 2035 while it increases real income throughout the continent.

The AfCFTA serves as a research subject for scholars who investigate its potential to enhance trade while supporting industrial growth and regional value chain development in various nations. African nations gain value chain advancement through the agreement which allows them to establish manufacturing operations that will help them reduce their primary commodity export dependency (Songwe et al., 2021). The research conducted by Signé and van der Ven (2022) demonstrates that businesses utilize improved market access together with economies of scale to gain enhanced competitiveness which attracts foreign direct investment (FDI).

African nations utilize the AfCTA as a strategic tool to improve their capabilities for conducting international trade negotiations. African nations achieve superior trade deals through their unified single market system which enables them to conduct external negotiations that reduce their need for international partners (Mene and Signé, 2025). The AfCFTA demonstrates its significance to global trade by establishing geopolitical advantages which extend beyond its economic advantages.

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Costs and Structural Challenges

The literature shows that the AfCFTA implementation brings several advantages to its stakeholders while also creating major financial burdens. African countries depend on tariff revenue as their main source of governmental income, which stands as the most critical issue for them (Abrego et al., 2020). The fiscal restriction will limit government spending for both infrastructure projects and social programs, which will prevent them from achieving their objectives through this agreement.

The infrastructure deficits act as a primary obstacle which needs solutions. The continent's trade operations suffer from three main issues which include poor transport networks and insufficient energy supply systems and restricted digital linkages (UNCTAD, 2021). Songwe et al., (2021) states that African nations must invest considerable amounts of money to solve their infrastructure problems, which they cannot do by themselves.

Research articles examine both institutional barriers and regulatory barriers as major topics of study. The combination of weak governance systems with unpredictable trade regulations and governmental operational flaws enables countries to maintain non-tariff barriers which impact international trade more than tariff systems do (World Bank, Maliszewska and Ruta, 2020). The existing customs procedures face two main problems because of corruption and lack of transparent operations which result in higher expenses for businesses that want to conduct international trade (Mene and Signé, 2025).

The diversity of African economies presents a significant challenge that requires urgent attention. Economic size and industrial capacity and development levels create differences which result in unequal distribution of advantages. The industrialized economies will prevent less developed countries from competing with them (Signé and van der Ven, 2022). The AfCFTA raises issues regarding its capacity to include all members while maintaining long-term viability.

Political and Institutional Challenges

Political support and institutional effectiveness function as the two main factors that determine whether regional integration initiatives achieve their goals. The AfCFTA project faces two main obstacles because multiple RECs establish overlapping membership requirements which create conflicting obligations and hinder policy alignment according to scholars who study the project (African Union 2020). The "spaghetti bowl" effect causes this phenomenon to create problems for regional integration which tries to create unified systems.

The AfCTA agreement will face governmental implementation challenges because national sovereignty concerns create obstacles for complete governmental implementation. According to Mene and Signé (2025) some countries will maintain protectionist policies for their vital industries while they refuse to accept shared regulatory frameworks which will cause integration efforts to move at a slower rate. The situation develops into major difficulties when political instability together with conflicts in various regions interrupts trade operations and reduces trust among investors (UNCTAD 2021).

Emerging Debates and Contemporary Perspectives

Recent studies have begun to explore the implications of the AfCFTA in the context of global disruptions such as the COVID-19 pandemic and shifting geopolitical dynamics. The pandemic demonstrated that worldwide supply networks lacked security which then made regional markets and

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domestic production capabilities essential (Songwe et al., 2021). The AfCFTA serves as a tool which helps organizations create resilience while decreasing their need for outside help according to current thinking.

The AfCFTA now receives more attention because digital trade together with innovation serves as essential factors which drive its operational success. Signé and van der Ven (2022) highlight the potential of digital platforms to facilitate cross-border trade especially for small and medium-sized enterprises (SMEs). The establishment of e-commerce operations and data governance will need both digital infrastructure investment and creation of regulatory systems.

The recent academic research study shows that environmental sustainability and inclusive development have become essential elements of contemporary research work. The scholars assert that the African Continental Free Trade Area requires implementation through a process which creates environmental benefits while helping to solve social issues that include gender-based trade participation disparities (UNCTAD, 2021). The current trend demonstrates that regional integration processes now include sustainability practices as their essential component.

Empirical Review

The empirical research studies which investigate the AfCTA have targeted three main areas of study which include its economic impact projections and trade expansion capabilities together with its distributional impacts and implementation difficulties. The latest research uses quantitative models and case studies together with policy analyses to demonstrate how the AfCFTA will shape Africa's regional integration development.

Trade Expansion and Economic Growth Effects

A major part of the scientific literature uses computable general equilibrium (CGE) models to estimate the trade and welfare effects of the AfCFTA. The World Bank, Maliszewska and Ruta (2020) conducted one of the most comprehensive studies which predicted that the AfCFTA will lead to an 81% rise in intra-African exports by 2035 if African countries eliminate their non-tariff trade barriers. The study shows that African countries will experience a real income growth of about 7% which results in a financial gain of approximately $450 billion.

Abrego et al. (2020) applied IMF modelling techniques to show that tariff elimination would generate small advantages which became major advantages when trade facilitation and NTB reduction measures were added to the combination. The study results show that trade facilitation reforms which include better customs operations and shorter border processing times serve as the essential factors which determine whether the agreement will achieve its intended results.

The study conducted by Wapmuk & Ali (2022) proves that AfCFTA implementation will increase intra-African trade by more than 50% while manufacturing industries will experience their greatest growth. The study demonstrates that industrial goods function as the primary factor for driving trade growth, thus countries with enhanced manufacturing capabilities will gain more advantages from the trade agreement.

Distributional Effects and Inequality

The AfCFTA provides advantages to all participating countries, yet various research studies show that different sectors throughout each country face disparities in receiving benefits from the agreement. The World Bank, Maliszewska and Ruta (2020) finds that larger and more diversified economies—such as Nigeria, South Africa, and Egypt—are likely to capture a disproportionate share of the gains due to their

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existing industrial capacity and market size. The smaller and less developed economies will face difficulties in making necessary transitions because they have insufficient resources to provide immediate advantages.

The UNCTAD (2021) research provides additional evidence that least developed countries (LDCs) will suffer from short-term losses when they compete against more industrialized economies. The situation becomes particularly clear in industries that lack domestic development and must compete against imported products. The study demonstrates that targeted policy interventions which include both industrial support and capacity-building initiatives will decrease negative impacts.

The World Bank, Maliszewska and Ruta (2020) estimates that the AfCFTA will decrease extreme poverty through income distribution to 30 million people who will escape poverty by 2035. The successful implementation of this policy requires both effective execution and supportive measures that promote inclusive economic expansion. The absence of these measures will result in increased inequality problems which will affect both domestic and international communities.

Infrastructure and Trade Facilitation Constraints

Research studies show that infrastructure deficiencies create a major barrier which stops African nations from reaching their complete potential benefits under the AfCFTA agreement. The study conducted by Songwe et al., (2021) found that Africa faces major trade costs because its countries lack proper transportation systems and efficient port operations and adequate power facilities. The current restrictions prevent African countries from accessing global markets while they struggle to build their local supply chain systems.

The UNCTAD (2021) study provides empirical evidence which shows that African nations face trade costs which exceed 150 percent of global average rates thus making cross-border trade between African countries impossible. The study demonstrates that organizations need to allocate funds toward infrastructure development and logistics system improvements to achieve superior trade performance via cost efficiency. Digital infrastructure has become an essential element for enabling e-commerce activities throughout international borders.

The research results demonstrate that international trade operations depend on trade facilitation reforms. The study by Abrego et al. (2020) shows that customs efficiency and border management improvements will lead to substantial AfCFTA-related economic benefits. The process requires both institutional changes and physical infrastructure projects to achieve successful execution.

Non-Tariff Barriers and Institutional Challenges

Non-tariff barriers (NTBs) remain one of the most significant obstacles to intra-African trade. Empirical studies demonstrate that NTBs, which include customs delays and regulatory inconsistencies and administrative inefficiencies, produce a greater effect on trade according to their impact than tariffs. The World Bank, Maliszewska and Ruta (2020) finds that eliminating NTBs could double the benefits of tariff reductions.

Mene and Signé (2021) provide case-based evidence demonstrating how bureaucratic inefficiencies and corruption at border points increase transaction costs and discourage trade. The research shows that proper governance solutions lead to successful AfCFTA implementation. The study investigates how overlapping regional economic communities (RECs) create operational challenges. The African Union (2020) reports that multiple trade agreements and conflicting regulations make it difficult to create unified

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trade policies. The presence of various institutions results in decreased effectiveness of regional integration efforts which obstructs the progress of AfCFTA implementation.

Sectoral Impacts and Industrialization

Researchers conduct studies to analyse how the AfCFTA affects different economic sectors. Wapmuk & Ali (2022) find that the manufacturing sector will experience its strongest growth because of increased industrial goods demand and better market access. This supports the argument that the AfCFTA can serve as a major driver for industrialization and structural transformation.

However, agricultural sectors in some countries may face increased competition, particularly from more efficient producers. UNCTAD (2021) observes that agricultural trade will grow overall yet different productivity levels and market accessibility will determine how benefits will be distributed.

The study by Signé and van der Ven (2022) presents evidence that digital trade functions as a driving force for upcoming developments in the AfCFTA. The research demonstrates that digital platforms function as tools which expand market entry for MSMEs, while creating opportunities for common economic development. The achievement requires substantial funding to build digital systems and create regulatory structures.

Theoretical Framework

The study uses established regional integration theories together with international political economy theories to create a framework which enables researchers to study the African Continental Free Trade Area. The research uses Neofunctionalism and Liberal Intergovernmentalism and Trade Liberalization Theory to show how African countries interact through regional integration processes.

Neofunctionalism

Neofunctionalism, developed by Ernst Haas, is one of the most influential theories of regional integration. The theory states that economic integration in one sector leads to further integration across all other sectors through the process of "spillover effects" (Haas, 2020). The reduction of trade barriers between countries establishes economic cooperation which eventually progresses into political and institutional partnerships.

Neofunctionalism states that implementation of a free continental trade area through AfCFTA will lead to deeper integration between African countries which includes policy harmonization and regional institution development and political partnership expansion. The removal of tariffs and non-tariff barriers requires coordination between customs regulations and competition policies and infrastructure development (Wapmuk & Ali, 2022).

The theory of neofunctionalism faces criticism from its opponents who claim that its basic principles need institutional capacity and political dedication which two African countries lack. The operationalization of AfCFTA demonstrates that its automatic spillover effects fail to function properly because various regions operate under separate political and economic frameworks (Mene and Signé, 2025).

Liberal Intergovernmentalism

The theory of liberal intergovernmentalism which Andrew Moravcsik developed establishes national governments as the main forces driving regional integration. The theory demonstrates that state integration outcomes emerge from state negotiations which parties conduct based on their domestic political and economic interests (Moravcsik, 2013).

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The AfCTA agreement exists as a result of African countries using their strategic negotiations to gain national advantages while reducing their expenses. The different countries exhibit varying degrees of dedication to their commitments because their economic structures and industrial capabilities and political goals differ from each other. Certain countries show resistance toward trade liberalization because they want to defend their domestic industries and maintain their tariff revenues (World Bank, Maliszewska and Ruta, 2020).

The AfCFTA experiences decision-making delays and policy standardization issues because its member states must reach agreement before any action can proceed according to the principles of liberal intergovernmentalism. The research demonstrates how political determination and national priorities create pathways which African regions follow to achieve their integration goals.

Trade Liberalization Theory

Trade liberalization theory, which originates from classical and neoclassical economics, demonstrates that countries achieve greater economic productivity through reduced trade restrictions which enable them to specialize in their comparative advantages while their total welfare increases according to Krugman et al. 2018. Trade liberalization will drive economic progress because it allows unrestricted movement of products and services throughout international markets.

The AfCFTA operates as a theoretical framework that aims to boost intra-African trade through its efforts to remove tariffs and decrease non-tariff trade restrictions. Empirical studies support this view, suggesting that trade liberalization under the AfCFTA could significantly increase trade volumes and income levels across the continent (Abrego et al., 2020; World Bank, 2020).

Trade liberalization theory recognizes that countries with developing industrial capacities will experience adjustment expenses from trade liberalization. Increased competition may lead to the decline of uncompetitive industries and job losses in certain sectors. The study identifies industrial development strategies and social protection measures as essential policies which partner with existing policies to deliver universal benefits throughout the integration process according to UNCTAD 2021.

Synthesis and Relevance to the Study

The combination of these theoretical perspectives provides a comprehensive framework for analysing the AfCFTA. The neofunctionalism theory shows that states develop deeper ties through their shared interests which lead to new efficient systems that extend beyond borders. The economic basis of the agreement together with its anticipated advantages and disadvantages is explained through trade liberalization theory.

The study utilizes integrated theories as its basis to create a research framework which examines African regional integration through its economic and political and institutional development aspects. The theoretical framework helps to explain why the AfCFTA creates major opportunities and intricate problems which together determine its overall success.

Method of Data Collection and Analysis

The research study uses qualitative research methods through secondary data analysis. The research topic requires this approach because it examines AfCTA costs and challenges and future possibilities within the context of African regional integration. The analysis requires existing empirical studies and policy reports and institutional data because the AfCFTA has only been operational since 2021.

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Data Collection Method

The research study depends entirely on secondary data which consists of peer-reviewed journal articles and policy reports and working papers and publications from recognized international organizations. The primary data sources include reports from organizations such as the World Bank and International Monetary Fund (IMF) and United Nations Conference on Trade and Development (UNCTAD) and African Union (AU) and Brookings Institution. The researchers chose, and priortize these sources because they maintain credibility and use rigorous research methods and provide relevant information about the research topic.

The study uses literature published after 2020 to establish academic quality and relevant research because the AfCFTA operational framework continuously changes. The research collects data to show current advancements and new patterns together with existing research results. The analysis relies on peer-reviewed articles which serve as the main source of evidence for assessment.

Data was collected using the systematic search of relevant academic database such as Google Scholar, Scopus and Web of Science using keywords including AfCFTA regional integration in Africa intra-African trade liberalization and economic integration challenges. The systematic approach provides complete access to necessary academic resources while reducing selection bias according to Snyder 2019.

Inclusion and Exclusion Criteria

In this study, the researcher uses certain inclusion and exclusion criteria to maintain research integrity while maintaining relevant content. The inclusion criteria include papers that:

• Focus on the AfCFTA or regional integration in Africa

•Provide empirical or theoretical insights into trade economic development or policy implementation.

• Are published in reputable journals or by recognized institutions.

• Are published from 2020 onwards.

The following studies were excluded from the review because they:

• Lack academic rigor or are not peer-reviewed

• Focus on unrelated regions or trade agreements without clear relevance to Africa

• Are outdated or do not reflect recent developments

The selection process guarantees that all research data used in the study maintains both applicable value and dependable authenticity.

Data Analysis Method

The researchers use qualitative content analysis method to study their gathered information. Content analysis enables researchers to interpret textual data through systematic methods which involve finding patterns and themes and relationships throughout the literature (Krippendorff, 2018). The method works best when researchers need to combine results from various sources to create important outcomes.

The analysis proceeds through three distinct phases. The first step involves reviewing the chosen literature to find essential themes which depict the AfCFTA's expenses and its difficulties and future possibilities. The researchers categorize the themes and analyse them across multiple studies to determine their shared elements and distinct aspects. The researchers examine their results according to the theoretical

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perspectives which the study presents through neofunctionalism and liberal intergovernmentalism and trade liberalization theory.

The analytical method enables researchers to evaluate current evidence while they develop a complete understanding of how AfCFTA impacts regional integration. The research also helps to find missing information in existing studies and determines which areas need additional investigation.

Discussions

This section combines the literature findings with the empirical findings to analyse AfCTA costs, AfCTA challenges and the organisation prospects within the context of African regional integration. This discussion connects empirical data with neofunctionalism liberal intergovernmentalism and trade liberalization theory to create a comprehensive assessment of AfCFTA effectiveness and limitations.

AfCFTA and the Promise of Economic Integration

Existing empirical studies demonstrate that the AfCFTA has the potential to increase intra-African trade while driving economic development. The World Bank and Maliszewska and Ruta projections from 2020 together with Abrego et al. 2020 research show that tariff cuts and non-tariff barrier removals will create significant trade increases which will benefit the entire African continent through enhanced economic development. Trade liberalization theory explains these results because it states that countries achieve better efficiency and welfare through the use of their comparative advantages when they remove trade obstacles. The AfCFTA demonstrates potential to boost industrial growth and regional supply chain development, which serves as evidence that African economic unity will lead to fundamental changes in economic systems The AfCTA supports manufacturing and industrial sector development, which provides essential resources needed for sustainable development, through its capacity to expand markets and create operational efficiency advantages.

The neofunctionalist perspective shows how these economic benefits create spillover effects that lead to advanced integration through both regulatory synchronization and infrastructure development. The African countries which display different levels of institutional capacity and political determination, which will affect spillover effects, will determine the degree of spillover effects which will occur (Wapmuk & Ali, 2022).

Persistent Structural and Institutional Challenges

The AfCFTA implementation, which should bring benefits to African countries, encounters major structural problems and institutional obstacles that will decrease its operational power. The ongoing presence of non-tariff barriers (NTB) which create customs delays and regulatory inconsistencies and bureaucratic inefficiencies (UNCTAD, 2021) functions as the primary trade obstruction according to existing research. The transaction costs increase while the benefits of tariff reductions decrease because these barriers exist. The results show that infrastructure development creates opportunities for international trade expansion. African countries face trade obstacles because their road systems remain inadequate and their energy infrastructure remains poor while their online access stays restricted (Songwe et al., 2021). The AfCTA will not achieve its complete benefits without major funding for infrastructure development.

The liberal intergovernmentalism framework attributes these challenges to the different interests and abilities of member states. The national governments of countries need to focus on their internal economic matters and political matters which results in them not fully implementing AfCFTA obligations (Mene and

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Signé. 2025). The agreement has shown different progress rates across countries which results from this situation.

The presence of various regional economic communities RECs leads to the establishment of multiple trade regulations which create challenges for unifying trade policies. The existence of multiple institutions creates institutional fragmentation which disrupts regional integration efforts and hinders the AfCFTA African Union 2020 implementation process.

Unequal Distribution of Benefits

The study reveals that benefits distribution across countries and sectors shows an unequal pattern. The World Bank, Maliszewska and Ruta 2020 and Signé van der Ven 2022 studies show that industrialized countries benefit more from AfCFTA opportunities while developing countries face challenges with adjustments. The trade liberalization theory shows that all nations need to receive benefits from open markets, which creates this result. Structural inequalities together with different productive capacities result in practical situations that create different results. The AfCFTA will increase existing inequalities which require targeted policy interventions through capacity-building and industrial support.

The AfCFTA advantages will not distribute equally across different regions because the study between micro-level impacts and its effects on MSMEs and informal trade. The critical gap exists because informal trade holds substantial importance for African economies which affects inclusive development according to UNCTAD (2021).

Political Economy Dynamics and Implementation Constraints

The AfCFTA outcomes depend on political economy factors which control its implementation process according to the discussion. The process of negotiating and executing the agreement gets shaped by national interests which intergovernmentalism theory explains through its liberal framework. Member states show different levels of commitment because their economic structures and political priorities and institutional capacities differ.

Some nations will choose to proceed slowly with trade liberalization because they want to safeguard their national sovereignty and domestic business operations. The AfCFTA implementation process will experience both speed limitations and operational deficiencies because of this situation. The existing trade routes face disruption while political unrest and armed conflicts in various areas create obstacles for execution (Mene and Signé, 2025).

The research indicates that successful regional integration depends on two essential factors which include economic reforms and political dedication and institutional collaboration. The AfCFTA will function as an official treaty which produces minimal real-world effects if these three elements do not exist.

Emerging Opportunities and Future Prospects

The AfCTA agreement provides multiple benefits which help African nations create better regional connections. The increasing focus on digital trade combined with technological advancements creates new pathways which foster better trade operations and equal access to trade. Digital platforms enable small and medium-sized enterprises to conduct international business operations while they minimize challenges which arise from standard trading methods (Signé & van der Ven, 2022).

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The AfCTA agreement establishes a system which supports multiple development objectives through its work on environmental protection and gender equality initiatives. The introduction of these factors into agreement execution will lead to improved impacts which drive sustainable development (UNCTAD, 2021).

The COVID-19 pandemic has demonstrated that regional economic connections serve as essential components for building strong economic systems. The current state of global supply chains shows that countries need to develop better internal trade systems which make the AfCTA agreement essential for controlling outside economic risks (Songwe et al., 2021).

Synthesis of Key Insights

The AfCFTA treaty provides African nations with both major benefits and complicated obstacles which affect their ability to create better regional ties. The agreement enables countries to boost trade activities while developing their industries and growing their economic ties with other nations. However, the agreement will only succeed when the countries involved handle all existing structural and institutional and political challenges.

Theoretical perspectives when combined create an improved comprehension of these dynamic processes. Neofunctionalism demonstrates how integration can progress to an advanced state through its research method, yet its theoretical framework is restricted by actual operational systems. State interests and political negotiation are explained through liberal intergovernmentalism while trade liberalization theory delivers the economic justification for the agreement. The two frameworks together demonstrate that regional integration requires multiple solutions which must be used to achieve successful policy execution.

Conclusion

The AfCTA study investigates all elements which include its expenses and difficulties together with its potential impacts on African regional integration development. The AfCFTA demonstrates major ability to reshape African economic systems through its role of increasing intra-African trade and supporting industrial growth and strengthening economic ties among member nations. Empirical evidence shows that tariff and non-tariff barrier reductions lead to higher trade volumes which result in increased income thereby helping to reduce poverty while driving economic progress (World Bank, Maliszewska and Ruta 2020; Abrego et al., 2020).

The study identifies multiple challenges in three categories which span across structural elements institutional frameworks and political systems as factors that will impede proper execution of the treaty. Non-tariff barriers which persist together with insufficient infrastructure and institutional weakness and divergent regulatory standards create major obstacles for trade activities throughout Africa (UNCTAD 2021; Songwe et al., 2021). The distribution of benefits varies among countries which causes inequality issues and raises risks of developing countries becoming economically marginalized.

The analysis shows that regional integration develops through multiple complex pathways which base their findings on neofunctionalism and liberal intergovernmentalism and trade liberalization theory. The AfCFTA needs political will and institutional coordination from member states which must implement policies that create inclusive and sustainable development to achieve successful outcomes. The AfCFTA creates a transformative opportunity for Africa, but its success remains uncertain. Regional integration requires solutions to current obstacles together with better institutional systems which will guarantee that all

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groups benefit from the integration process. The agreement will show its effectiveness through the dedication of African countries to achieve its ambitious goals through practical results.

Recommendations

The study findings create a foundation which leads to the following recommendations that will improve African Continental Free Trade Area operations. The recommendations includes:

1. Strengthen Trade Facilitation and Infrastructure: The UNCTAD report from 2021 states that governments need to make funding decisions which will create better transport systems and energy networks and digital communication tools for their countries.

2. Address Non-Tariff Barriers (NTBs): The World Bank together with Maliszewska and Ruta developed their (2020) report which advises government officials to create customs procedures that guarantee full transparency and operational efficiency while they combine existing regulations and simplify their work processes.

3. Promote Inclusive Industrial Development: Targeted policies should be introduced to support less developed countries, small and medium-sized enterprises (MSMEs), and informal traders to ensure equitable distribution of benefits (Signé & van der Ven, 2022).

4. Enhance Institutional Coordination and Political Commitment: Mene and Signé (2025) state that AfCFTA agreements require member states to improve their cooperation methods which include policy harmonization and continuous political conduct.

5. Leverage Digital Trade and Innovation: The investment in digital platforms and regulatory frameworks should receive support for enabling e-commerce development and increasing market accessibility to MSMEs.

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