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SUBJECT: - AfCFTA Framework Policy Brief Series



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Topic:

**EVIDENCE-BASED NATIONAL IMPLEMENTATION OF
THE AfCFTA AGREEMENT AND ITS PROTOCOLS: A
Cross-Continental Strategic Blueprint: Egypt, Nigeria,
South Africa, Ghana, Kenya, and Cameroon**

EVIDENCE-BASED NATIONAL IMPLEMENTATION OF THE AfCFTA AGREEMENT AND ITS PROTOCOLS

A Cross-Continental Strategic Blueprint: Egypt, Nigeria, South Africa, Ghana, Kenya, and Cameroon

Comprehensive Status Evaluation: July 2026

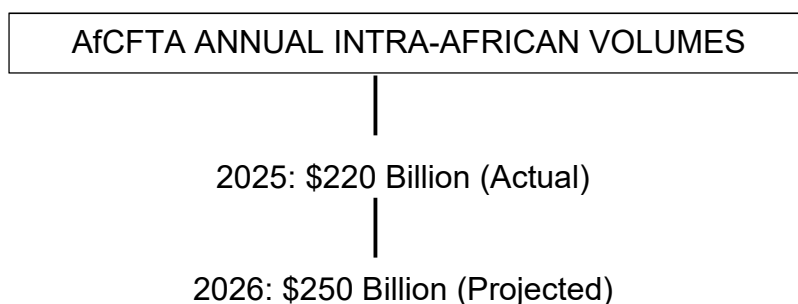
By

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1. Executive Summary

As of July 2026, the operationalisation of the African Continental Free Trade Area (AfCFTA) Agreement has successfully transitioned from high-level treaty ratification to concrete, data-backed marketplace performance [^6]. Driven by milestone developments like the **AfCFTA Digital Trade Forum** in Lagos, member states have begun enforcing reciprocal tariff alignments and harmonizing cross-border protocols [^2].

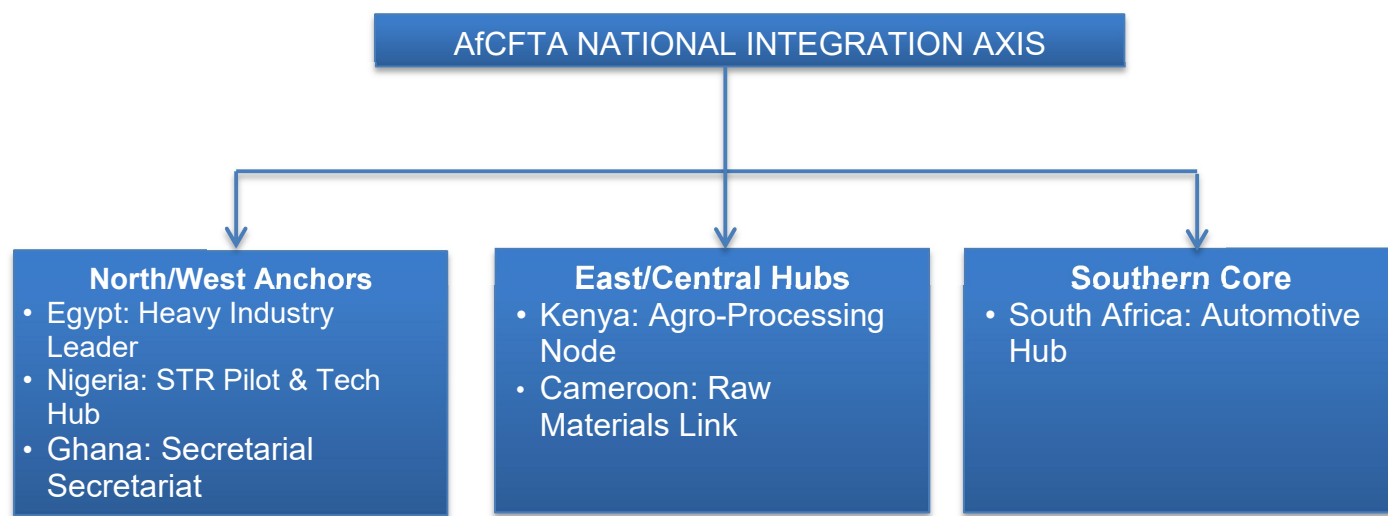
According to the definitive **Afreximbank African Trade Report 2026**, aggregate intra-African trade volumes climbed to **\$220 billion in 2025** and are on track to reach an unprecedented **\$250 billion by the close of 2026** [^1.2.1]. This trajectory reflects a sharp increase in the depth of implementation across the continent's key economic hubs [^1.2.1].



While the deployment of the **Pan-African Payment and Settlements System (PAPSS)** is structurally eliminating third-currency dependencies and saving up to \$5 billion annually [^3][^4], an execution gap remains between instant digital clearing and physical

logistics. This definitive report provides a consolidated, evidence-based integration of national strategies, macro-level trade data, product type contributions, financial impacts, and actionable frameworks across six pivot economies: **Egypt, Nigeria, South Africa, Ghana, Kenya, and Cameroon.**

2. Country Implementation Progress & Protocols



Egypt

- **Progress Status:** Egypt functions as the primary heavy-industrial and engineering anchor for the North African corridor. Having officially handed over the rotating Presidency of the AfCFTA Council of Ministers to Nigeria at the conclusion of the 18th ministerial meeting on June 30, 2026, Cairo remains heavily committed to the Guided Trade Initiative (GTI) [^{1.4.6}].
- **Protocol Implementation:** Egypt has successfully gazetted its preferential tariff concessions under the **Protocol on Trade in Goods**. It has optimised its customs entry points to process high-volume intermediate industrial materials, making it a critical consumer of sub-Saharan raw inputs and a lead exporter of finished goods.

Nigeria

- **Progress Status:** As the current President of the AfCFTA Council of Ministers, Nigeria has advanced its regional trade integration [^{1.4.6}]. Backed by the April 2025 gazetting of its *Provisional Schedule of Tariff Concessions*, Nigeria's total intra-African trade volume surged by **21% to reach \$9.02 billion** (up from \$7.47 billion previously) [^{1.2.2}]. Nigeria also serves as the official West African pilot for the AfCFTA Simplified Trade Regime (STR).
- **Protocol Implementation:** In late 2025, Nigeria approved the formal ratification of the **Protocol on Digital Trade** [^{1.1.7}]. The Nigeria Customs Service has deployed the API-driven **Customs B'Odogwu platform**, a localized cloud interface that streamlines certificate-of-origin processing and eliminates duplicate border verifications [^{1.1.7}].

South Africa

- **Progress Status:** South Africa acts as the dominant industrial node within the Southern African Customs Union (SACU). Its strategy leverages robust intra-SACU corridors (such as its multi-billion dollar trade with Namibia and Botswana) to seed high-value manufactured products into wider continental markets [^{1.4.5}].
- **Protocol Implementation:** South Africa has integrated its national manufacturing framework with the newly active **Rules of Origin (RoO)** books. The South African Reserve Bank (SARB) has cleared institutional frameworks enabling national commercial banks to settle large-scale industrial transactions natively via regional payment networks [³].

Ghana

- **Progress Status:** As the permanent host nation of the **AfCFTA Secretariat** in Accra, Ghana functions as the institutional hub of continental free trade [⁶]. Ghana has been the leading practitioner of the Guided Trade Initiative, functioning as the primary destination terminal for test shipments from West, Central, and East Africa [⁶].
- **Protocol Implementation:** Ghana has achieved advanced execution within the **Protocol on Trade Facilitation**. It has linked its national single window with the

AU Trade Observatory dashboard, ensuring real-time data transparency and rapid dispute resolution for cross-border maritime shipments [⁵].

Kenya

- **Progress Status:** Kenya serves as the prime gateway for East African commercial traffic. Through its foundational **AIDA-AfCFTA Pilot Assessment**, Nairobi has successfully identified **\$1.6 billion in unrealized intra-African export potential**, focusing heavily on transforming its agricultural export models [²].
- **Protocol Implementation:** Alongside Nigeria, Kenya is co-piloting the **ADAPT (Africa Digital Access and Public Infrastructure for Trade) framework** to achieve paperless digital trade workflows. Following the adoption of the **Protocol on Intellectual Property Rights**, Kenya has established regional compliance frameworks to protect and license home-grown agrotech innovations.

Cameroon

- **Progress Status:** Cameroon represents the operational frontline for Central African integration. Despite structural friction in aligning the Central African Economic and Monetary Community (CEMAC) Common External Tariff with continental mandates, Cameroon has sustained active commercial participation within the GTI framework [²].
- **Protocol Implementation:** Focusing its legislative efforts on the **Protocol on Trade in Goods**, Cameroon has authorised specialised industrial and agricultural firms to pilot direct outbound shipments under AfCFTA preferential certificates of origin.

3. Product Type Contributions under AfCFTA (2025–2026)

The 2025–2026 trade data reveals a significant structural shift: while commodities and fuels continue to hold an infrastructure baseline, **non-oil manufactured goods and processed agricultural products** are the fastest-growing categories of intra-African commerce [^{1.2.2}].

LEADING INTRA-AFRICAN PRODUCT CONTRIBUTIONS
- Industrial & Engineering: Ceramic Tiles, Auto Parts, Plastics - Value-Added Agribusiness: Processed Tea, Coffee, Citrus, Foodstuffs - Energy & Chemicals: Crude Oil, Refined Urea, Smelted Metals

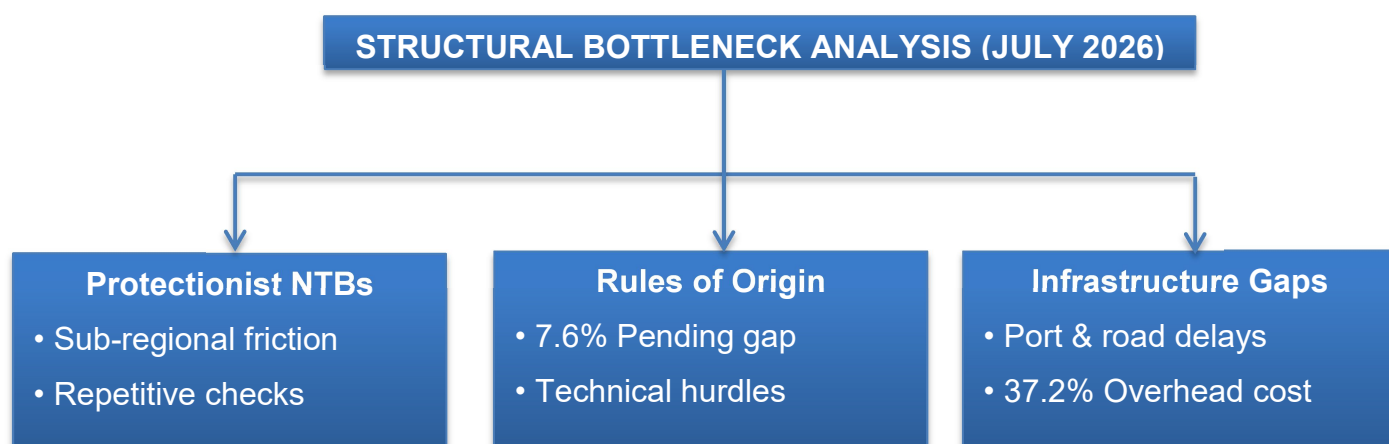
- **Industrial and Engineering Manufactures:** This sector represents the primary growth driver for advanced economies. **Egypt** has achieved significant volume increases by exporting ceramic tiles, ready-made garments, and insulation chemicals [^{1.2.2}]. **South Africa** leads in automotive components, commercial transport vehicles, and mining equipment [²]. **Nigeria** has scaled non-oil manufactured exports, recording major volume jumps in chemicals, processed plastics, and rubber products [^{1.2.2}].
- **Value-Added Agribusiness and Foodstuffs:** **Kenya** has altered traditional trade paths by processing, packaging, and directly shipping tea and coffee blends to West and North African nations under AfCFTA preferential rates, bypassing European re-routing hubs. **Egypt** has contributed large volumes of processed foodstuffs, corn starch, pasta, and fresh citrus fruits to the sub-Saharan markets [^{1.2.2}]. Meanwhile, **Ghana and Cameroon** have prioritised value-added cocoa derivatives, finished rubber goods, and timber.
- **Chemicals, Energy, and Bulk Material Inputs:** Crude oil remains a baseline component for regional energy security, particularly within Nigeria's export portfolio to neighboring states [^{1.2.2}]. However, industrial input diversification has accelerated: Nigeria has scaled shipments of urea and cement, while **Cameroon** has successfully routed processed aluminium ingots directly into Egyptian manufacturing centers [^{1.2.2}].

4. Supply Chain Interconnectivity Matrix

The following matrix maps how specific product components intersect across the six focus nations under active AfCFTA protocols:

Product Value Chain	Source Country	Transit/Processing Corridor	Destination Market	Primary AfCFTA Facilitation Mechanism
Automotive Assembly	South Africa (Engine parts/chassis)	Nigeria (Light plastics & wiring)	Egypt (Final assembly plants)	Finalized Sectoral Rules of Origin (92.4% Annex) [²]
Agro-Processed Food	Kenya (Raw tea & coffee beans)	Ghana (Regional distribution hub)	Egypt (Consumer retail networks)	GTI Accelerated Tariff Reduction Schedules
Industrial Aluminum	Cameroon (Smelted raw ingots)	Nigeria (Logistics corridor clearing)	Egypt (Engineering factories)	Preferential Customs Gazetting & Tariff Concessions [^{1.2.2}]
Digital FinTech SaaS	Nigeria / Kenya (Software & APIs)	Cloud Interception (ADAPT Architecture)	South Africa / Ghana (Merchant platforms)	Protocol on Digital Trade & PAPSS Integration [[^{1.1.7}], [³]]

5. Non-Tariff Barriers & Operational Challenges



Non-Tariff Barriers (NTBs)

- **Sub-Regional Policy Friction:** Local protectionism within overlapping regional blocs continues to cause friction. Border disputes and trade limitations within the East African Community (EAC)—specifically regarding dairy and grain flows between Kenya and neighboring states—frequently require direct mediation from the AfCFTA Secretariat [⁵].
- **Administrative Delays:** Repetitive sanitary and phytosanitary (SPS) safety checks on agricultural commodities can stall shipments at border bottlenecks. To resolve this, **Ghana and Nigeria** are leading the **AfCFTA Customs Modernization Project**, which replaces slow manual inspections with automated, AI-driven risk-assessment profiles.

Rules of Origin (RoO) Challenges

- **The 92.4% Consensus Boundary:** Although member states have finalized **92.4% of the Rules of Origin**, the remaining 7.6% covers highly protected sectors, including textiles, apparel, and specific automotive lines [²]. Egypt and South Africa maintain defensive regulatory stances to insulate domestic producers from external market infiltration [²].
- **The SME Compliance Gap:** In nations like **Cameroon**, private sector participation remains heavily concentrated among multinational conglomerates. Local small and medium enterprises (SMEs) struggle with the technical paperwork required to achieve an official AfCFTA Certificate of Origin, exposing them to standard non-preferential tariffs.

Logistics and Infrastructure Deficits

- **Prohibitive Transport Overhead:** Infrastructure deficits remain a primary driver of non-tariff trade costs across the continent. Transport and port bottlenecks account for up to **37.2% of total outbound business overhead in Nigeria**.
- **Transit Connectivity Disparity:** For North-to-Sub-Saharan transit, **Egypt** faces thin maritime shipping networks and complex land corridors. This has caused

Egypt to heavily fund the completion of the Cairo-Cape Town Highway system to bypass slow coastal shipping lines.

6. Financial Analysis & PAPSS Savings

The expansion of the Pan-African Payment and Settlements System (PAPSS) stands as a major financial achievement under the AfCFTA framework, significantly reducing trading costs across the continent [⁴].

The Financial Mechanism

Historically, an exporter routing goods between these economies had to convert local currency into an international hard currency (predominantly US Dollars or Euros), route the payment through western correspondent clearinghouses in London or New York, and convert it back into the recipient's local currency. This traditional loop subjected traders to high conversion fees, structural vulnerabilities, and settlement delays of 5 to 15 days [³].

PAPSS solves this by anchoring transaction clearing directly through African central banks [⁴]. Payments are initiated in the local currency of the buyer, validated in real-time, and settled in the local currency of the seller within **120 seconds** [³].

TRADITIONAL OUTBOUND CHANNEL (Slow & Costly)

□ Local Currency —► □ Foreign FX Fee (USD) —► □ Correspondent Bank (US/UK) —► □ 5-15 Day Delay

PAPSS INSTANT NETWORK (Fast & Cost-Effective)

□ Local Currency —► □□ Central Bank Intercept —► ⚡ PAPSS Network (ISO 20022) —► □ 90% Cost Savings in <2 Mins

Quantifiable Economic Benefits

1. **Direct Transaction Cost Reduction:** By eliminating international intermediary financial networks, PAPSS reduces total transaction processing overhead by up to **90%**, returning vital capital directly to trading enterprises [³].

2. **Eradication of Double FX Conversion Losses:** Eliminating the requirement to buy and sell USD/Euros removes hidden banking spreads. A Cameroonian enterprise purchasing manufacturing components from Egypt saves an estimated **7% to 15%** on the gross transaction value simply by avoiding foreign exchange double-conversion loops.
3. **Liquidity Optimisation:** Real-time compliance check matching via PAPSS eliminates the traditional "float time" capital loss, allowing companies to rapidly cycle their operational liquidity and reduce dependency on expensive, short-term trade finance loans.

7. Lessons Learned (2024–2026)

- **Trade Infrastructure Must Co-Evolve:** Financial integration (PAPSS) has outpaced physical border facilitation [³][⁵]. Instant payment execution yields diminished returns if the underlying physical goods remain delayed for weeks at customs checkpoints due to manual verifications [³][⁵].
- **GTI Pilots are Essential Bridging Tools:** Waiting for comprehensive, continent-wide readiness from all 54 signatories slows momentum. The targeted deployment of the **Guided Trade Initiative (GTI)** proved that clustering capable economies (such as Egypt, Ghana, and Kenya) provides the data needed to debug operational bottlenecks in real time [²][⁶].
- **Information Dissemination Must Be Localized:** Institutional frameworks designed in Accra or Cairo do not automatically reach industrial centers in Douala, Mombasa, or Kano. Lack of localized technical training on AfCFTA documentation creates an uneven playing field that favors large multinationals over SMEs [⁶].
- **Regional Blocs Require Legal Harmonization:** Overlapping legal jurisdictions between the AfCFTA and existing Regional Economic Communities (RECs like SACU, ECOWAS, EAC, and CEMAC) generate regulatory ambiguity, requiring states to explicitly prioritize continental law over sub-regional trade rules [⁵].

8. Strategic Recommendations

For Central Banks and Financial Regulators

- **Enforce Universal PAPSS Onboarding:** Mandate that all licensed commercial banks, micro-finance institutions, and digital payment switches maintain active, native architecture connections to the PAPSS network [⁴].
- **Eliminate Intra-African Currency Surcharges:** Remove domestic clearing fees on regional currency settlements to ensure that transaction cost savings pass directly to merchants.
- **Accelerate the PAPSSCARD Rollout:** Scale the deployment of the PAPSSCARD framework across border corridors to facilitate fluid retail settlement and reduce reliance on cash for informal cross-border traders [³].

For Ministries of Trade and Customs Authorities

- **Digitize Customs Registries Globally:** Replace fragmented manual check systems with interoperable cloud-based structures modeled on Nigeria's Customs B'Odogwu and Kenya's electronic trade platforms.
- **Harmonize Mutual Recognition Agreements (MRAs):** Standardize Sanitary and Phytosanitary (SPS) regulations and industrial product certifications across borders to eliminate duplicative testing at transit hubs [⁵].
- **Establish Dedicated AfCFTA Technical Clinics:** Launch federally funded provincial helpdesks to actively guide local manufacturers through the compliance processes required to secure official Certificates of Origin.

For Private Sector Federations and Manufacturing Associations

- **Transition to Continental Value-Chain Sourcing:** Shift corporate procurement strategies away from raw material exports to extra-continental markets; instead, structure collaborative supply networks that route intermediate inputs to specialized regional processing zones [²].
- **Form Shared Export Consortia:** Pool the production capacities of small-scale agricultural and light manufacturing enterprises into unified export cooperatives

to lower bulk freight transport costs and secure Afreximbank syndicated credit lines [^4].

9. References & Endnotes

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[^1.4.6]: **AfCFTA Secretariat Press Corps: 18th Meeting of the AfCFTA Council of Ministers Communiqué.** au-afcfta.org. Details on the formal transition of the council leadership from Egypt to Nigeria.