Accelerating implementation of the Agreement Establishing the African Continental Free Trade Area in Southern Africa to achieve the Sustainable Development Goals and the aspirations, goals and targets of Agenda 2063
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Executive summary

Study context and objectives

This study assesses progress towards implementation of the Agreement Establishing the African Continental Free Trade Area in 11 countries in Southern Africa, namely Angola, Botswana, Eswatini, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Zambia and Zimbabwe. and towards implementation of the 2030 Agenda for Sustainable Development, particularly Sustainable Development Goals 1, 2, 7, 8 and 9. Establishment of the African Continental Free Trade Area is of critical importance in that it can accelerate implementation of the two Agendas, which lie at the heart of development policies in Africa.

The study assesses quantifiable targets, identifies challenges impeding implementation of the Agreement in States in Southern Africa and discusses how they can be assisted in their efforts to accelerate the process. The report focuses on Agreement ratification, the development of implementation and action plans and the roll out of planned activities.

The main findings of the study are the following:

Agreement ratification and implementation

Progress on ratification and implementation of the Agreement Establishing the African Continental Free Trade Area: nine of the eleven subregional member States have signed and ratified the Agreement and deposited their instruments of ratification with the African Union Commission. Botswana and Mozambique have not yet ratified the Agreement. All countries except Angola and Lesotho are developing national Agreement implementation strategies (all, with the exception of South Africa, with technical support provided by the Economic Commission for Africa (ECA)).

The following issues continue to impede ratification and implementation of the Agreement:

Limited regional value chains. The slow development of regional value chains continues to impede economic integration in Africa and the success of subregional free trade agreements, including those developed by the Southern African Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA). Complementarity among goods produced by States parties to the Agreement remains low, impeding economic integration. The development of African value-adding industries will accelerate implementation and current initiatives by both SADC and COMESA aim to support the emergence of specific value chains and promote integration.

Non-tariff barriers. The African Continental Free Trade Area is coming into existence at a time when non-tariff barriers continue to impede economic in-
integration within African regional economic communities. Focusing more on reducing non-tariff barriers, including cumbersome customs procedures, inefficient transport services and poor infrastructure will enhance the benefits stemming from implementation of the Agreement.

The limited role played by the private sector. Implementation of the COMESA and SADC free trade agreements has demonstrated the need for open and inclusive dialogue between governments and private sector stakeholders. Within the African Continental Free Trade Area, the private sector should be regarded as the critical stakeholder where buy-in is needed from the outset, so that it can assist in identifying potential opportunities and developing strategies for leveraging the opportunities stemming from implementation of the Agreement. The private sector is, moreover, a direct beneficiary of the larger markets created by the Free Trade Area but must recalibrate production in order to exploit emerging opportunities.

Underdeveloped national Agreement implementation strategies. The development of national implementation strategies can raise awareness among States of potential ways to ensure full implementation of the Agreement. An inclusive national strategy formulation process can support buy-in among all stakeholders participating in that process and thus foster a conducive environment for the success of implementation strategies. In countries that have not yet ratified the Agreement, that process could strengthen support for ratification as awareness among stakeholders improves and the expected benefits are elaborated. Thus, the development of national strategies should be encouraged, including in countries that have not yet ratified the Agreement.

National implementation committees are critical to the smooth implementation of implementation strategies. They should be sustained through adequate funding and their capacity should be strengthened through enforceable mandates. Deliverables for those committees should be clearly defined and their reporting mandates situated in a flexible structure that allows for swift action to be taken as the environment changes.

Weak integration into the wider continental economy. The signing, ratification and implementation of the Agreement has taken place most rapidly among countries that are already well-integrated into the wider African economy. On the other hand, progress has been slowest among countries that are poorly integrated into the continental economy, even though some of those countries are well-integrated into their regional economic communities.

Limited awareness of the potential benefits stemming from implementation of the Agreement. Concerns regarding the potential negative implications of the creation of the African Continental Free Trade Area are still prevalent, which could explain why some countries that have signed the Agreement have yet to ratify it. Efforts are thus still needed to raise awareness of the many potential trade opportunities stemming from the creation of the Area, and analytical studies should be conducted on a country by country basis to highlight how member States can best exploit the opportunities expected to arise following ratification.

Progress on the 2030 Agenda and Agenda 2063: The Africa We Want, of the African Union in Southern Africa

Among States in Southern Africa, Mauritius had the highest Sustainable Development Goal (SDG) Index score in 2021 (66.7 per cent). It was followed by South Africa and Botswana, at 63.7 per cent and 61.9 per cent, respectively. Angola, with a score of only 50 per cent, had the lowest score in the subregion, although Mozambique (51.1 per cent) and Malawi (51.4 per cent) also scored poorly. Overall, however, the SDG Index scores for the countries of the subregion have improved in recent years, despite the adverse effects of the global response to the COVID-19 pandemic. Furthermore, their SDG Index scores compare well with those of many countries in other African subregions.

An assessment of implementation of Agenda 2063 against the targets established in 2019 reveals that Zimbabwe has made more progress compared to other countries in the subregion, even though it has achieved only 39 per cent of those targets. Zambia has achieved the least progress, achieving only 14 per cent of the 2019 targets. As for Southern Africa as a whole, it has achieved only 25 per cent of the 2019 targets set out in Agenda 2063, while the continental average score stands at some 32 per cent.
Zimbabwe and Lesotho (35 per cent) have both performed better than the continental average, while Botswana (28 per cent), Mozambique (26 per cent) and Namibia (26 per cent) have made greater progress than the subregional average. South Africa (23 per cent) and Eswatini (23 per cent) have achieved scores lower than the subregional average.

Reasons for the limited progress achieved in certain countries in the subregion towards implementation of the 2030 Agenda and Agenda 2063 include the following:

**Limited inclusive growth and the poor state of infrastructure.** Strong but non-inclusive economic growth in certain countries in the subregion, including Botswana, Mozambique Namibia and South African has failed to bring about a commensurate reduction in poverty. Poor infrastructure, limited government revenue, an overdependence on agriculture and a huge informal sector also continue to impede the achievement of development targets in Southern Africa.

**Weak institutional frameworks to support the achievement of the Sustainable Development Goals.** Many countries have failed to update their institutional frameworks with a view to facilitating coordination among initiatives to achieve the Goals. It is critical to establish a three-tiered institutional framework comprising a lead unit for Goal implementation in the executive, a dedicated interministerial Sustainable Development Goal task force/committee, and a parliamentary Sustainable Development Goal committee. The failure of certain countries to establish that framework could partly explain why efforts to mainstream the Goals has proved challenging and has undermined the achievement of Agenda 2030 targets.

**Limited data availability and weak data management.** Data gaps continue to limit the capacity of certain countries to track progress and develop effective monitoring and evaluation frameworks. It is crucial to address data collection capacity gaps. Furthermore, African countries have yet to establish a harmonized system of data requirements to inform development indicators.

**Financing challenges.** Financing is key to the achievement of development targets, especially as many developing countries face resource constraints due to limited fiscal space. The COVID-19 pandemic has increased the financial resources needed to achieve the Sustainable Development Goals and the aspirations, goals and targets of Agenda 2063, making the need for partnerships with development partners and the intensification of domestic resource mobilization efforts particularly important. The mobilization of both public and private resources is critical in order to sustain development efforts in Southern Africa.

**Limited development partner support.** Development partner support is vital and it is also important to ensure that resources provided by development partners are used appropriately in order to achieve long-term results. Development partner support can help countries in Southern African unlock further resources in the future and thus reduce their long-term dependence on external partners.

**The African Continental Free Trade Area as an anchor for the achievement of the 2030 Agenda for Sustainable Development**

Implementation of the Agreement Establishing the African Continental Free Trade Area can facilitate the achievement of the Goals by:

**Facilitating structural transformation.** The creation of the Free Trade Area offers a significant opportunity for countries to address structural challenges. The Agreement is creating market opportunities that can boost trade and investment, value addition and productivity, thereby transforming Southern African economies.

Implementation of the Agreement thus offers an opportunity for structural transformation, including economic diversification away from the exploitation of commodities, and is expected to increase intra-Africa manufacturing exports by some 110 per cent and boost African trade by some $823 billion by 2035. Low commodity prices have impeded efforts by certain countries to achieve the Goals, and structural transformation is thus likely to accelerate progress in that area.

**Facilitating poverty alleviation.** Tariff reductions tend to lower the price of imported goods for consumers. This enhances their spending power and can have a direct impact on hunger and poverty. By lowering
the costs of intermediate products and reducing administrative red tape, including business compliance costs, it is possible to enhance business performance and lower the costs of end products, making them more accessible to the poor. Full implementation of the Agreement, including the tariff liberalization, non-trade barrier and trade facilitation measures it prescribes, could increase the real income of Africans by some $445 billion in monetary terms by 2035, and significantly reduce levels of poverty and malnutrition.

**Facilitating employment creation.** The employment objectives set out in the Sustainable Development Goals continue to be undermined by many countries’ ongoing dependence on their inefficient and unproductive agricultural sectors. Implementation of the Agreement is, however, likely to reduce countries’ dependence on agriculture and create jobs. Indeed, the manufacturing and services sectors are expected to expand significantly following implementation of the Agreement. The national strategies developed by Zambia and Zimbabwe also highlight how the creation of the Continental Free Trade Area can create opportunities for entrepreneurship, job and wealth creation, poverty reduction, enterprise development and youth and women’s empowerment. This is likely to have a significant positive impact on poverty alleviation and employment, both of which are key in efforts to achieve Goals 1, 2 and 8.

**Facilitating infrastructure development.** Efforts to address non-tariff barriers must encompass the development of an efficient national infrastructure backbone, including roads, railways, and water and communication networks. Infrastructure development can, moreover, establish a foundation for the achievement of the Goals pertaining to economic growth.

**The African Continental Free Trade Area as an anchor for the achievement of Agenda 2063**

Implementation of the Agreement will also strengthen efforts to address a number of key priorities identified in the First Ten-Year Implementation Plan (2014–2023) of Agenda 2063 by:

**Facilitating sustainable and inclusive economic growth.** New trade opportunities for all stakeholders, including young people, women, informal sector workers and small and medium-sized enterprises are likely to emerge following the establishment of the Free Trade Area.

**Enhancing human capital development.** Human capital development is also a priority area under Agenda 2063. The strategy of member States to include a strong capacity-building element in efforts to implement the Agreement will help to achieve progress in that priority area.

**Enhancing agriculture/value addition and agribusinesses development.** Agenda 2063 also prioritizes agriculture/value addition and agribusinesses development. Member States are already working on leveraging their strong agriculture base in order to exploit opportunities stemming from the creation of the African Continental Free Trade Area, with agro-processing identified as a low-hanging fruit.

**Facilitating employment creation.** Employment generation is also among the priority areas outlined in Agenda 2063. The African Continental Free Trade Area is expected to create some 2.4 million jobs in energy-intensive manufacturing, 4.6 million jobs in public services, 280,000 jobs in recreation and other services, and 130,000 jobs in trade in services; the Agreement on its establishment is therefore a critical tool that can be used to support implementation of Agenda 2063.

**Facilitating women’s development and youth empowerment.** Women’s development and youth empowerment are another priority area under Agenda 2063. The national strategies developed by Zambia and Zimbabwe to support implementation of the Agreement aim to ensure that women and young people, who are often marginalized, receive special attention so that they can reap the benefits stemming from implementation of the Agreement. Implementation of the Agreement will therefore enhance employment opportunities for women and young people.

**Promoting infrastructure development and manufacturing-based industrialization.**

The development of trade-enabling infrastructure also lies at the heart of Agenda 2063. Infrastructure is a key enabler of industrial development and addressing infrastructure bottlenecks will boost indus-
trial development, provide impetus for international trade under the terms of the Agreement and facilitate the attainment of the infrastructure targets prescribed in Agenda 2063.

Agenda 2063 was also adopted with a view to promoting manufacturing-based industrialization in Africa so that the continent would no longer depend on commodity exports. The implementation of the Agreement should facilitate the emergence of strong manufacturing bases in Southern Africa, which will help to achieve that objective.

**Recommendations:** Promoting the ratification and implementation of the Agreement Establishing the African Continental Free Trade Area

Deepen continental integration: The African Union Commission should continue to explore measures to enhance economic integration among all African countries with a view to extending their economic ties beyond their regional economic communities. Deeper economic integration is likely to accelerate ratification of the Agreement. Particular attention should be given to creating opportunities and incentives for mutually-beneficial trade within Africa in order to reduce the reliance of African countries on markets outside the continent. Action could, for example, be taken to develop value-adding industries within the continent that exploit commodities that are usually traded as raw materials on international markets.

Identify opportunities: Southern African States should devote more attention to identifying opportunities arising from implementation of the Agreement. Those opportunities outweigh any potential negative repercussions of implementation. Economic winners and losers are likely to emerge as the African Continental Free Trade Area comes into effect, and the success or failure of producers will depend on the speed with which they are able to reconfigure their production lines. It is important to strengthen the capacity of all stakeholders to mitigate any serious negative revenue and competitiveness-related repercussions arising from implementation of the Agreement.

Encourage and support private sector engagement: Southern African States should conduct extensive awareness-raising and capacity-building activities among private-sector stakeholders to ensure that the private sector is positioned to exploit opportunities emerging from economic integration. The engagement of the private sector is a critical prerequisite for national cohesion during the implementation process.

**Develop subregional implementation strategies:** SADC and COMESA should prepare subregional strategies to facilitate implementation of the Agreement. A SADC- or COMESA-level strategy, for example, will help ensure that the regional integration benefits realized to date at the SADC or COMESA levels are properly harnessed so as to unlock further benefits from the Agreement, in particular since focus must be placed on ensuring that the benefits stemming from implementation of the Agreement do not undermine gains achieved at the regional economic community level. Furthermore, regional strategies will provide compasses for the national strategies’ development process and will result in a harmonized implementation platform.

**Promote smoother trade facilitation:** States should ensure that trade facilitation is a key element in the implementation of the Agreement. Particular attention should be given to removing bottlenecks caused by non-tariff barriers. Indeed, the removal of non-tariff barriers is likely to pay off in the long run as further opportunities are unlocked. It should be underscored that inadequate infrastructure and border inefficiencies tend to divert trade to countries that have promoted the development of robust infrastructure and efficient border processing mechanisms.

**Promote the involvement of civil society stakeholders:** States should ensure that all stakeholders involved in the design of national Agreement implementation strategies remain relevant throughout the implementation process. As prescribed in those implementation plans, civil society stakeholders should also be given responsibility for implementation. Giving those stakeholders explicit responsibilities in implementation also enables them to provide oversight while allowing both governmental and civil society entities an opportunity to hold each other accountable during the implementation phase.

**Bolster the capacities of national implementation committees:** States should provide resources to ensure that their national Agreement implementation
committees are soundly supported. They should also adopt relevant legislation to support the activities of those committees and ensure that their decisions are enforceable, so that all stakeholders take countries’ national implementation committees seriously.

**Recommendations for implementing and consolidating gains achieved within the context of the 2030 Agenda and Agenda 2063**

**Achieve the Sustainable Development Goals:** All countries should exploit opportunities arising from implementation of the Agreement Establishing the African Continental Free Trade Area to achieve the 17 Goals. To that end, the expeditious ratification and implementation of the Agreement is crucial.

**Establish a Sustainable Development Goal institutional framework:** All Southern African countries with the exception of Botswana, Zambia and Zimbabwe should ensure that the Sustainable Development Goal institutional framework addresses the three layers prescribed for the smooth implementation of the 2030 Agenda. Specifically, they should establish a parliamentary Sustainable Development Goal Committee, which is critical for Goal oversight.

**Strengthen data collection and harmonization:** All countries should set aside resources for capacity-building at national statistical authorities for the purpose of Sustainable Development Goal data collection. Countries should also ensure that all national institutions that collect data coordinate their activities in order to eliminate unnecessary competition among them. The United Nations should also develop a standard template, with clearly identified variables, to help standardize the measurement of relevant variables across all countries, including the measurement of appropriate proxies when relevant indicators are not available.

**Mobilize and efficiently use domestic resources:** Southern African countries should promote the effective use of their limited resources as a strategy for attracting development partner support. To that end, they should take action to curb illicit financial flows and design efficient taxation regimes in line with established benchmarks, such as those established in the African Mining Vision. In addition, Southern African countries should devote more attention to promoting the efficient use of their limited existing resources before seeking development partner support.

**Ensure efficient use of development partner support:** Southern African countries should ensure that development partner support is used to finance initiatives that reduce investment risks and builds capacity for further expansion. To that end, they should, inter alia, make use of innovative financial instruments such as blending loans and guarantees, while also seeking to mobilize traditional aid for trade support. Infrastructure financing using development partner support can also be channelled towards supporting science, technology and innovation in Southern Africa, as the countries of the subregion score poorly on the relevant Goal 9 indicator. This will also help to create the capacity needed for the achievement of other Goals.
Introduction

1. Background

The policy landscape at the African Union level is substantially shaped by efforts to implement the 2030 Agenda and Agenda 2063. The latter is the African continent’s economic blueprint and master plan, which is intended to ensure that Africa is transformed into a global powerhouse, with inclusive and sustainable development made a pillar for unity, self-determination, freedom, progress and collective prosperity.²

The origins of Agenda 2063 can be traced back to the golden jubilee celebrations held by the Organization of African Unity (now the African Union) in 2013, which had been established in Addis Ababa in May 1963. A pan African vision of an integrated, prosperous and peaceful Africa, driven by its own citizens, representing a dynamic force in the international arena was developed. The Organization of African Unity then issued a solemn declaration on social and economic development, integration, democratic governance, peace and security, and other key issues to be pursued in the context of the vision (African Union Commission, 2015).

As shown in box 1, Agenda 2063 sets out seven aspirations to be realized through a series of five 10-year plans with a view to achieving the 20 Agenda 2063 Goals. The First Ten-Year Implementation Plan (2014-2023) of Agenda 2063 was adopted by the African Union in June 2015 to guide the preparation of medium-term development plans by member States (African Union Commission, 2015). Among the 15 flagship projects to be launched within the context of Agenda 2063 was the establishment of the African Continental Free Trade Area, and hence the establishment of the Area was an important step towards the implementation of Agenda 2063.

The 2030 Agenda was adopted by heads of State and Government at United Nations Headquarters in New York in September 2015 (Mehta, Dube and Sengupta, 2017) Setting out 17 Goals and 169 targets, the Agenda enshrines a set of global aspirations to be realized by 2030. Notably, the Goals incorporate the economic, social and environmental dimensions of sustainable development.

The 2030 Agenda and Agenda 2063 therefore enshrine African and global policy aspirations, and should lie at the heart of the policy landscape in Africa. Furthermore, the African Continental Free Trade Area is one of the flagship frameworks provided for under Agenda 2063 and it can be leveraged for the achievement of the Sustainable Development Goals. The Agreement on the Establishment of the African Continental Free Trade Area, which was formulated

² The Agenda is available at: at website https://au.int/en/agenda2063/overview
following a meeting of the heads of State and Government of the African Union held in 2018, entered into force on 30 May 2019 following its ratification by 24 countries. The operational phase of the Agreement was launched during the twelfth extraordinary session of the Assembly of the African Union, held in Niamey in July 2019. The Agreement is membership-driven in that the State Parties to the Agreement exercise overall control of the implementation process. Trading under the terms of the Agreement began on 1 January 2021, although preferential trade under the Agreement still requires the conclusion of a number of outstanding issues, including rules of origin, tariff schedules and trade conditions in five priority service sectors (Erasmus, 2021). Efforts to achieve the Sustainable Development Goals have been ongoing since 2016 and it is hoped that they will all be achieved by the 2030 deadline.

The present study assess progress achieved towards the ratification and implementation of the Agreement among the 11 Southern African countries, as well as progress towards implementation of the 2030 Agenda and Agenda 2063. The study focuses, in particular, on progress achieved with respect to Sustainable Development Goals 1, 2, 7, 8 and 9 across the eleven States. With respect to Agenda 2063, only those goals whose achievement can be anchored through the establishment of the African Continental Free Trade Area are analysed. Thus, in addition to the overall picture with respect to Agenda 2063, the present report considers progress towards the achievement of Agenda 2063 Goals 1, 3, 4 and 5 in 8 in the 11 countries covered by the First Continental Report on the Implementation of Agenda 2063, published in 2020.

2. Study objectives

The overall objective of the study is to provide an update on progress in the implementation of the Agreement Establishing the African Continental Free Trade Area in Southern Africa and to identify challenges and opportunities in that regard. The study also ascertains how States could be assisted in their efforts to accelerate implementation with a view to ensuring that trade supports the implementation of the 2030 Agenda and Agenda 2063. The assessment of progress achieved is based on a country by country review focusing on ratification, the development of implementation and action plans and the roll out of planned activities. The assessment of the attainment of the selected Goals and objectives also leads to a discussion on how implementation of the Agreement can play a role in the implementation of the two Agendas.

The specific objectives of the study include the following:

- To assess the status of ratification and implementation of the Agreement in Southern Africa;

### Box 1: The seven aspirations of Agenda 2063

**Aspiration 1:** A prosperous Africa based on inclusive growth and sustainable development.

**Aspiration 2:** An integrated continent; politically united and based on the ideals of Pan-Africanism and the vision of Africa’s Renaissance.

**Aspiration 3:** An Africa of good governance, democracy, respect for human rights, justice and the rule of law.

**Aspiration 4:** A peaceful and secure Africa.

**Aspiration 5:** An Africa with a strong cultural identity, common heritage, shared values and ethics.

**Aspiration 6:** An Africa, whose development is people-driven, relying on the potential of African people, especially its women and youth, and caring for children.

**Aspiration 7:** Africa as a strong, united, resilient and influential global player and partner.

*Source: African Union Commission, 2015.*

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3 Ratification by a minimum of 22 countries was needed for the Agreement to enter into force.

4 Angola, Botswana, Eswatini, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Zambia and Zimbabwe.
• To identify the specific impediments to progress and accelerators where progress has been achieved and recommend how progress can be enhanced;

• To assess how the drafting of national implementation strategies is anchored in the full participation of all stakeholders for buy-in and suggest possible methods for enhancing inclusion in that process;

• To assess how national implementation committees can be established and sustained in their efforts to promote implementation and monitor trade under the terms of the Agreement;

• To describe the progress achieved in terms of the 11 countries’ efforts to achieve the Sustainable Development Goals, with a particular focus on Goals 1, 2, 7, 8 and 9;

• To identify the specific challenges and constraints impeding the achievement of the Goals in the 11 countries;

• To assess the impact of funding constraints and data gaps on the achievement of the Goals;

• To describe how partner support can help mitigate the impact of the COVID-19 pandemic on efforts to implement the two Agendas and

• To ascertain how the implementation of the Agreement can anchor progress towards the attainment of the Sustainable Development Goals.

### 3. Methodology

This report is based on a desk-based study and draws on information available in the public domain on the Agreement Establishing the African Continental Free Trade Area, its history, implementation and ratification status. Reports and updates by the African Union Commission, and national, regional and international-level studies and reports collected by the Trade Law Centre NPC (Tralac), a non-profit organization registered in South Africa, provided important input during the report drafting process. The Africa Regional Integration Index was also referred to in that process while national Agreement implementation strategies and development processes developed by Zambia and Zimbabwe provided key pointers.5

Secondary data were also used in tracking progress towards the achievement of the Sustainable Development Goals in the 11 countries. Given the significant data gaps and inconsistencies in that regard, the study made use of data contained in the Sustainable Development Goals Reports. The 2021 Report was used as a basis for the current status of implementation of the 2030 Agenda, while data contained in the 2019 and 2020 Reports were used to track progress over time. The study also relied on the First Continental Report on the Implementation of Agenda 2063, issued by the African Union in 2020. Those reports comprehensively assess each country with objectively-defined indicators, thereby facilitating country comparisons. Other research studies and reports were also relied upon in the assessment of specific challenges with respect to the Sustainable Development Goals.

### 4. Organization of the report

This report contains six chapters. Following this introductory chapter, Chapter 2 sets out the context of the study undertaken and provides an overview of the operating environment in the eleven States in Southern Africa. That overview is in two parts: the first part discusses the context with respect to the Agreement Establishing the African Continental Free Trade Area and the second part provides an overview of the macroeconomic environment in each of the eleven States and seeks to explain why those countries continue to face challenges with respect to the attainment of Sustainable Development Goals. Chapter 3 discusses the ratification and implementation status of the Agreement Establishing the African Continental Free Trade Area in the 11 States

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5 At the time of writing, Zambia and Zimbabwe had developed national strategies to guide implementation of the Agreement Establishing the African Continental Free Trade Area. Strategies were at various stages of development in Botswana, Eswatini, Mauritius and Namibia.
and explores how they could address challenges and constraints in that regard by building on the lessons learned in the establishment of other free trade areas. Chapter 3 also discusses the development of national implementation strategies and committees to oversee implementation of the Agreement. Chapter 4 discusses progress achieved in the context of Sustainable Development Goals 1, 2, 7, 8 and 9 in the 11 countries, and discusses how challenges and constraints in that regard could be addressed. Chapter 5 discusses how accelerated implementation of the Agreement Establishing the African Continental Free Trade Area can anchor progress towards the implementation of the 2030 Agenda and Agenda 2063. Key recommendations and messages from the study are provided in Chapter 6.

5. Summary

Chapter 1 highlights the study context, namely how the two Agendas can shape the policy environment in African Union member States. The Agreement Establishing the African Continental Free Trade Area is a useful tool in the attainment of the objectives of those Agendas and must therefore be implemented effectively. Chapter 1 also outlines the purpose of the study, namely to provide an update on progress achieved with respect to implementation of the Agreement, identify challenges impeding and opportunities stemming from its implementation, and identify capacity gaps in the 11 States.
Operating environment in Southern African countries

I. Ratification and implementation of the Agreement Establishing the African Continental Free Trade Area

An analysis of the factors influencing economic integration decisions can help deepen understanding of the Agreement ratification and implementation process. In general, economic integration takes place more rapidly where there is convergence among States in terms of their social, economic and political economy indicators. That convergence can help participating economies leverage the benefits of free trade agreements while economic integration can help reduce income disparities among States. Figure 1 illustrates the World Bank income classifications of the 11 countries in Southern Africa: the World Bank classifies four of those countries as upper-middle income countries and two countries as low income countries. The African Continental Free Trade Area is, however, likely to reduce income disparities across the 11 countries.

Continental integration can sustain economic growth and improve livelihoods by increasing market opportunities, creating jobs and promoting social inclusion (Apiko and Woolfrey, 2020). Countries that have recently experienced sluggish economic growth can seek to exploit the opportunities stemming

Figure 1: Economic classification of the 11 Southern African countries

<table>
<thead>
<tr>
<th>Low-income economies</th>
<th>Lower-middle-income economies</th>
<th>Upper-middle-income economies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malawi</td>
<td>Angola</td>
<td>Botswana</td>
</tr>
<tr>
<td>Mozambique</td>
<td>Eswatini</td>
<td>Mauritius</td>
</tr>
<tr>
<td></td>
<td>Lesotho</td>
<td>Namibia</td>
</tr>
<tr>
<td></td>
<td>Zambia</td>
<td>South Africa</td>
</tr>
<tr>
<td></td>
<td>Zimbabwe</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author’s calculations on the basis of World Bank data.

---

6 Low-income economies are defined as those with gross national income (GNI) per capita of $1,045 or less in 2020; lower-middle-income economies are those with GNI per capita of between $1,046 and $4,095; upper-middle-income economies are those with GNI per capita of between $4,096 and $12,695; and high-income economies are those with GNI per capita of $12,696 or more.
Accelerating implementation of the Agreement Establishing the African Continental Free Trade Area in Southern Africa to achieve the Sustainable Development Goals and the aspirations, goals and targets of Agenda 2063

from economic integration at the continental level to boost the living standards of their populations. With the exception of Eswatini, Malawi, Mauritius and Mozambique, the countries of Southern Africa experienced negative gross domestic product (GDP) growth per capita between 2015 and 2020, with Angola, Namibia and Zimbabwe experiencing the steepest declines in average income levels. Those trends are illustrated in figure 2. The creation of the African Continental Free Trade Area, the expansion of trade and growth in the subregion’s manufacturing sector could promote socioeconomic transformation and improve the welfare of the subregion’s citizens in the medium to long term.

Implementation of the Agreement by countries in Southern Africa is reflected by the degree to which they have opened their economies to international trade. Trade openness does, however, increase the vulnerability of economies to external shocks (Fujii, 2017). Overreliance on imports and exports exposes economies to the adverse impacts of shocks such as the COVID-19 pandemic, which may interrupt supply chains. The trade openness ratio, namely the share of total trade (exports and imports) in a country’s GDP is a measure of trade openness (Fujii, 2017). As illustrated in figure 3, all 11 subregional States are relatively open to international trade, which accounts for at least 50 per cent of GDP in all countries. Given their strong links with other economies, all the eleven countries are strongly positioned to exploit any further trade advantages stemming from implementation of the Agreement, and this is likely to influence the pace of ratification and implementation.

National political stability is also another factor affecting implementation of the Agreement by subregional States. Although recent disturbances have taken place in Eswatini and Mozambique, the subregion is characterized by broad political stability, and political instability is thus unlikely to impede implementation in Southern Africa.

The experience of States in other regional economic communities will also have an impact on the implementation of the Agreement. Specifically, the experience of SADC, COMESA, Tripartite Free Trade Area (TFTA) and Southern African Customs Union (SACU) member States is likely to have a bearing on implementation by States in Southern Africa.

The experience of the countries of the subregion, in their capacity as members of SADC and COMESA, will provide important lessons for implementation of the Agreement in Southern Africa. Under article 5 of the Agreement, existing free trade areas and customs unions in Africa are to serve as building blocks in the creation of the African Continental Free Trade Area.
Article 19 further provides that, although the Agreement is to take precedence in the event of inconsistencies with existing agreements at the regional economic community-level, wherever African countries have negotiated deeper regional integration at that level in comparison with the aspirations enshrined in the Agreement, they must endeavour to maintain that deeper level of integration. Overlapping membership also broadens the extent of countries’ experience in that regard, and members of regional economic communities that have established customs unions are likely to proceed more rapidly with implementation of the Agreement than other States. Of the eight regional economic communities recognized by the African Union, two of them, namely COMESA and SADC, cover Southern Africa. As shown in figure 4, all 11 Southern Africa countries are members of at least one of those two regional economic communities, and 5 of those countries belonging to both.

Botswana, Eswatini, Namibia, South Africa and Zambia have, moreover, ratified their accession agree-
ments to TFTA and their experience in that regard is likely to impact their implementation of the Agreement Establishing the African Continental Free Trade Area.

Four subregional States are also members of SACU, which was founded in 1910. The lessons learned from their membership is also likely to inform their implementation of the Agreement.

Finally, the extent of regional integration among the 11 States in Southern Africa will affect the ease of implementation of the Agreement. The Africa Regional Integration Index,7 maintained by ECA and the African Union, can be used to assess the integration of economies (African Union Commission and ECA, 2019). According to the 2019 Africa Regional Integration Index Report, and as illustrated in figure 5, Angola, which is given an integration score of only 0.238, is the least integrated country in Southern Africa, while South Africa, with a score of 0.625, is the most integrated. The average integration score among Southern Africa countries is 0.3507, however, which is above the continental average of 0.327. Although Southern African countries could leverage the economic integration that they have already achieved in order to accelerate implementation of the Agreement, there is considerable scope for enhancing that process and a failure to take action in that regard could limit the benefits that are expected to stem from implementation of the Agreement.

II. The macroeconomic environment in Southern Africa and the achievement of the Sustainable Development Goals

The 17 Sustainable Development Goals are interlinked in that the achievement of one Goal can have a direct and indirect impact on the achievement of others. Achieving the Goal targets on education, health, gender, infrastructure and energy are, for example, critical for the achievement of the targets on poverty and hunger. It is therefore important to understand the broader economic environment under which the achievement of the Goals are assessed in the present report. This section of the report therefore provides a country by country overview of the operating environment, including a review of the economic challenges that continue to impede the achievement of Goals, and an assessment of the likelihood that the Goals will be successfully achieved by the countries in Southern Africa.

Figure 5: Africa Regional Integration Index scores for the 11 countries in the Southern African subregion

<table>
<thead>
<tr>
<th>Country</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angola</td>
<td>0.238</td>
</tr>
<tr>
<td>Malawi</td>
<td>0.282</td>
</tr>
<tr>
<td>Zambia</td>
<td>0.287</td>
</tr>
<tr>
<td>Eswatini</td>
<td>0.288</td>
</tr>
<tr>
<td>Botswana</td>
<td>0.302</td>
</tr>
<tr>
<td>Lesotho</td>
<td>0.308</td>
</tr>
<tr>
<td>Namibia</td>
<td>0.337</td>
</tr>
<tr>
<td>Mozambique</td>
<td>0.38</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>0.387</td>
</tr>
<tr>
<td>Mauritius</td>
<td>0.424</td>
</tr>
<tr>
<td>South Africa</td>
<td>0.625</td>
</tr>
</tbody>
</table>

Source: Author’s elaboration on the basis of data contained in the 2019 Africa Regional Integration Index Report.

7 Countries can be awarded a maximum Africa Regional Integration Index score of 1.0.
Angola continues to face challenges related to decades of civil war and associated economic turmoil. The war severely affected infrastructure and agricultural production and resulted in little investment being made in innovative technology. As a result, agricultural systems remain weak, with negative repercussions for the broader population, which remains heavily reliant on the agricultural sector, and impeding poverty reduction efforts. The root causes of poverty in Angola can, however, also be traced back to the economic structures that were established during the colonial period, which the 27-year civil war only helped to entrench further (World Bank, 2020). The colonial system created an export economy that largely benefited skilled workers and foreign nationals and excluded most of the local population. Indeed, the civil war broke out at a time when there were few decent employment opportunities for the majority of the population and the war-related destruction of critical infrastructure, including schools, hospitals, railways and bridges, meant that a generation of Angolans were denied adequate schooling or health care. The Angolan authorities continue to grapple with the repercussions of those challenges.

The infrastructure deficit remains the main policy stumbling block in Angola. Half the population living in urban areas continue to live in overcrowded and underserved slums, with only 63 per cent of the urban population and 24 per cent of the rural population enjoying access to improved drinking water. The road network is sparse, with a road density of only 6 km per 100 km², one of the lowest in Southern Africa (World Bank, 2020). The end of the war in 2002 meant, however, that Angola could begin to experience sustained economic growth, which was spurred by high international oil prices. Growth stalled only when international oil prices fell in 2014. Indeed, Angola’s GDP per capita doubled from $2,079 in 2002 to $4,164 in 2014, making Angola the third largest economy in sub-Saharan Africa and the second largest oil producer in Africa (World Bank, 2018). The main structural weakness of the Angolan economy is however, a lack of economic diversification and the economy remains over-dependent on the exploitation of the country’s natural resources. Thus, when oil prices fell in 2014, the country’s growth rate slowed and its macroeconomic imbalances became increasingly apparent.

Although Angola has benefited from strong GDP growth, this has been achieved through the depletion of its oil reserves rather than through investments that can generate sustainable growth. Indeed, strong economic growth has not resulted in sustainable investments to help the poor and Angola may be characterized as having a dual economy, with a low productivity subsistence-agriculture dominated rural sector on one hand and a modern export-oriented oil economy on the other. The latter is mostly concentrated in Luanda and surrounding areas, where unemployment and informality are also prevalent (World Bank, 2020). The country’s fiscal challenges have also undermined its efforts to achieve the Sustainable Development Goals and it is likely that Angola will continue to find it challenging to attain the five Goals assessed in the present report.

Botswana is among the few countries in Africa and in the world that has managed to achieve sustained rapid economic growth over an extended period of time. The country was able to transform itself from one of the poorest countries in the world at independence in 1966 to an upper-middle-income country by the 1990s. This was mainly because the country was able to record impressive growth rates, with real per capita income growing by more than 7 per cent a year, placing the country on par with the so-called “Asian tigers” over that period (Siphambe and others, 2020). The country’s high growth rate was driven, primarily, by the exploitation of its diamond mineral wealth and disciplined fiscal and monetary policies. Botswana has been able to invest revenues earned from the diamond industry in initiatives to improve infrastructure, health and education, even though the private sector remains relatively weak and the State plays a very large role in the economy (World Bank, 2015).

An upper-middle-income country, Botswana has been able to make significant progress in respect of Sustainable Development Goal indicators, including those related to infrastructure, industrialization and economic growth. Mineral-led economic growth

8 For further information, see: https://borgenproject.org/poverty-eradication-in-angola/
has not, however, led to a commensurate increase in the number of jobs and Botswana has continued to suffer high unemployment levels, particularly among young people. Much of the population lives in poverty, and alcohol abuse, criminal activity and social unrest are prevalent (Diraditsile, 2021). In fact, economic gains have accrued disproportionately to certain sectors of the population and there are significant disparities in income, wealth and living standards among the country’s various socioeconomic groups (World Bank, 2015). Indeed, the country’s high income inequality and poverty levels are unusual in an upper-middle-income economy (Siphambe and others, 2020).

Progress made in respect of the five Goals considered in this report reflect those challenges, with Botswana achieving relatively good scores on certain economic-related indicators and relatively poor scores on certain poverty-related indicators.

- **Eswatini**

The economies of Eswatini and South Africa are closely intertwined, and the economy of the former is therefore particularly vulnerable to external shocks stemming from developments in the latter. Some 65 per cent per cent of the exports of Eswatini and some 70 per cent of its imports are to and from South Africa (World Bank, 2021). The economy of Eswatini has developed in two distinctive phases in recent decades. A beneficiary of the repercussions of sanctions imposed on South Africa, the country experienced rapid growth of some 8 per cent a year until 1994, the year in which apartheid ended. Indeed, a number of multinational companies made significant investments in Eswatini prior to 1994, primarily in manufacturing, and by 1995 the country’s exports of manufactured goods had enabled Eswatini to become one of the few small economies to achieve lower-middle-income status. Eswatini achieved GNI per capita of some $3,930 in 2018 (World Bank, 2020a). Following the end of apartheid in 1994, however, the growth rate fell sharply, averaging some 3.5 per cent between 2000 and 2011 before falling further to only 2.6 per cent between 2011 and 2018, as South Africa successfully eroded the competitive advantage previously enjoyed by Eswatini (World Bank, 2020a). The shift of investment to South Africa increased the vulnerability of the economy of Eswatini, which remains heavily dependent on the public sector and on its sugar industry.

As a result, Eswatini is characterised by high levels of poverty and income inequality that are not commensurate with its middle-income status. Unemployment remains high and productivity is declining. The public sector is the largest formal employer, which continues to shoulder a fiscally-un Sustainable Development Goals and the aspirations, goals and targets of Agenda 2063

- **Lesotho**

Lesotho has also enjoyed steady economic growth, with per capita real GDP growing at an average annual rate of 2.7 per cent between 2000 and 2017 – much faster than its regional peers. Growth has been driven, primarily, by the expanding services sector (World Bank, 2019). Despite its impressive growth rates, however, Lesotho continues to face a number of significant challenges, including political instability, which impede further progress. A coup attempt in 2014, for example, resulted in the former prime minister fleeing the country for South Africa. Further political turmoil led to his resignation in 2020 (Kali, 2020). As a result, considerable energy has been expended on addressing the country’s political instability rather than on alleviating poverty.

Furthermore, while access to basic public services has improved, inequalities in access persist, closely following the rural-urban divide. Access to basic services is characterised by wide disparities between the poor and the rich. The economic contribution of agriculture, which anchors livelihoods, remained volatile, while the textile industry, another critical sector for the livelihoods of the poor, has stagnated (World Bank, 2019). Overall, the country’s strong economic
growth over the last decade has had little impact on job creation, and unemployment remains high.

The competitiveness of the country’s economy is undermined by skills mismatches and little entrepreneurship. Although the business climate in Lesotho has improved in recent years, onerous business regulations continue to impede business creation and expansion. As a result, the informal sector remains large, the formal private sector remains small and the Government has become a key formal sector employer (World Bank, 2019).

Human capital development remains a challenge. Education levels remain low and access to post-primary education is limited, especially for poor families. Coupled with the country’s failure to create jobs, this has complicated efforts to end hunger, improve food security and achieve economic convergence with neighbouring South Africa (Kali, 2020).

As a consequence, Lesotho is likely to find it challenging to achieve the Sustainable Development Goals by the 2030 deadline.

- **Malawi**

The economy of Malawi is dominated by the agricultural sector, and is thus vulnerable to weather-related shocks. The agricultural sector accounts for some 30 per cent of GDP and approximately 75 per cent of total exports, and employs about 64 per cent of the country’s labour force. More than 80 per cent of households depend on the agricultural sector for at least some of their income, and other sectors of the economy, including manufacturing and wholesale and retail trade are also highly dependent on that key sector (World Bank, 2018b). The key role played by agriculture, as a source of food, incomes, employment, foreign exchange and government revenue, means that the economy remains highly vulnerable to climate change-related shocks. As a result, Malawi is likely to face significant challenges as it seeks to achieve the Sustainable Development Goals.

In recent decades, Malawi has been characterized by low and volatile economic progress and has enjoyed only two periods of high and relatively stable growth (in 1964-1979 and in 2003-2010). Despite the support provided to Malawi in recent decades by its development partners, the country’s economic performance has lagged that of its peers, with real GDP per capita growing at an average rate of only 1.5 per cent between 1995 and 2015, a time when the average in non-resource-rich sub-Saharan Africa economies was 2.7 per cent (World Bank, 2018b). Furthermore, although agriculture remains the bedrock of the economy, agricultural production is over-reliant on a very limited number of crops, with some 49 per cent of agricultural land used for maize production. Moreover, only 0.5 per cent of crop plots are under irrigation. This means that the agricultural sector is particularly vulnerable to changing rainfall patterns.

The competitiveness of the economy is also undermined by the country’s landlocked status, which means that the costs associated with transporting goods to the nearest port remain high. Domestic transport prices are also high relative to global averages. Many of country’s roads are in poor condition, particularly its secondary and tertiary roads. Most people living in rural areas and the population is characterized by high dependency ratios, lower educational achievement, poorly diversified sources of income, and limited access to assets and services (World Bank, 2018b).

The macroeconomic challenges faced by Malawi are likely to hamper its efforts to achieve the Sustainable Development Goals.

- **Mozambique**

Mozambique has experienced strong economic growth in the last two decades, and GDP increased at an annual average rate of 7.2 per cent between 2000 and 2016. This has made Mozambique one of the fastest growing economies in sub-Saharan Africa. Growth has been supported, primarily, by a rebounding agricultural sector (particularly in the immediate post-war period), increased productivity in trade, transport and communications and financial services, sound macroeconomic management, large-scale foreign investment and significant donor support (World Bank, 2018a). The country’s rapid economic growth has slowed somewhat in recent years, however, including as a result of a number of severe natural disasters.

Economic growth in Mozambique has been uneven, however, and its benefits have not been enjoyed by all the segments of the population in an equitable
manner. Although poverty fell from 60.3 per cent in 2009 to 48 per cent in 2017, and despite the fact that the average household now has better access to basic services, including education and health care, and owns more assets, including improved housing, cell phones and means of transport, growth has become less inclusive (World Bank, 2018a). Indeed, many low-income households have failed to reap many of the benefits stemming from economic growth, and this could undermine efforts by Mozambique to foster shared prosperity and reduce inequality.

Specifically, rural areas, home to some 80 per cent of the population, continue to lag behind urban areas. GDP growth has not led to improvements in access to electricity, food security or child nutrition, which all improved little even when economic growth was fastest. Overall, Mozambique has failed to diversify its economy away from low-productivity subsistence agriculture and or to strengthen major drivers of inclusion, including improved education and health service delivery, which can significantly enhance key social indicators.9

Mozambique, like Botswana, is therefore likely to struggle to improve the Sustainable Development Goal indicators related to poverty, despite the significant progress that has been achieved in connection with a number of economic growth-related indicators.

- Namibia

Namibia is classified as an upper middle-income country, making it one of only eight African countries to have attained that status (World Food Programme, 2020). After having experienced average annual growth of 4.4 per cent between 1991 and 2015, the Namibian economy experienced a recession in 2016, from which it is still recovering.10 The economy is largely dependent on the exploitation of its mineral resources and on public spending: falling commodity prices, weak growth in key trading partners, including Angola and South Africa, and tight fiscal policies enacted by the Government have all had a negative impact on the economy.11 In terms of development, Namibia has made reasonable progress and the economy has strong growth potential. Since its independence in 1990, Namibia has made significant progress in addressing key development challenges. However, as is the case in Botswana and Mozambique, poverty and inequality remain long-standing problems. The steady growth in the economy has not resulted in a commensurate increase in the number of jobs available. As a consequence, Namibia has experienced only a slight reduction in poverty, inequality and unemployment (World Bank, 2017). In particular, insufficient numbers of jobs have been created in industries that have boosted productivity. The income gap between rich and poor is one of the largest in the world. Regional inequalities also apparent, with indigenous communities in the north of Namibia, whose livelihoods often depend on smallholder subsistence agriculture, most likely to live in poverty and experience hunger (World Food Programme, 2020).

Despite its economic progress, Namibia is therefore likely to face challenges as it strives to improve its Sustainable Development Goal indicators related to poverty and hunger reduction.

- Mauritius

The economic growth momentum in Mauritius has been robust since the country gained independence in 1968; real GDP grew at an average of 4.7 per cent over the period 1968–2017, and Mauritius was awarded upper-middle-income country status (Dhungana, 2019). Mauritius has moved from being an agriculture-based economy into a well-diversified manufacturing and service-oriented economy and on 1 July 2020 Mauritius was reclassified as a high-income country, despite the economic challenges it has continued to face as a result of the global response to the COVID-19 pandemic (World Bank, 2021a).

As a high-income country, it is unlikely that Mauritius will face the same challenges as other countries in Southern Africa in connection with the Sustainable Development Goals. A number of economic constraints could, however, negatively impact the achievement of the Goals. Mauritius still lags behind its peers in terms of its innovation capacity, especially in skilled labour, research and development, and information technology infrastructure. In terms of

11 Ibid.
human capital, the main challenge is at tertiary level, as its tertiary education enrolment rate of 38.7 per cent (and average years of schooling of only 10.1 years) are significantly lower than the rates in other high-income countries (Dhungana, 2019).

Mauritius is also characterized by stagnating private sector investment, declining competitiveness, rising debt ratios, limited policy coherence, and a failure to deploy public resources effectively to support innovation, finance skills development and transform Mauritius into knowledge-based economy. Mauritius also continues to face a number of social challenges, particularly as one in three young people between the ages of 16 and 29 have obtained, at most, a certificate of primary education, while only one in two women participate in the labour market (World Bank, 2021a). Unemployment and under-employment also remain serious concerns in Mauritius despite the rapid economic growth achieved in recent decades.

Mauritius is achieving high scores for the Sustainable Development Goal indicators related to economic performance and poverty, as well as for the social and innovation indicators.

**South Africa**

South Africa has the largest and most developed economy in Africa and that economy is supported by well-developed financial, legal, communication and transport sectors. The country’s economic growth rate remains relatively low, however, which may be due to the current structure of the economy (Tregenna and others, 2021). Indeed, economic reforms are sorely needed, particularly as the benefits stemming from economic growth are unevenly distributed and current economic growth rates are unsustainable. Under apartheid, the South African economy was deliberately structured to be non-inclusive, with race and class made the main criteria for exclusion. This resulted in high levels of inequality in terms of unemployment and poverty. The legacy of apartheid is still felt in South Africa and poverty remains a pressing concern despite the significant progress achieved and the country’s well-developed infrastructure.

South Africa continues to grapple with high poverty, inequality and unemployment rates, despite the policies it has enacted since 1995 to address those issues. In fact, income inequality levels are among the highest in the world, and, despite the repeal of discriminatory laws, the country remains sharply divided along racial and socioeconomic lines (Plagerson and Mthembu, 2019). South Africa must therefore deal with the “triple challenges” of poverty, unemployment and inequality (Tregenna and others, 2021). Workers with highly-skilled jobs are few, while the proportion of the working population employed in very low-paid jobs is high. Those employed in top-end jobs earn nearly five times the average wage for low-skill jobs, even though they account for less than 20 per cent of the total working population (Plagerson and Mthembu, 2019). Inequality is also reflected in access to quality education, water and sanitation, health insurance and improved housing.

South Africa therefore scores well on the Sustainable Development Goal indicators related to economic performance and infrastructure, but poorly on key social indicators.

**Zambia**

The Zambian economy has been characterized by periods of unprecedented growth, especially between 2004 and 2014, when growth averaged 7.4 per cent per year, increasing GDP per capita by some 53 per cent (World Bank, 2021b) and facilitating the reclassification of Zambia as a lower-middle-income country in 2011. Zambia was also able to obtain debt relief under the Heavily Indebted Poor Countries Initiative in 2005, which allowed the country to boost productivity in its agriculture and mining sectors. The country also benefited from rising global copper prices and was able to increase investment in its social welfare programmes.

However, after some 15 years of significant socioeconomic progress, GDP growth rates began to slow, and averaged only 3.1 per cent between 2015 and 2019. Challenges hampering economic activity included falling global copper prices, and declines in agricultural output and hydroelectric power generation as a result of droughts. Policy adjustments were unable to mitigate the repercussions of those shocks. The economic challenges facing Zambia stem, primarily, from the country’s failure to diversify its economy.

12 For further information, see the World Bank Zambia country overview, available at: .
and reduce its overdependence on the mining sector. The Zambian economy can be classified as a mono-economy that is heavily reliant on copper mining, with the mining sector contributing some 70 per cent of export earnings and some 26 per cent of Government revenue (Siwale, 2020). The mining sector also provides some of the best paying jobs in Zambia, and the country’s emerging middle class is concentrated in that sector. In addition to being vulnerable to commodity price shocks, Zambia must also contend with structural challenges stemming from its heavy reliance on debt financing. Although Zambia secured debt relief in 2005, the national debt increased from 20 per cent of GDP to 78 per cent between 2010 and 2018 with the debt service burden increasingly threatening its economic recovery. It should be noted, however, that a significant proportion of the loans secured in 2019 financed key infrastructure projects. Poverty levels are high in Zambia, with one in every two Zambians living below the poverty line. In addition, even the period of high growth was characterized by high levels of inequality, underscoring how difficult it has been to foster inclusive growth. Zambia also has a large informal sector, which employs some 90 per cent of the workforce (Siwale, 2020). Zambia also faces challenges stemming from an insufficiently developed and maintained primary, secondary, and tertiary road network, and transportation costs remain high.\(^\text{13}\)

Given the economic challenges it faces, Zambia is likely to struggle to achieve the Sustainable Development Goals by the 2030 deadline and to make progress on relevant social and economic indicators.

- **Zimbabwe**

In the last two decades, the economy of Zimbabwe has experienced greater volatility than the economies of the other countries in Southern Africa. Between 1980 and 2019, the Zimbabwean economy went through four distinct periods, namely the post-independence period (1980–1990), the structural adjustment period (1991–1999), the land reform and hyperinflation period (2000–2008) and the dollarization period (2009–2019) (Chisoro-Dube, Dube and Matsika, 2019). The dollarized monetary system was abandoned in February 2019 and replaced by a national currency system, but the national currency tended to lose its value until a multicurrency regime was reintroduced in 2020, since when the national currency and the United States dollar have both been accepted as legal tender. In the 1990s, the Zimbabwean economy grew strongly, and GDP peaked at $16 billion in 1998 (in constant 2010 United States dollars). That period of economic expansion was, however, followed by a period of severe hyperinflation and economic contraction, in which the economy halved in size. That economic crisis was stoked by payments made to war veterans, massive expenditure on the armed conflict in the Democratic Republic of the Congo, the expropriation of land, which began in 2000, and the country’s increasing international isolation.

Real GDP growth averaged approximately 5 per cent in the first decade after independence, slowed to some 0.1 per cent between 1990 and 1999, and declined to approximately -4.0 per cent during the hyperinflation period between 2000 and 2008.\(^\text{14}\) Although economic recovery during the dollarization period restored growth to approximately 9.0 per cent,\(^\text{15}\) that figure reflects the country’s extremely weak economic base at the end of the hyperinflation period. Average real GDP growth of some 1.8 per cent was realized between 2014 and 2016. However, high growth has, time and time again, proved unsustainable, with high growth periods followed by low growth periods. For example, favourable rains and mining sector output increases saw real GDP increasing by 4.8 per cent in 2018, before falling to -6.0 per cent and -4.1 per cent in 2019 and 2020, respectively.\(^\text{16}\) Over the long term, the country’s economic fundamentals have also proved difficult to manage, with significant repercussions for income per capita, which declined from roughly 20 per cent of the global average in the early 1980s to less than 10 per cent by 2019 (International Monetary Fund (IMF), 2020).

Hyperinflation eroded many of the gains achieved by Zimbabwe during the first 20 years of independence. The country’s previously robust infrastructure was particularly severely affected. The national railway system, for example, continues to operate well be-

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\(^{13}\) For further information see.

\(^{14}\) Author’s calculations on the basis of official statistics.

\(^{15}\) Author’s calculations on the basis of official statistics.

\(^{16}\) Official estimates from Ministry of Finance and Economic Development.
low its potential, and some 10 per cent of its track infrastructure is subject to speed limitations, reducing the speed with which goods can be transported (World Trade Organization, 2020). Some 30 per cent of the country’s roads are in poor to very poor condition, about 40 per cent are in fair condition, only 17 per cent are in good condition and a mere 8 per cent are in very good condition. There have, moreover, been no significant investments in electricity generation since the 1950s and most installed capacity was lost during the hyperinflation period. In 2019, for example, the national electricity system was capable of generating less than 1,000MW of power, meaning that less than 50 per cent of the originally-installed capacity was still operational, and that the national grid had the capacity to meet less than 60 per cent of demand. Furthermore, a significant proportion of the country’s water distribution infrastructure is in need of repair (Government of Zimbabwe, 2019).

The economy is also vulnerable to climate change-related shocks, particularly as most Zimbabwean agriculture is rain-fed, while electricity generation is also dependent on rainwater collected at the Kariba Dam. The agricultural sector is the backbone of the Zimbabwean economy and provides households with employment opportunities and food security. Regrettably, however, adverse climatic conditions and poor agronomic practices have caused agricultural production and productivity to decline in recent years. As a result, a large number of Zimbabweans have access to insufficient food and rely on humanitarian assistance for their survival. The country’s health system is also under strain due to the erosion of its capacity and inadequate financial support. Periodic strikes by health-care workers over remuneration and poor working conditions are also common (United Nations Zimbabwe, 2020).

Zimbabwe is therefore likely to struggle to achieve the Sustainable Development Goals assessed in the context of this report.

III. Summary

In this chapter we have shown that the creation of the African Continental Free Trade Area could help address income disparities among States. In general, the 11 countries in Southern Africa are open to trade and could therefore reap the benefits stemming from the continental integration process. Economic growth in those countries has stagnated in the last five years, however, and seven of the countries have, in fact, experienced a contraction in economic activity. Implementation of the Agreement Establishing the African Continental Free Trade Area could drive socioeconomic transformation and improvements in the welfare and standards of living of populations. The chapter also highlights that a number of challenges continue to impede implementation of the 2030 Agenda and Agenda 2063. In addition to countries’ low economic growth trajectories, there is little inclusive growth, and many economies in Southern Africa remain heavily dependent on agriculture and have poorly-developed manufacturing sectors. In turn, this limits employment opportunities and reduces government revenues. Key enablers of development, including roads, rail networks, energy, water and information and communications technology (ICT) infrastructure, are also weak, impeding the economic growth needed for the achievement of the Sustainable Development Goals and the aspirations, goals and targets of Agenda 2063.
Ratification and implementation of the Agreement Establishing the African Continental Free Trade Area in Southern Africa

I. Overview

In general, implementation of the Agreement takes place in stages (Afrochampions Initiative, 2020). The process includes three critical steps, namely:

a) Signing the Agreement;

b) Ratifying the Agreement and depositing an instrument of ratification with the African Union Commission; and

c) Drafting a national implementation strategy and launching the implementation process.

Nine out of the eleven subregional States had signed and ratified the Agreement by 7 July 2021 and deposited their instruments of ratification with the African Union Commission (Tralac, 2021). As illustrated in figure 6, Eswatini was the first country in Southern Africa to ratify the Agreement, doing so on 2 July 2018, while Zambia deposited its instrument of ratification only on 5 February 2021. Botswana and Mozambique have signed the Agreement but have yet to ratify it.

Zambia and Zimbabwe have finalized and launched national implementation strategies, while the national strategies of Malawi and Namibia were validated in July and November 2021, respectively. Other countries in the subregion are in the process of drafting and validating their implementation strategies. Those countries include Botswana and Mozambique, which have yet to ratify the Agreement. Angola and Lesotho are expected to begin the strategy development process in the near future.

While the signing of the Agreement is an endorsement of its principles, ratification demonstrates countries’ commitment to implementation. The time period between endorsement and ratification allows States to undertake necessary consultations and cost-benefit analyses and map out strategies that can help them reap the full benefits of implementation. As shown in figure 7, Malawi and Angola took 956 and 930 days, respectively, to ratify the Agreement once they had signed it. As of September 2021, Mozambique had yet to ratify the Agreement, despite almost 1300 days having passed since that country signed it. Similarly, Botswana had yet to ratify, despite almost 1000 days having passed since it became a signatory to the Agreement.

Ratification and depositing a country’s instrument of ratification with the African Union Commission is the first step towards the implementation of the Agreement. The nine subregional States that have signed and ratified the Agreement have agreed to liberalize 90 per cent of tariff lines. Three countries, namely
Accelerating implementation of the Agreement Establishing the African Continental Free Trade Area in Southern Africa to achieve the Sustainable Development Goals and the aspirations, goals and targets of Agenda 2063

Angola, Malawi and Zambia, which are all classified as least developed countries, were expected to eliminate those tariffs over a 10-year period, starting from January 2021. However, Malawi and Zambia, both members of the so-called G6 countries, have now been given special dispensation to reduce tariffs on 90 per cent of goods over 15 years. The non-least developed countries have a five-year window to meet the 90 per cent target.

The Agreement provides that countries may identify a list of sensitive products, which should not exceed 7 per cent of their total tariff lines. Least developed counties are required to liberalize those sensitive product tariff lines within 13 years, while non-least developed countries have a 10-year window in which to liberalize them (African Union Commission and ECA, 2020). States may also draw up an exclusion list, which should not exceed 3 per cent of their total tariff lines, with an intra-African import value of no

17 The other four countries that have secured a 15-year phase-down period are Ethiopia, Madagascar, the Sudan and Zimbabwe.
more than 10 per cent, which is subject to review and negotiation every five years.\(^\text{18}\)

Full implementation of the Agreement will, however, require further negotiations among States on a number of key instruments. In that regard, preferential trade under the terms of the Agreement can only proceed fully when rules of origin, tariff schedules, conditions of trade for transport, financial, communication and business services have been finalized (Erasmus, 2021). Although the failure to resolve a number of outstanding issues continues to impede full implementation of the Agreement, the eleven States in Southern Africa are still likely to make significant progress in that regard.

II. Challenges impeding ratification: lessons for the regional economic communities

- **Anticipated benefits of economic integration**

The States in Southern Africa that ratified the Agreement very shortly after signing it, namely Eswatini, Namibia and South Africa, are particularly well integrated into regional value chains. According to the Africa Regional Integration Index Platform, Eswatini was ranked first in terms of trade integration in 2019 and Namibia was ranked second. The anticipated trade benefits stemming from the launch of the African Continental Free Trade Area are likely to determine States’ commitment to ratifying the Agreement as early as possible.

The considerable time taken by Botswana and Mozambique to ratify the Agreement could, therefore, be due to their perception that only limited benefits would accrue to them following ratification. In 2020, for example, some 68 per cent of imports to Botswana originated in other African countries, and some 17 per cent of the country’s exports were to African countries (Tralac, 2021a). However, those imports and exports were mainly to/from SACU and SADC countries, and only 0.32 per cent were to/from African countries that were not members of those two regional economic communities. As for imports to Botswana from non-SACU and non-SADC countries (imports from “the rest of Africa”), those comprised mainly pharmaceutical products from Uganda and Kenya, which constituted some 65 per cent of “rest of Africa” imports to Botswana (Tralac, 2021a), underscoring that Botswana is poorly integrated in terms of trade with the African countries outside its two regional economic communities.

For Mozambique, the benefits of ratification are still being assessed, amid concerns that the country could actually end up losing more than it gains. In fact, the Confederation of Economic Associations of Mozambique and the Centre for Public Integrity have called on the Government to undertake a comprehensive study of the costs and benefits of joining the African Continental Free Trade Area prior to taking a decision on ratification. The concerns raised include the possible loss of tax revenue and the potential negative impact on businesses in Mozambique, few of which are well-positioned to withstand the competition that ratification of the Agreement is likely to unleash.\(^\text{19}\)

Countries’ perceptions of potential costs and benefits are also having an impact on the TFTA ratification process. Botswana, for example, is still in the process of ratifying the Agreement but has already ratified its accession agreement to TFTA, while Angola, Lesotho, Malawi, Mauritius and Zimbabwe, all of which have ratified the Agreement, have not yet ratified their accession agreements to TFTA (which predates the Agreement). Mozambique is the only country that has taken considerable time to consider these issues and has not yet ratified either the Agreement or its accession agreement to TFTA. Thus, there are a number of factors that countries take into account before committing to economic integration, and their decision to join (or not to join) a free trade area is informed by the perceived benefits and costs of doing so. This suggests that if countries were provided with capacity-building support so as to enable them to undertake robust assessments of the costs and

\(^{18}\) For further information, see the website of the African Continental Free Trade Area, available at: .

\(^{19}\) For further information regarding those concerns, see the following news articles: https://furtherafrica.com/ 2021/01/20/mozambique-private-sector-calls-for-pros-and-cons-analysis-before-afcfta-ratification/ and .
benefits of joining the African Continental Free Trade Area, it might be possible to accelerate the ratification process.

- **Slow pace of ratification processes in Southern Africa**

  The slow pace of implementation of the African Continental Free Trade Area is not unexpected, as experience at the level of the regional economic communities have generally shown that the establishment of free trade areas is a challenging and lengthy process. For example, the SADC free trade area was launched in August 2008 following an agreement among SADC member States on a phased programme of tariff reductions. To date, however, only 13 of the 16 SADC member States have joined the SADC free trade area, with Angola, the Democratic Republic of the Congo and the Comoros yet to join. The SADC Protocol on Trade was signed in 1996 by 11 SADC member States, but the launch of the free trade area took place without ratification by Angola, the Democratic Republic of the Congo and Seychelles (Redvers, 2013). The lesson that can be learned from the launch of the SADC free trade area is that certain countries will always lag behind others. What is critical is to ensure that the benefits from economic integration are perceived by all States members of the free trade area. In turn, this can motivate other States to join.

  Although Angola has not yet joined the SADC free trade area, it has already ratified the Agreement on the Establishment of the African Continental Free Trade Area. The reasons that have been proffered to explain why Angola has refrained from joining the former free trade area can also provide lessons as to why some countries have been slow to join the latter. In that regard, Angola is reported to see no clear benefits from joining the SADC free trade area due to:

  - Its poor infrastructure, which was largely destroyed during the 1975-2002 civil war;
  - Its small industrial base, which is protected by tariff barriers;
  - Its heavy dependence on one primary commodity, namely oil, most of which is exported to countries that are not members of SADC (Redvers, 2013).

  Only countries that believe that joining the African Continental Free Trade Area will benefit their economies are likely to ratify the Agreement.

  The same pattern is also true with respect to the COMESA free trade area, which was launched in October 2000 by only nine COMESA member States.²⁰ Eight other COMESA member States joined in the following 18 year period and the free trade area comprised 17 States by 2018. Four COMESA member States, namely the Democratic Republic of the Congo, Eritrea, Ethiopia and Somalia, have remained outside the free trade area.

  Ethiopia is concerned that its manufacturing industry is still in its infancy and believes that, while the benefits of joining the COMESA free trade area are far from certain, the liberalization of imports could displace local products and lead to job losses (Makonnen and Lulie, 2014). Joining the free trade area could, moreover, lead to significant reductions in government revenue as a result of products entering the country at zero tariffs (Ndungo and Mugano, 2020). In discussing implementation of the Agreement, it is therefore important to outline potential strategies that States can adopt to enhance the productivity and competitiveness of businesses, thereby minimizing many of the potential risks that they see stemming from continental integration.

- **Limited involvement of the private sector**

  There has often been only limited dialogue between government and the private sector prior to the signing of many free trade agreements. Private sector stakeholders have, however, often voiced their concerns at a later stage, and particularly during consultations held prior to ratification. The limited involvement of the private sector in the early stages of regional integration initiatives has often meant that countries are ill-placed to exploit many of the opportunities stemming from the establishment of free trade areas (Baker and Deleplancque, 2015).

  The private sector must be seen as a critical stakeholder in the integration process and the buy-in of

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²⁰ Djibouti, Kenya, Egypt, Madagascar, Malawi, Mauritius, the Sudan, Zambia and Zimbabwe.
that sector is needed from the onset. The involvement of the private sector can help to formulate strategies to ensure that opportunities arising from the establishment of the African Continental Free Trade Area are fully exploited. Awareness-raising and capacity-building among private sector stakeholders, enabling them to take full advantage of economic integration, are crucial in the process to establish and operationalize the African Continental Free Trade Area.

Capacity limitations in implementation

The establishment of the SADC and COMESA free trade areas has revealed that the limited capacity of countries to conduct impact analyses can impede the emergence of consensus on the way forward (Zimbabwe Economic Policy Analysis and Research Unit, 2014). There are often genuine concerns regarding the potential negative impact of free trade regimes on customs revenue, and it is therefore important to design tailor-made country strategies to minimize any negative repercussions of those regimes, including by strengthening domestic industries so that they compete effectively with industries abroad. Addressing concerns about the negative impact of free trade is likely to strengthen buy-in from national stakeholders.

Low level of complementarity among products

It has proved difficult to develop regional value chains within the framework of SADC due to low levels of complementarity among the goods produced by SADC member States. In fact, some 70 per cent of products are exported with little value addition, while approximately two thirds of imported products were intermediate and capital goods from industrialized countries (Baker and Deleplancque, 2015). It is therefore important to ensure that the establishment of the African Continental Free Trade Area leads to the development of value adding industries in Africa, as those industries would facilitate continental integration as African countries increased their reliance on each other for raw materials and markets.

Presence of non-tariff barriers

Non-tariff barriers, which make it costly to trade across borders, have also impeded the success of the SADC free trade area. Non-tariff measures in SADC countries, including onerous customs procedures, inefficient transport services and poor infrastructure, were at one time estimated to be the equivalent of a 40 per cent ad-valorem tariff (Baker and Deleplancque, 2015), and therefore functioned as an additional tax that drove up the cost of doing business. Addressing trade facilitation bottlenecks must remain a priority under the terms of the Agreement. Regional integration among COMESA member States has also been impeded by onerous documentation requirements, delays at border crossings, high clearing charges and trade information vacuums, all of which have tended to increase the volume of informal cross-border trade and smuggling (Kugonza, 2017). Ensuring that trade procedures are user friendly and simplified will help to ensure that the African Continental Free Trade Area is successful.

Low level of integration in regional economic communities

The African Continental Free Trade Area is now operational and trade under the terms of the Agreement is now possible among the States that have ratified it. Challenges to implementation could, however, arise because a number of African States have not yet ratified the Agreement. For example, the low level of integration among COMESA member States is attributed, inter alia, to the fact that not all COMESA member States have joined the COMESA free trade area.21 Efforts to ensure that all African States ratify the Agreement and actively participate in trade under its terms could thus significantly contribute to the long-term success of the African Continental Free Trade Area.

National versus regional interests

Some observers believe that those participating in the negotiations that led to the creation of the COMESA free trade area aimed, primarily, to further national interests rather that the interests of the COMESA subregion as a whole. There was little need to strike a balance between regional and national interests (Mangeni, 2021). As for negotiations on the African

21 For further information, see: COMESA, “Opportunities to Turn Around the Low Intra-Regional Trade Abound”, 29 October 2020. Available at: www.comesa.int/opportunities-abound-to-turn-around-the-low-intra-regional-trade/.
Continental Free Trade Area, there is a pressing need for capacity-building support for negotiators from all participating member States in order to strengthen their understanding of continental integration and ensure that narrow national interests do not impede negotiations on broader continental issues.

III. Development of national implementation strategies and committees

- Overview

At the fifty-first session of the Economic Commission for Africa and the Conference of African Ministers of Finance, Planning and Economic Development, held in Addis Ababa in May 2018, the need for national strategies to accelerate implementation of the Agreement was emphasized. That need was reiterated at the thirty-first ordinary session of the Assembly of the African Union, held in Nouakchott in July 2018 (African Union Commission and ECA, 2020). A national implementation strategy is a tool that each country can use to identify its comparative advantage and formulate measures to leverage that advantage with a view to reaping the greatest possible benefit from the creation of the African Continental Free Trade Area. National implementation strategies are therefore a critical component of the continental free trade area implementation process.

If properly crafted with the involvement of all key stakeholders, implementation strategies can accurately reflect the specific activities and action points that must be prioritized, while also revealing the comparative strengths that countries can leverage. Relative strengths, limitations, opportunities and threats should be outlined and discussed by national stakeholders. The involvement of national stakeholders in the formulation of national implementation strategies has many advantages. First, it can help to deepen understanding of the implementation process, and help business prepare for trade under the terms of the Agreement. Second, it facilitates evidence-based policy intervention and formulation, especially in terms of identifying the key barriers and opportunities that need to be addressed through policy. Third, national discussions also help business to formulate strategies for the exploitation of continental market opportunities. Fourth, national strategies also provide for the formulation of specific plans of action that various national stakeholders should implement in order to attain previously-agreed milestones.

To help provide the necessary guidance in Agreement implementation, national strategies should also include a monitoring and evaluation framework setting out appropriate timelines and milestones, together with a communications strategy and institutional framework to promote accountability on deliverables. A consultative process in national strategy development can also be instrumental in enhancing ratification of the Agreement. Zambia, for example, embarked on a national strategy development process prior to its ratification of the Agreement. In doing so, it was able to address certain stakeholder concerns through awareness-raising campaigns and capacity-building during the consultative processes. The fact that Botswana has also initiative the development of a national strategy suggests that ratification by that country may also occur soon.

Working through its African Trade Policy Centre and subregional offices, ECA is a key partner in national strategy development and has assisted some 18 countries in that area (African Union Commission and ECA, 2020). ECA has developed model guidelines on the development of national strategies, which can be adapted to the specific socioeconomic and political characteristics of each country while reflecting the views of national stakeholders. Implementation strategies should identify key opportunities for, and constraints, on value addition and trade, and set out policy interventions and capacity-building measures to ensure that the country in question is well positioned to exploit emerging opportunities within national, regional and global markets.

To ensure that strategies are in line with the general policy landscape, they should be informed by relevant development plans, trade policies and other national sectoral policies and developed on the basis of input provided by all key stakeholders. In addition to facilitating implementation of the Agreement Establishing the African Continental Free Trade Area, those
Inclusiveness of the national implementation strategy development process

A policy or strategy can be defined as inclusive if it allows for public action from two perspectives, has adequate inclusion of all concerned parties in its design and delivery (inclusive in means), and produces an outcome that caters for everyone (inclusive in ends) (United Nations Educational, Scientific and Cultural Organization (UNESCO), 2015). It is therefore important that all relevant stakeholders are able to provide input into the process leading to that outcome. It is on that basis that inclusivity is critical for the development of national strategies. Multi-stakeholder consultations are important, as they allow for the interests of a range of stakeholders, and the relationships among them, to be taken into consideration, fostering an environment that promotes mutually-reinforcing interests and actions, including the interests of the micro-, small and medium-sized enterprises that constitute the backbone of many African economies (ECA and others, 2019).

Some progress has been achieved in the development of national African Continental Free Trade Area implementation strategies by States. Zambia and Zimbabwe, for example, have finalized and launched their national implementation strategies, while the draft national strategy of Malawi was validated in July 2021. Strategy development processes are ongoing in Botswana, Eswatini and Namibia. While ECA responds to member States’ requests for technical support, the preparation of national implementation strategies is overseen by member States themselves.

The development of national strategies by Malawi, Zambia and Zimbabwe has been an inclusive process. That process should be similar across all countries, and care must be taken to ensure that, while technical assistance may be provided by ECA, the countries themselves remain in control throughout the entire process. The relevant ministry in the country concerned should develop the terms of reference for a national strategy, and the model strategy developed by ECA should be customized in line with that country’s specific circumstances and requirements. The terms of reference should also be developed on the basis of input provided by all critical stakeholders at an initial conference, where knowledge about the African Continental Free Trade Area should be disseminated, the implementation process outlined and the roles of stakeholders defined so that all national constituencies, including the business community, labour and civil society organizations and governmental agencies, have a clear understanding of their role in the African Continental Free Trade Area national strategy development process. National consultants should also be involved in the drafting of the national strategy. Those consultants should be selected by the relevant ministry in each country and introduced to all relevant stakeholders to facilitate their cooperation and engagement in the drafting process. National consultants should, moreover, take into consideration the concerns raised by those stakeholders at the initial conference.

Once the strategy has been drafted, it should be reviewed by the relevant ministry and ECA to ensure that it is technically sound. It should then be validated by all relevant stakeholders at a national workshop. Those stakeholders should be provided with a copy of the draft strategy at least two days prior to the date of the workshop. To deepen awareness of the national strategy, a media sensitization workshop should also be conducted. Media stakeholders from across the country should be invited so that they can publicise the event and report from an informed position on the implementation process and the objectives of the national strategy.

Broad-based consultations should therefore be held, with all relevant stakeholders involved in an inclusive manner in all stages of the strategy development process so that they are well positioned to reap the benefits stemming from the creation of the African Continental Free Trade Area. In that connection, the Zambian national implementation strategy specifically acknowledges:

“This strategy is the product of a collaborative and consultative effort by various stakeholders in the public and private sectors, civil society, academia, research institutions, women’s and youth organizations, consumer organizations, the media and the public at large. It is a culmination of extensive consultations among stakeholders” (Government of Zambia, 2021).
Although inclusiveness in terms of means is important, it is also important to ensure that the implementation of national strategies is inclusive in terms of those strategies’ outcomes. Strategies should therefore include a clear implementation plan and monitoring and evaluation framework. It should be noted, however, that, while Africa often formulates sound policies and strategies, implementation of those policies and strategies often falls short of what is required (Chigudu, 2015). To ensure that all the stakeholders involved in the drafting of a national strategy remain relevant throughout the implementation process, it is important to ensure that responsibility for monitoring implementation is given to civil society stakeholders. Giving civil society explicit responsibility for monitoring progress can strengthen their capacity to call on the Government to ensure that implementation actually takes place. Ensuring that national strategies are anchored in inclusive implementation is a critical success factor. It is, moreover, in that connection that national implementation committees can play a critical role.

- National implementation committees: their establishment, role, responsibilities and funding

At the thirty-first ordinary session of the Assembly of the African Union, held in Nouakchott in July 2018, a commitment was made to establish national committees on the Agreement Establishing the African Continental Free Trade Area. The purpose of those committees was, first and foremost, to facilitate the meaningful participation of all relevant stakeholders in the design and implementation of trade strategies. The African Union Commission was therefore requested to develop a template on the operation of those national committees (African Union Commission, 2018). The national committees comprise individuals with broad knowledge of the terms of the Agreement and the potential benefits of implementation (ECA and others, 2019).

While committees to promote the interests of particular economic sectors have been established in many countries, one main committee should be established to ensure the alignment of all sectoral interests. In Zimbabwe, sectoral-level committees will be expected to collaborate with the national implementation committee to be established to oversee implementation of the Agreement Establishing the African Continental Free Trade Area (Government of Zimbabwe, 2019). As specified in the national strategy of Zimbabwe, the national implementation committee, which will be co-chaired by the Ministry of Foreign Affairs and International Trade and a representative organization from the private sector (whose members are drawn from both the public and private sectors), will initiate, monitor and review implementation of the Agreement (Government of Zimbabwe, 2019). At the time of writing, the national implementation committee of Zimbabwe had still not been established.

Furthermore, instead of creating a new national committee, it is also possible to entrust an existing committee with responsibility for overseeing implementation of the Agreement. Zambia, like Zimbabwe, has, however, opted for the creation of a new committee to manage, direct, monitor and evaluate implementation of all activities and programmes pertaining to the African Continental Free Trade Area, in accordance with the country’s national implementation strategy. The new committee is responsible for awareness-raising and educational activities on the Agreement for public sector, private sector, civil society, academic institution and other stakeholders.

Given the critical role played by the national committees, it is important to provide them with adequate support. Without adequate funding, it is difficult for the committees to carry out their duties, particularly as they must coordinate activities across the entire country, tracking implementation progress and facilitating any necessary policy adjustments. Governments must therefore mobilize adequate financial resources to ensure that the committees are backed by a sound budget.

Given the fiscal constraints that characterize most Southern African Governments, partnerships with development partners could help bridge financing gaps. It is therefore important for relevant ministries to explore the possibility of establishing partnerships with development partners in order to ensure that the committees enjoy access to adequate financial resources. Furthermore, the national implementation committees are critically important and must be able to enforce their mandates. Appropriate legislation must therefore be adopted to that end.
IV. Summary

Chapter 3 has provided an overview of the current state of play with respect to the ratification and implementation of the Agreement across the eleven Southern African countries. Although two countries, namely Botswana and Mozambique, have yet to ratify the Agreement, all the eleven countries are developing national implementation strategies. A number of challenges continue to impede ratification and implementation of the Agreement, including limited awareness of the potential advantages of ratification, the generally slow pace with which economic integration agreements are implemented in Africa, the limited involvement of the private sector in the implementation process, capacity limitations and onerous non-tariff barriers. Countries are, however, developing national strategies in a very inclusive manner, which is helping to raise awareness and generate support for implementation among all stakeholders. Finally, the chapter underscores the importance of taking steps to ensure the sustainability and effectiveness of national implementation committees.
Progress towards the achievement of the Sustainable Development Goals and the aspirations, goals and targets of Agenda 2063 in Southern Africa

I. Overview of progress towards the achievement of the 17 Sustainable Development Goals in Southern Africa

With the 2030 deadline for the achievement of the Sustainable Development Goals fast approaching, countries should have made some progress to that end. The Sustainable Development Goals Center for Africa and the Sustainable Development Solutions Network continue to track progress towards the attainment of the Goals at the country level and they jointly publish the Africa SDG Index and Dashboards. As reflected in the SDG Index scores for the eleven countries, and as illustrated in figure 8, notable progress has been made towards the achievement of the Goals across Southern Africa. The score awarded to each country reflects its overall progress towards the attainment of all 17 Goals, with a score of 100 showing that all the Goals have been fully achieved.

Mauritius, awarded a score of 66.7 per cent, has made the most progress, but it is closely followed by South Africa and Botswana, awarded scores of 63.7 per cent and 61.9 per cent, respectively. Angola, with a score of only 50.3 per cent, has made the least progress out of the 11 countries, although Mozambique (51.1 per cent) and Malawi (51.4 per cent) have also found it challenging to make progress.

For the purposes of comparison, it is interesting to note that Finland, the top ranked country in the world has been awarded a score of 85.9 per cent, while Tunisia, the top ranked country in Africa, has achieved a score of 71.4 per cent. Egypt, with a score of 68.6 per cent is the only other African country with a score that is higher than that of Mauritius. Although Angola has the lowest score among the Southern African countries under review, it scores higher than eleven other African countries, including the Democratic Republic of the Congo (49.3 per cent), Nigeria (48.9 per cent), South Sudan (38.9 per cent) and the Central African Republic (38.3 per cent).
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The above figures show that, overall, the countries in Southern Africa, and particularly Eswatini, Lesotho, Namibia, South Africa, Zambia and Zimbabwe, have made significant progress towards the attainment of the Goals, despite the impact of the COVID-19 pandemic. Progress seems to have stalled, however, in Angola, Botswana and Mauritius, although the COVID-19 pandemic seems only to have slowed the pace of improvements and has not eroded the gains achieved by 2019. For Malawi and Mozambique, however, the pandemic seems to have caused a noticeable dip in performance and some of the gains achieved in 2019 have been eroded.

The 11 countries must address a number of challenges, however. Mauritius and South Africa, the best performing countries in the subregion, have still not reached a third of the Sustainable Development Goal targets. The situation is even worse in Angola, Eswatini, Malawi, Mozambique and Zambia, where some 50 per cent of the Goal targets have not been achieved. It is therefore unlikely that all eleven countries will achieve the 17 Goals by the 2030 deadline and the countries in Southern Africa must therefore leverage their membership of the African Continental Free Trade Area in order to accelerate progress towards the full implementation of the 2030 Agenda.

Below, we review progress towards five of the Goals in the 11 countries. Progress is assessed using two approaches, namely by reviewing the current status of each country with respect to the achievement of Goals, and by assessing each country’s progress over the last three years. The second approach allows us to ascertain whether or not the COVID-19 pandemic has significantly undermined progress. Progress or the lack thereof is categorized as follows: goal achieved (green) and major challenges experienced (red) (Sachs and others, 2021).

II. Goal 1: End poverty in all its forms everywhere

Poverty alleviation should be a key objective for all countries and their citizens’ quality of life should always be the primary objective of the policies they enact. By 2030, countries are expected to have:

- Eradicated extreme poverty for all people;
- Reduced at least by half the proportion of men, women and children of all ages living in poverty;

22 For further information about Goal 1, see the dedicated webpage of the United Nations Department of Economic and Social Affairs. Available at: https://sdgs.un.org/goals/goal1.
• Implemented nationally appropriate social protection systems and measures for all, including floors, to achieve substantial coverage of the poor and the vulnerable;

• Ensured that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance;

• Built the resilience of the poor and those in vulnerable situations and reduced their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters.

Current status of progress towards the achievement of Goal 1

The variation in poverty head count ratios across the 11 countries can be used as a proxy for Goal 1 achievement. The estimated percentage of the population living under the poverty threshold of $1.90 a day, or the estimated percentage of the population living under the poverty threshold of $3.20 a day, can thus be used to estimate poverty. On that basis, and as illustrated in figure 9, poverty remains prevalent in all the countries with the exception of Mauritius. Mauritius indeed stands out among the other countries, having managed to ensure that less than 2 per cent of the population lives on less than $3.20 a day. This is all the more impressive given that, at the same time some 90 per cent, 81 per cent and 77 per cent of the population in Malawi, Mozambique and Zambia, respectively, live below the poverty threshold. Apart from Mauritius, only Botswana, Namibia and South Africa have succeeded in pulling more than 50 per cent of their populations out of poverty. Although data for Zimbabwe were not made available in the 2020 or 2021 Sustainable Development Reports, official estimates from the Ministry of Finance and Economic Development are that, while some 42.5 per cent of the population lived in extreme poverty in 2019, that percentage declined to 38.9 per cent in 2020 (Government of Zimbabwe, 2020). The reduction in poverty in Zimbabwe is therefore following a similar trajectory to the reduction that has taken place in Namibia and South Africa.

Only when the poverty head count ratio is below 13 per cent is a country classified as being outside the red category, and all countries with the exception of Mauritius are therefore in the red category. Governments must therefore devote greater attention to poverty alleviation in the 10 other Southern African countries. Since poverty is a reflection of many mac-

Figure 9: Poverty head count ratios across the eleven countries

roeconomic variables, poor performance in other Sustainable Development Goal focus areas, particularly economic growth, infrastructure and health and education is likely to be the main determinant of progress towards the achievement of Goal 1.

- **Progress towards the achievement of Goal 1 in the last three years**

Using the proportion of the population living on less than $1.90 a day as the indicator for Goal 1, it is clear that poverty has worsened in some countries in the last three years. This is illustrated in figure 10. In general, worsening poverty ratios over that period are due to the repercussions of COVID-19 pandemic. Specifically, the percentage of the population living in poverty increased between 2019 and 2021 in Malawi, South Africa and Zambia. Poverty levels in Eswatini and Lesotho declined over the same period, however, despite the challenging macroeconomic environment. Although progress was made in 2020, the pandemic eroded the gains achieved in Angola, Botswana and Mozambique, and poverty levels increased in those countries in 2021. Countries should therefore seek to leverage the opportunities stemming from the launch of the African Continental Free Trade Area to reverse worsening poverty trends or consolidate the gains they have achieved.

III. **Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture**

All countries should strive to end hunger through improved food security and nutrition. By 2030, countries are expected to have:

- Ended all forms of malnutrition, including achieving the internationally agreed targets on stunting and wasting in children under 5 years of age, and addressed the nutritional needs of adolescent girls, pregnant and lactating women and older persons;
- Doubled the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment;

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23 For further information about Goal 2, see the dedicated webpage of the United Nations Department of Economic and Social Affairs. Available at: https://sdgs.un.org/goals/goal2.
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- Ensured sustainable food production systems and implemented resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality;

- Maintained the genetic diversity of seeds, cultivated plants and farmed and domesticated animals and their related wild species, including through soundly managed and diversified seed and plant banks at the national, regional and international levels, and ensured access to and fair and equitable sharing of benefits arising from the utilization of genetic resources and associated traditional knowledge, as internationally agreed.

**Current status of progress towards the achievement of Goal 2**

A number of indicators that can be used to identify areas in which challenges still remain with respect to Sustainable Development Goal 2 in each country. First, hunger can be reflected by the percentage of the population whose food intake is insufficient to meet their dietary energy requirements for a minimum of one year (undernourishment). Second, the percentage of children up to the age of 5 years who are stunted is also a critical Goal 2 indicator. Third, the percentage of children up to the age of 5 years whose weight falls below minus two standard deviations from the median weight for their age (wasting) is also an important indicator of nutrition. Fourth, the percentage of the adult population that has a body mass index (BMI) of 30kg/m² or higher (obesity) is also an important nutritional indicator.

Data for the eleven countries show that, with the exception of Mauritius, all countries in Southern Africa are finding it challenging to reduce the incidence of stunting in children, with close to 50 per cent of children under 5 in Mozambique, for example, experiencing stunted growth. As illustrated in figure 11, stunting is also prevalent in Angola, Lesotho, Malawi and Zambia, where more than a third of children under five experience stunted growth.

Undernourishment is also seriously undermining the attainment of Goal 2, as the food intake of more than 30 per cent of the population of Lesotho and Mozambique, and of about a quarter of the population of Botswana is insufficient to meet their dietary energy requirements. This largely explains why those countries are failing to make significant progress with respect to Goal 2.

All countries have made progress in terms of reducing the incidence of wasting in children, the prevalence of which is below 5 per cent in all of the countries except Botswana and Namibia. However, a country is classified in the green category if the prevalence of wasting is less than 7.5 per cent, and hence all 11 countries have achieved the wasting target. A significant proportion of the population is obese, however. That phenomenon is particularly common in South Africa, where more than a quarter of the population is obese. A country in which some 25 per cent of the

**Figure 11:** Prevalence of undernourishment, stunting, wasting and obesity in the 11 countries

- **Source:** Sustainable Development Report 2021.
population is obese is classified in the red category. More than 15 per cent of the population is also obese in Botswana, Eswatini, Lesotho, Namibia and Zimbabwe. Only when 10 per cent of the population or less are obese is a country classified in the green category and hence only Angola, Malawi and Zambia have achieved that Goal 2 target.

In addition to nutrition, Goal 2 addresses the need to promote sustainable agriculture. The optimal use of land is reflected in yield, hence cereal yield per hectare reflects the extent to which land is being productively used to produce cereals. In addition, the Sustainable Nitrogen Management Index takes into account nitrogen and land use efficiency and can serve as a proxy for the efficiency of crop production. On the basis of figures obtained from top agricultural producers, optimal cereal yield per hectare is currently about 7 metric tons per hectare (Sachs and others, 2021).

Figure 12 illustrates that all 11 countries performed well below that optimal level in 2021, and it is likely that they will all find it challenging to attain Goal 2 by the 2030 deadline. Cereal yield per hectare in Mauritius and South Africa is, however, significantly higher than the yield in the other nine countries. Cereal yields are particularly problematic in Angola, Botswana, Mozambique, Namibia and Zimbabwe, where they are below one ton per hectare. Only yields of at least 2.5 tons per hectare mean that a country is placed in the green category, and only Mauritius and South Africa are currently able to produce yields of 2.5 tons per hectare or above.

Sustainable agriculture is also reflected in the Sustainable Nitrogen Management Index. The optimal Index score is zero and any score over 0.7 means that the country in question is placed in the red category. Of the 11 countries in Southern Africa, only South Africa and Malawi are not in the red category. However, only when a country achieved an Index score of 0.3 or below is it assigned to the green category, something that none of the 11 countries have so far achieved.

**Progress towards the achievement of Goal 2 in the last three years**

In the study reviewed in this report, only one indicator was reviewed for illustrative purposes to reflect progress in implementing each of the Goals. Six indicators are used to measure progress towards the achievement of Goal 2, but given that the agricultur-

**Figure 12:** Cereal yield per hectare and Sustainable Nitrogen Management Index scores for the 11 countries

![Graph showing cereal yield and Sustainable Nitrogen Management Index scores for the 11 countries](image)


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24 Only one indicator was considered in order to reduce the scope of discussions on each of the Goals. A review of all six indicators would have required very extensive discussions.
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Figure 13: Cereal yields (tons per hectare of harvested land) in the 11 countries (2019-2021)

Source: Africa SDG Index and Dashboards (2019 and 2020) and the Sustainable Development Report 2021.

al sector provides the lion’s share of livelihoods and incomes, cereal yield (expressed as tons per hectare of harvested land) can be selected for illustrative purposes as an indicator to show progress made towards the achievement of Goal 2 in the last three years across the 11 countries. As illustrated in figure 13, Eswatini and Mauritius have improved cereal yields in the last three years, which has supported those countries’ efforts to reduce hunger. Yields have, however, declined in Angola, Botswana and Zambia, and yields in 2021 in those countries were lower than yields in 2019. Yields in Zimbabwe remained constant over that three year period. Meanwhile, Lesotho, Malawi and South Africa have improved their yields compared to 2019, although crop yields remain below those registered in 2020, showing that it has not been possible to sustain many of the gains achieved in agriculture across the subregion.

Climate change and natural disasters threaten to reverse much of the progress made in reducing hunger in some of the countries reviewed in the present report. Further efforts are therefore needed to mobilize the necessary funds for the development of new crop varieties and the provision of key extension services.

IV. Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all

All countries should strive to improve access to energy. By 2030, countries are expected, inter alia, to have:

- Ensured universal access to affordable, reliable and modern energy services;
- Increased substantially the share of renewable energy in the global energy mix;
- Doubled the global rate of improvement in energy efficiency.

Current status of progress towards the achievement of Goal 7

Progress can be assessed by ascertaining the percentage of the population that has access to electricity. Sustainability can be measured by looking at the percentage of the population that habitually uses clean cooking fuels and technologies, and at carbon

25 For further information about Goal 7, see the dedicated webpage of the United Nations Department of Economic and Social Affairs. Available at: https://sdgs.un.org/goals/goal7.
dioxide emissions from electricity generation and heating.

In Botswana, Eswatini, Mauritius, Namibia and South Africa, at least 50 per cent of the population enjoys access to electricity. It is, however, only when at least 80 per cent of the population has access to electricity, as in the case in Mauritius and South Africa, that countries can be removed from the red category. Moreover, only when 98 per cent of the population of the country enjoy access to electricity should it be considered as having achieved Sustainable Development Goal 7. In Southern Africa, only Mauritius has therefore achieved that Goal. Furthermore, in Malawi and Mozambique, only 18 per cent and 31 per cent, respectively, of the population enjoys access to electricity. Investment in electricity generation and transmission is therefore needed to ensure that countries are able to meet the Goal 7 targets.

Access to clean energy is, perhaps, more important as a measure than access to electricity, as the former reflects the sustainability of energy access. Only when at least 50 per cent of the population has access to clean energy and technology for cooking can a country be removed from the red category, while countries are only assigned to the green category when at least 85 per cent of the population has access to clean energy and technology for cooking. As illustrated in figure 14, only Botswana, Eswatini, Mauritius and South Africa, have been removed from the red category, while only Mauritius and South Africa have achieved the Goal 7 target on clean energy.

With respect to carbon dioxide (CO₂) emissions, the Sustainable Development Report 2021 does not provide data on Eswatini, Lesotho and Malawi. Figure 15 illustrates that the other eight countries continue to struggle to limit their emissions. A country that reduces its emissions to less than 1.5 Metric ton of CO₂ per terawatt-hour (MtCO₂/TWh) can be removed from the red category and a country that reduces its emission levels to 1 MtCO₂/TWh is assigned to the green category. Mozambique and Zambia have already achieved the Goal 7 target on emissions, while Mauritius and Zimbabwe have graduated from

**Figure 14: Access to electricity and clean energy among the populations of the 11 countries**

![Graph showing access to electricity and clean energy among the populations of the 11 countries](image)

the red category. Emissions remain high in Angola, Botswana, South Africa and Namibia and additional resources are needed to formulate carbon emission reduction strategies for those countries and achieve the relevant Goal 7 target. Reducing emissions is challenging as most activities that foster economic development increase carbon emissions. It is therefore necessary to strike a balance between protecting the environment and fostering economic growth, particularly in the short term.

**Progress towards the achievement of Goal 7 in the last three years**

Changes in the proportion of the population with access to electricity reflects the efforts exerted by countries to achieve Goal 7. As illustrated in figure 16, steady progress has been achieved in that regard in all countries in Southern Africa with the exception of Mauritius, which must continue to invest in electricity generation so as to ensure that its growing population does not undermine the gains already made.
V. Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Countries also need to ensure that they focus on productive employment and decent work for all the working age population. By 2030, countries are expected, inter alia, to have:

- Sustained per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent GDP product growth per annum in the least developed countries;

- Achieved higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors;

- Promoted development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encouraged the formalization and growth of micro-, small and medium-sized enterprises, including through access to financial services;

- Taken effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms;

- Strengthened the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.

Current status of progress towards the achievement of Goal 8

A number of indicators can be used to monitor progress towards the achievement of Goal 8, including GDP growth rates at purchasing power parity. An expanding economy not only provides opportunities for countries to achieve Goal 8, but can also facilitate their efforts to attain the other Sustainable Development Goals. The estimated number of people in modern slavery indicator can be used to monitor the number of individuals in forced labour or in forced marriages and is critical in the promotion of decent work and sustainable development. The unemployment rate measures the share of the labour force that is without work but is available and actively seeking employment. As for decent work, data on the enforcement of fundamental labour rights, including the rights to freedom of association and to collective bargaining, the absence of discrimination with respect to employment, and freedom from forced or child labour, reflect whether a country is truly able to uphold fundamental labour rights.

Figure 17 illustrates that adjusted GDP growth rates have turned negative in all eleven countries. This is not surprising as, globally, all countries have experienced negative growth rates as a result of the global response to the COVID-19 pandemic. Growth is expected to recover in the near future, however. Sustainable economic growth is also reflected in data on financial inclusion, and particularly on the percentage of the adult population that enjoys access to financial services. Only when 50 per cent of the population has access to financial services can a country graduate from the red category, and only when 80 per cent of the adult population can access financial services is a country considered to have achieved the relevant Goal 8 target. In that regard, only Mauritius, Namibia and South Africa have graduated from the red category, and Mauritius and Namibia have already achieved the 2030 target with respect to access to financial services. Further efforts in that area are still needed in Angola, Eswatini and Malawi, where the percentage of adult population with access to financial services is less than 40 per cent.

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26 For further information about Goal 8, see the dedicated webpage of the United Nations Department of Economic and Social Affairs. Available at: https://sdgs.un.org/goals/goal8.
Employment and labour market data show that further efforts are needed to achieve Goal 8. One Goal 8 indicator is the level of compliance with labour rights. Ideally, countries should score 0.85 or more on that indicator. It is only when a country achieves a score of 0.5 or above that it can graduate from the red category and the relevant target of Goal 8 can be considered achieved if a country attains a score of 0.7 or above. Data on that indicator are unavailable for Eswatini or Lesotho. As for the other countries in Southern Africa, only Angola, with a score of 0.4, remains in the red category. Only South Africa, with a score of 0.7, has achieved the Goal 8 target on workers’ fundamental rights. The other countries score either 0.5 (Malawi, Mozambique, Zambia and Zimbabwe) or 0.6 (Botswana, Mauritius and Namibia).

With respect to unemployment, countries are only considered to be above the green category threshold if the unemployment rate, as defined by the International Labour Organization, does not exceed 10 per cent, while countries with an unemployment rate of 5 per cent or less are considered to have achieved the Goal 8 target on unemployment. Only Mozambique has already achieved that target. Countries that are still in the red category include Botswana, Eswatini, Lesotho, Namibia, South Africa and Zambia.

Countries are also expected to adopt measures to reduce the number of victims of modern slavery, including conditions of forced labour. In general, if fewer than 10 in 1,000 individuals in a country are victims of modern slavery, then that country is not assigned to the red category. A country is classified as having achieved the relevant Goal 8 target if no more than 4 out of 1,000 people are victims of modern slavery. As illustrated in figure 18, none of the eleven countries are currently assigned to the red category, as fewer than 10 in 1,000 individuals are victims of modern slavery in all of the countries. In addition, Botswana, Mauritius, Namibia and South Africa have already achieved the Goal 8 target well ahead of the 2030 deadline. There is scope, however, for the countries to reduce modern slavery figures still further prior to 2030. Given the success of countries in Southern Africa in this area, it is unlikely that the number of victims of modern slavery will impede the attainment of Goal 8 in the subregion.

Progress towards the achievement of Goal 8 in the last three years

As discussed above, several States in Southern Africa experienced negative growth per capita between 2015 and 2020, with only Eswatini, Malawi, Mauritius and Mozambique registering positive growth rates over that period. GDP growth is a critical Goal 8 indicator, and it is clear that several countries, including Angola, Namibia and Zimbabwe, which registered the fastest declines in GDP per capita over that pe-
**Figure 18:** Labour rights, unemployment rates and modern slavery figures across the 11 countries

![Bar chart showing labour rights, unemployment rates, and modern slavery figures across 11 countries.](chart.png)


**Figure 19:** Percentage of adults in the 11 countries with an account at a bank or other financial institution or with a mobile-money service provider (2019-2021)

![Bar chart showing financial inclusion across 11 countries.](chart2.png)

period, are failing to sustain many of their earlier economic gains.

Progress in terms of financial inclusion can also be used to track progress on Goal 8 over the last three years. As illustrated in figure 19, the percentage of adults with an account at a bank or other financial institution or with a mobile-money service provider has remained constant in the last three years in all 11 countries. This means that, while the COVID-19 pandemic may have slowed progress in the area of financial inclusion, the 11 countries have all safeguarded the gains they achieved prior to the pandemic. The Agreement on the Establishment of the African Continental Free Trade Area can, moreover, establish a strong foundation for further progress in that area.

VI. Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Sustainable Development Goal 9 focuses on infrastructure, which provides the backbone for sustained production and economic growth, as well as on industrialization and innovation. By 2030, countries are expected, inter alia, to have:

- Developed quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all;

- Promoted inclusive and sustainable industrialization and significantly raised industry’s share of employment and GDP, in line with national circumstances;

- Increased the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets;

- Upgraded infrastructure and retrofitted industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes;

- Enhanced scientific research, upgraded the technological capabilities of industrial sectors in all countries, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.

Current state of progress towards the achievement of Goal 9

Three indicators can be used to monitor progress towards the achievement of Goal 9 in the 11 countries. Internet connectivity and usage is important. Indeed, information and communications technology (ICT) infrastructure facilitates innovation and can boost economic growth. The percentage of the population who use the Internet, either through fixed-line or mobile networks is therefore an important Goal 9 indicator. The number of mobile broadband subscriptions per 100 individuals also complements that measure. The quality of trade- and transport-related infrastructure, including ports, roads, railways and information technology, also reflects the ease with which it is possible to do business. The quality of scientific research, and hence the rankings of a country’s tertiary education institutions, can also have an impact on efforts to achieve Goal 9. The number of scientific and technical journal articles published reflects the role played by tertiary education institutions in advancing research. Gross domestic expenditure on research and development, expressed as a percentage of GDP, also reflects how innovation is conducted in each country.

Countries graduate from the red category only when 50 per cent of the population uses the Internet, and it is only when at least 80 per cent of a country’s population uses the Internet that it is deemed to have

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27 For further information about Goal 9, see the dedicated webpage of the United Nations Department of Economic and Social Affairs. Available at: https://sdgs.un.org/goals/goal9.
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Figure 20: Internet usage and mobile broadband subscriptions across the eleven countries

![Graph showing Internet usage and mobile broadband subscriptions across the eleven countries](image)

**Source:** Sustainable Development Report 2021.

achieved the relevant Goal 9 target and is assigned to the green category. In that regard, and as illustrated in figure 20, Angola, Lesotho, Malawi, Mozambique, Zambia and Zimbabwe are all currently assigned to the red category. Botswana and Eswatini, while also in the red category, are likely to graduate out of that category in the near future. Although Mauritius, Namibia and South Africa are no longer in the red category, they have not yet achieved the Goal 9 target of at least 80 per cent of the population enjoying access to the Internet. Additional financial resources must be mobilized to meet that target by the 2030 deadline. By boosting trade, the Agreement on the Establishment of the African Continental Free Trade Area could play a critical role in that regard.

Only when at least 40 per cent of a country’s population have mobile broadband subscriptions can that country graduate out of the red category, and it is only when at least 75 per cent of the population have subscribed to mobile broadband networks that a country can be assigned to the green category. Four countries, namely Angola, Eswatini, Malawi and Mozambique are currently assigned to the red category, while Botswana, Mauritius and South Africa have already achieved the 75 per cent target, well ahead of the 2030 deadline. Encouragingly, Lesotho, Namibia, Zambia and Zimbabwe have graduated out of the red category and, if they continue to make progress in that area, could be assigned to the green category before the 2030 cut-off point.

The Logistics Performance Index can also be used to monitor progress, as it assesses the quality of trade- and transport-related infrastructure, including ports, roads, railways and information technology. Countries that are awarded an Index score of 2 or more are considered to have graduated from the red category, while a value of 3 means that a country is assigned to the green category. As shown in table 1, data gaps mean that no score can be assigned to Eswatini, Angola and Zimbabwe have been placed in the red category, Botswana and South Africa have been promoted to the green category, and Mauritius and Namibia are very close to attaining green category status. It is unlikely, therefore, that a lack of infrastructure will derail the ambitions of countries in Southern Africa to achieve Goal 9 although challenges remain with respect to the uneven coverage of that infrastructure across the subregion.

Challenges also remain with regard to innovation, research and development, and it those challenges that are could undermine efforts by countries in Southern Africa to achieve Goal 9 by the 2030 deadline. With regard to university rankings, all countries in Southern Africa except Botswana and South Africa are in the red category with a score of zero (the worst possible score). The green category threshold is set at 30, however, which means that only South African universities qualify in terms of the academic performance required to achieve Goal 9. Furthermore, although Botswana has successfully moved beyond the red category, it must still make significant pro-
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Progress in the next few years in order to be promoted to the green category.

As for the publication of research papers, the countries that have achieve a score of 0.05 per 1,000 population, namely Botswana, Mauritius, Namibia and South Africa, are no longer assigned to the red category. It is, however, worrying that the other seven countries are all assigned a score of zero, the worst possible score. This is likely to severely impede their efforts to achieve Goal 9 by the 2030 deadline. Furthermore, only a score of 0.7 or above qualifies a country for green category status. As a result, even the four countries that have graduated out of the red category have much work to do if they are to make progress on the relevant Goal 9 target.

The resources allocated to research and development can foster innovation, a critical component of Goal 9. Only when research and development expenditure constitutes at least 1 per cent of GDP is a country not assigned to the red category. As a result, all the countries in Southern Africa fall into the red category, although South Africa is closer to graduating out of that category than the other countries in the subregion. The green category threshold is 1.5, and hence even South Africa is only about 50 per cent of the way to attaining green category status. A lack of available resources for innovation is therefore a serious impediment for the countries, as they endeavour to achieve Goal 9.

**Progress towards the achievement of Goal 9 in the last three years**

The availability of broadband infrastructure in a country can be instrumental in facilitating the achievement of other Sustainable Development Goals, particularly as use of the Internet and information in general is critical for empowerment. Figure 21 illustrates that, with the exception of Mozambique, all 11 countries in the subregion successfully increased the number of mobile broadband subscriptions between 2019 and 2021. A steady increase each year in the number of subscribers was registered in Angola, Botswana, Lesotho, Malawi, Mauritius and South Africa. In Namibia and Zambia, the number of subscribers declined between 2020 and 2021, possibly as a result of the impact of the COVID-19 pandemic. On the other hand, the number of mobile broadband subscribers in Eswatini and Zimbabwe remained stable over the same period. Some notable progress has therefore been achieved on that critical Goal 9 indicator.

<table>
<thead>
<tr>
<th>Logistics Performance Index (1.0 (worst) to 5.0 (best))</th>
<th>Angola</th>
<th>Botswana</th>
<th>Eswatini</th>
<th>Lesotho</th>
<th>Malawi</th>
<th>Mauritius</th>
<th>Mozambique</th>
<th>Namibia</th>
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<td>2.0</td>
<td>2.2</td>
<td>2.8</td>
<td>2.2</td>
<td>2.8</td>
<td>3.2</td>
<td>2.3</td>
<td>1.8</td>
<td></td>
</tr>
</tbody>
</table>

The Times Higher Education Universities Ranking (0 (worst) to 100 (best))

<table>
<thead>
<tr>
<th>Scientific and technical journal articles (per 1,000 population)</th>
<th>Angola</th>
<th>Botswana</th>
<th>Eswatini</th>
<th>Lesotho</th>
<th>Malawi</th>
<th>Mauritius</th>
<th>Mozambique</th>
<th>Namibia</th>
<th>South Africa</th>
<th>Zambia</th>
<th>Zimbabwe</th>
</tr>
</thead>
<tbody>
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<td>0.0</td>
<td>0.1</td>
<td>0.0</td>
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<td>0.1</td>
<td>0.0</td>
<td>0.1</td>
<td>0.2</td>
<td>0.0</td>
<td>0.0</td>
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</tbody>
</table>

Expenditure on research and development (% of GDP)

<table>
<thead>
<tr>
<th>Angola</th>
<th>Botswana</th>
<th>Eswatini</th>
<th>Lesotho</th>
<th>Malawi</th>
<th>Mauritius</th>
<th>Mozambique</th>
<th>Namibia</th>
<th>South Africa</th>
<th>Zambia</th>
<th>Zimbabwe</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.0</td>
<td>0.5</td>
<td>0.3</td>
<td>0.0</td>
<td>0.0</td>
<td>0.3</td>
<td>0.3</td>
<td>0.8</td>
<td>0.3</td>
<td>—</td>
<td></td>
</tr>
</tbody>
</table>

Accelerating implementation of the Agreement Establishing the African Continental Free Trade Area in Southern Africa to achieve the Sustainable Development Goals and the aspirations, goals and targets of Agenda 2063

**Figure 21:** Mobile broadband subscriptions (per 100 people), 2019-2021

<table>
<thead>
<tr>
<th>Country</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zimbabwe</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zambia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>South Africa</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Namibia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mozambique</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mauritius</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Malawi</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lesotho</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eswatini</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Botswana</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Angola</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Africa SDG Index and Dashboards (2019 and 2020) and the Sustainable Development Report 2021.

**Table 2:** The 20 goals of the First Ten-Year Implementation Plan (2014-2023) of Agenda 2063

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal 2: Well-Educated Citizens and Skills Revolution Underpinned by Science, Technology and Innovation</td>
<td>Goal 7: Environmentally Sustainable Climate Resilient Economies and Communities</td>
<td>Goal 12: Capable Institutions and Transformed Leadership in Place at All Levels</td>
<td>Goal 17: Full Gender Equality in All Spheres of Life</td>
</tr>
<tr>
<td>Goal 3: Healthy and Well-Nourished Citizens</td>
<td>Goal 8: United Africa (Federal or Confederate)</td>
<td>Goal 13: Peace, Security and Stability are Preserved</td>
<td>Goal 18: Engaged and Empowered Youth and Children</td>
</tr>
<tr>
<td>Goal 4: Transformed Economies and Job Creation</td>
<td>Goal 9: Key Continental Financial and Monetary Institutions Established and Functional</td>
<td>Goal 14: A Stable and Peaceful Africa</td>
<td>Goal 19: Africa as A Major Partner in Global Affairs and Peaceful Co-Existence</td>
</tr>
</tbody>
</table>


**Progress towards the Achievement of Agenda 2063 in Southern Africa**

Agenda 2063 sets out twenty goals and thirty-nine priority areas that cut across seven aspirations (Mo Ibrahim Foundation, 2019). As shown in table 2, the twenty goals span a wide range of themes, focusing on poverty, education, employment creation, peace, unity, and empowerment.

Each of the thirty-nine priority areas has a set of targets, with a total of 255 targets set for achievement during the first 10 years of implementation of Agenda 2063. Those targets are measured by means of 63 core indicators (Mo Ibrahim Foundation, 2019).

- **Overall progress**

In 2020, the African Union Commission and AU-DA-NEPAD issued a report on the implementation of Agenda 2063 in member States. The report presented the aggregate status of progress made towards the achievement of the targets set out in the First Ten-Year Implementation Plan (2014-2023) of Agen-
da 2023. Taking into account the fact that the Plan spans the period 2014–2023 and that set targets are expected to be achieved in 2023, the report reported on progress made as of 2019 (African Union Commission and AUDA-NEPAD, 2020). The report therefore looked at the period to 2019 and calculated relevant 2019 targets, which were used as the basis to assess each country’s progress.

Measured against the 2019 targets, progress towards the achievement of Agenda 2063 had been proceeding slowly in Southern Africa and the subregion had an overall score of approximately 25 per cent in terms of the achievement of those targets. The continental average score for Agenda 2063 over the same period was 32 per cent, meaning that Southern Africa was underperforming other African subregions. As illustrated in figure 22, aspiration 4 (A Peaceful and Secure Africa) registered the highest score by 2019, as 40 per cent of the 2019 targets for that aspiration had already been met. The subregion was, however, in its initial stages with respect to aspiration 5 (An Africa with a Strong Cultural Identity, Common Heritage, Shared Values and Ethics), which still had a score of zero per cent. Furthermore, a comparison with other African subregions revealed that Southern Africa had made less progress than other subregions across all seven of the aspirations.

As illustrated in figure 23, Zimbabwe had made more progress compared to the other countries in Southern Africa by 201928 as it had achieved 39 per cent of the 2019 targets (figure 23). Zambia had the lowest score, achieving only 14 per cent of the 2019 targets. None of the 11 countries had managed to achieve even half of the set targets, underlining that the achievement of Agenda 2063 aspirations remains a challenging endeavour. Eswatini, South Africa and Zambia, performed below the Southern Africa average, while only Lesotho and Zimbabwe performed better than the continental average. The authors of the report concluded that, if the pace of progress as of 2019 were maintained, the subregion would fail to achieve most of the First Ten-Year Implementation Plan targets by the 2023 deadline.

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28 Relevant data for Angola, Malawi and Mauritius were not provided in the first Continental Report on the Implementation of Agenda 2063.
**Goal-specific assessment of progress**

To address the challenges faced by countries as they strive to achieve the Agenda 2063 targets, it is important to anchor progress in that regard through implementation of the Agreement Establishing the African Continental Free Trade Area. Indeed, it could be argued that progress towards the achievement of 9 of the 20 goals set out in Agenda 2063 is likely to be significantly affected by the creation of the African Continental Free Trade Area. Those goals are:

- Goal 1: A High Standard of Living, Quality of Life and Well-Being for All
- Goal 2: Well-Educated Citizens and Skills Revolution Underpinned by Science, Technology and Innovation
- Goal 3: Healthy and Well-Nourished Citizens
- Goal 4: Transformed Economies and Job Creation
- Goal 5: Modern Agriculture for Increased Productivity and Production
- Goal 7: Environmentally Sustainable Climate Resilient Economies and Communities
- Goal 10: World-Class Infrastructure Criss-Crosses Africa
- Goal 17: Full Gender Equality in All Spheres of Life
- Goal 18: Engaged and Empowered Youth and Children

Progress towards the achievement of those goals by countries in Southern Africa, as measured against the 2019 targets, was assessed as follows:

**Goal 1: A High Standard of Living, Quality of Life and Well-Being for All**

Agenda 2063 seeks to enhance standards of living and quality of life by focusing on three priority areas:

1. Incomes, jobs and decent work;
2. Poverty, inequality and hunger; and

The Agenda 2063 goal 1 targets and the target values expected to be achieved in 2019 at the continental level are set out in table 3:

As illustrated in figure 24, only Botswana was fully on target in 2019 to meet goal 1 by the 2023 deadline. By way of comparison, Zambia had achieved only 15 per cent of the progress expected by 2019. South Af-

### Table 3: Agenda 2063 goal 1 targets and target values expected to be achieved at the continental level in 2019

<table>
<thead>
<tr>
<th>Agenda 2063 target</th>
<th>2019 target value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase 2013 per capita income by at least 30 per cent</td>
<td>$1,482</td>
</tr>
<tr>
<td>Reduce the 2013 unemployment rate by at least 25 per cent</td>
<td>10.9%</td>
</tr>
<tr>
<td>Reduce stunting in children to 10 per cent and underweight to 5 per cent</td>
<td>13.1%</td>
</tr>
<tr>
<td>Reduce the 2013 proportion of the population without access to safe drinking water by 95 per cent</td>
<td>86.4%</td>
</tr>
<tr>
<td>Increase access and use of electricity and the Internet by at least 50 per cent above 2013 levels:</td>
<td></td>
</tr>
<tr>
<td>(a) Percentage of households with access to electricity</td>
<td>74.7%</td>
</tr>
<tr>
<td>(b) Percentage of households using electricity</td>
<td>36.1%</td>
</tr>
<tr>
<td>(c) Percentage of population with access to the Internet</td>
<td>28.3%</td>
</tr>
</tbody>
</table>

*Source: African Union Commission and AUDA-NEPAD, 2020.*
Accelerating implementation of the Agreement Establishing the African Continental Free Trade Area in Southern Africa to achieve the Sustainable Development Goals and the aspirations, goals and targets of Agenda 2063

Figure 24: Progress achieved (as a percentage of total progress expected by 2019) by eight of the countries in Southern Africa with respect to goal 1 of Agenda 2063


Africa also scored poorly, achieving only 29 per cent of the progress expected by that date. Zimbabwe had achieved just over 50 per cent of progress expected while, South Africa, Zambia and Zimbabwe had fallen significantly behind the other countries in terms of progress on goal 1 and will have considerable work to do in order to meet the Agenda 2063 aspirations. Finally, Eswatini, Lesotho, Mozambique and Namibia had achieved approximately two thirds of the progress expected of them by 2019.

Given that goal 1 is directly related to livelihoods and quality of life, it is important to develop strategies to help countries in Southern Africa meet expectations with respect to goal 1 milestones. It is likely that implementation of the Agreement Establishing the African Continental Free Trade Area could accelerate progress to that end.

Goal 2: Well-Educated Citizens and Skills Revolution Underpinned by Science, Technology and Innovation

Goal 2 of Agenda 2063 focuses, primarily, on education, which can establish the foundations for the use of technology and the innovations necessary to enhance productivity and growth in Africa. The Agenda 2063 goal 2 targets and the target values expected to be achieved by 2019 at the continental level are set out in table 4:

As illustrated in figure 25, none of the eight countries performed to expectations as of 2019. Mozambique achieved about 60 per cent of expected targets by 2019 and was the best performer among the eight

Table 4: Agenda 2063 goal 2 targets and target values expected to be achieved at the continental level by 2019

<table>
<thead>
<tr>
<th>Agenda 2063 target</th>
<th>2019 target value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enrolment rate for basic education is 100 per cent</td>
<td>90.7%</td>
</tr>
<tr>
<td>Increase the number of qualified teachers by at least 30 per cent with focus on science, technology, engineering and mathematics (STEM)</td>
<td>67.3%</td>
</tr>
<tr>
<td>Universal secondary school (including technical high schools) with enrolment rate of 100 per cent</td>
<td>70.3%</td>
</tr>
</tbody>
</table>

Accelerating implementation of the Agreement Establishing the African Continental Free Trade Area in Southern Africa to achieve the Sustainable Development Goals and the aspirations, goals and targets of Agenda 2063

Figure 25: Progress achieved (as a percentage of total progress expected by 2019) by eight of the countries in Southern Africa with respect to goal 2 of Agenda 2063


Table 5: Agenda 2063 goal 3 targets and target values expected to be achieved at the continental level by 2019

<table>
<thead>
<tr>
<th>Agenda 2063 target</th>
<th>2019 target value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase 2013 levels of access to sexual and reproductive health services to women by at least 30 per cent</td>
<td>39.7%</td>
</tr>
<tr>
<td>Reduce 2013 maternal mortality rates by at least 50 per cent:</td>
<td></td>
</tr>
<tr>
<td>(a) Maternal mortality ratio</td>
<td>269</td>
</tr>
<tr>
<td>(b) Neonatal mortality rate</td>
<td>14.1</td>
</tr>
<tr>
<td>(c) Under five mortality rate</td>
<td>44.9</td>
</tr>
<tr>
<td>Reduce the 2013 incidence of HIV/AIDs, malaria and tuberculosis (TB) by at least 80 per cent:</td>
<td></td>
</tr>
<tr>
<td>(a) Number of New HIV infections per 1000 Population</td>
<td>1.5</td>
</tr>
<tr>
<td>(b) TB incidence per 1000 persons per Year</td>
<td>132.7</td>
</tr>
<tr>
<td>(c) Malaria incidence per 1000 per year</td>
<td>65.9</td>
</tr>
<tr>
<td>Access to anti-retroviral drugs is 100 per cent</td>
<td>85.6%</td>
</tr>
</tbody>
</table>


countries. Namibia, South Africa and Zimbabwe, which had barely moved from the 2013 baseline, were the worst performers. Further efforts are therefore needed by Southern African countries to ensure that they attain goal 2 of Agenda 2063.

Goal 3: Healthy and Well-Nourished Citizens

Goal 3 focuses on health and nutrition. The Agenda 2063 goal 3 targets and the target values expected to be achieved by 2019 at the continental level are set out in table 5:

As shown in figure 26, Zambia achieved about 90 per cent of the progress expected by 2019 with respect to healthy and well-nourished citizens, followed by Zimbabwe (72 per cent) and Eswatini (64 per cent). Mozambique and Namibia made no progress at all on the goal 3 targets compared with 2013 while Botswana, Lesotho and South Africa, achieved only 7 percent, 6 per cent and 14 per cent, respectively, of the progress expected by 2019.
Accelerating implementation of the Agreement Establishing the African Continental Free Trade Area in Southern Africa to achieve the Sustainable Development Goals and the aspirations, goals and targets of Agenda 2063

**Goal 4: Transformed Economies and Job Creation**

Goal 4 of Agenda 2063 has four main priority areas, namely: sustainable inclusive economic growth; science-, technology- and innovation-driven manufacturing/industrialization and value addition; economic diversification and resilience; and hospitality/tourism.

The Agenda 2063 goal 4 targets and the target values expected to be achieved by 2019 at the continental level are set out in table 6:

Table 6: Agenda 2063 goal 4 targets and target values expected to be achieved at the continental level by 2019

<table>
<thead>
<tr>
<th>Agenda 2063 target</th>
<th>2019 target values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual real GDP growth rate of at least 7 per cent</td>
<td>7%</td>
</tr>
<tr>
<td>Real value of manufacturing in GDP is 50 per cent more than the 2013 level</td>
<td>12.7%</td>
</tr>
<tr>
<td>At least 1 per cent of GDP is allocated to science, technology and innovation research and to science-, technology- and innovation-driven entrepreneurship development</td>
<td>0.8%</td>
</tr>
<tr>
<td>Contribution of tourism to GDP in real terms is increased by at least 100 per cent</td>
<td>4.1%</td>
</tr>
</tbody>
</table>

*Source: African Union Commission and AUDA-NEPAD, 2020.*

Achieving goal 4 of Agenda 2063 remains a challenge for all the subregional States. As illustrated in figure 27, Eswatini, Lesotho and Zimbabwe, the strongest subregional performers, only achieved about a quarter of the progress expected by 2019 with respect to that goal. Meanwhile, Botswana, Namibia and Zambia have made no progress at all on the goal 4 targets compared with the 2013 baseline. It is to be hoped that the expansion of industrial production and value addition will anchor opportunities arising from the creation of the African Continental Free Trade Area and provide momentum for progress towards the achievement of goal 4.

*Source: African Union Commission and AUDA-NEPAD, 2020.*
Accelerating implementation of the Agreement Establishing the African Continental Free Trade Area in Southern Africa to achieve the Sustainable Development Goals and the aspirations, goals and targets of Agenda 2063

**Figure 27:** Progress achieved (as a percentage of total progress expected by 2019) by eight of the countries in Southern Africa with respect to goal 4 of Agenda 2063

![Bar chart showing progress achieved by countries in Southern Africa with respect to goal 4 of Agenda 2063.](image)


**Goal 5: Modern Agriculture for Increased Productivity and Production**

Goal 5 focuses on agricultural productivity and production. The Agenda 2063 goal 5 targets and the target values expected to be achieved by 2019 at the continental level are set out in table 7:

Almost all countries in Southern Africa have struggled to move from their 2013 baseline positions with respect to goal 5. As shown in figure 28, only Eswatini has managed to meet its 2019 targets in terms of modernizing its agriculture to ensure increased productivity and production. Unfortunately, the other countries in the subregion have failed to improve on their 2013 baseline levels. It is hoped that opportunities stemming from the creation of the African Continental Free Trade Area will help unlock demand for

**Table 7:** Agenda 2063 goal 5 targets and target values expected to be achieved at the continental level by 2019

<table>
<thead>
<tr>
<th>Agenda 2063 target</th>
<th>2019 target value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Double agricultural total factor productivity</td>
<td>2.3% increase per annum</td>
</tr>
<tr>
<td>At least 10 per cent of small-scale farmers graduate into small-scale commercial</td>
<td>23.7%</td>
</tr>
<tr>
<td>farming and those graduating at least 30 per cent should be women</td>
<td></td>
</tr>
</tbody>
</table>

Accelerating implementation of the Agreement Establishing the African Continental Free Trade Area in Southern Africa to achieve the Sustainable Development Goals and the aspirations, goals and targets of Agenda 2063

**Figure 28:** Progress achieved (as a percentage of total progress expected by 2019) by eight of the countries in Southern Africa with respect to goal 5 of Agenda 2063

Source: African Union Commission and AUDA-NEPAD, 2020; map by author.

Disclaimer: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations. Final boundary between the Republic of Sudan and the Republic of South Sudan has not yet been determined.

Agricultural products and create incentives for the modernization of the agricultural sector.

**Goal 7: Environmentally Sustainable Climate Resilient Economies and Communities**

The main priority areas under goal 7 of Agenda 2063 are biodiversity, conservation, and sustainable natural resource management. The goal 7 targets and the target values expected to be achieved by 2019 at the continental level are set out in table 8:

As shown in figure 29, only Namibia managed to meet its 2019 targets with respect to goal 7. South Africa and Botswana achieved about 75 per cent and 54 per cent, respectively, of the progress expected by 2019. The other five countries failed to make any progress with respect to the 2013 baseline. It is hoped that implementation of the Agreement Establishing the African Continental Free Trade Area will provide impetus for the achievement of the goal 7 targets through its support for green industrialization.
Table 8: Agenda 2063 goal 7 targets and target values expected to be achieved at the continental level by 2019

<table>
<thead>
<tr>
<th>Agenda 2063 target</th>
<th>2019 target value</th>
</tr>
</thead>
<tbody>
<tr>
<td>At least 30 per cent of agricultural land is placed under sustainable land management practice</td>
<td>22.2%</td>
</tr>
<tr>
<td>At least 17 per cent of terrestrial and inland water and 10 per cent of coastal and marine areas are preserved</td>
<td>25.5%</td>
</tr>
</tbody>
</table>


Figure 29: Progress achieved (as a percentage of total progress expected by 2019) by eight of the countries in Southern Africa with respect to goal 7 of Agenda 2063

Source: African Union Commission and AU-NEPAD, 2020; map by author.

Disclaimer: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations. Final boundary between the Republic of Sudan and the Republic of South Sudan has not yet been determined.

Goal 10: World-Class Infrastructure
Criss-Crosses Africa

Goal 10 of Agenda 2063 focuses on communications and infrastructure connectivity. The goal 10 targets and the target values expected to be achieved by 2019 at the continental level are set out in table 9:

As shown in figure 30, the performance of the Southern African countries with respect to goal 10 is poor and no country has made significant progress beyond their 2013 baseline values. Namibia, the strongest performer, achieved only 12 per-cent of the progress expected by 2019, while Eswatini, the second strongest, achieved a mere 9 per-cent of the expected progress.
Accelerating implementation of the Agreement Establishing the African Continental Free Trade Area in Southern Africa to achieve the Sustainable Development Goals and the aspirations, goals and targets of Agenda 2063

Table 9: Agenda 2063 goal 10 targets and target values expected to be achieved at the continental level by 2019

<table>
<thead>
<tr>
<th>Agenda 2063 target</th>
<th>2019 target value</th>
</tr>
</thead>
<tbody>
<tr>
<td>At least national readiness for implementation of the trans African-Highway missing link is achieved</td>
<td>100%</td>
</tr>
<tr>
<td>At least national readiness for in-country connectivity to the African High-Speed Rail Network is achieved by 2019</td>
<td>100%</td>
</tr>
<tr>
<td>Skies fully opened to African airlines</td>
<td>100%</td>
</tr>
<tr>
<td>Increase electricity generation and distribution by at least 50 per cent by 2020</td>
<td>3,118 megawatts added to national grid</td>
</tr>
<tr>
<td>Double ICT penetration and contribution to GDP:</td>
<td></td>
</tr>
<tr>
<td>(a) Proportion of population using mobile phones</td>
<td>96.1%</td>
</tr>
<tr>
<td>(b) Percentage of ICT contribution to GDP</td>
<td>6.4%</td>
</tr>
</tbody>
</table>


Figure 30: Progress achieved (as a percentage of total progress expected by 2019) by eight of the countries in Southern Africa with respect to goal 10 of Agenda 2063


Goal 17: Full Gender Equality in All Spheres of Life

Goal 17 of Agenda 2063 establishes two priority areas, namely women’s empowerment, and violence and discrimination against women and girls. The goal 17 targets and the target values expected to be achieved by 2019 at the continental level are set out in table 10:

Progress towards the achievement of goal 17 has been poor across the eight countries. As shown in figure 31, no country was able to meet the 2019 targets. Namibia, South Africa and Zimbabwe, the strongest performers, achieved about 50 per cent of the progress expected by 2019. Further efforts are therefore needed to promote the empowerment of women and it is hoped that opportunities for participation production and trade under the terms of the African Continental Free Trade Area could be leveraged to address gender equality gaps.
Table 10: Agenda 2063 goal 17 targets and target values expected to be achieved at the continental level by 2019

<table>
<thead>
<tr>
<th>Agenda 2063 target</th>
<th>2019 target value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equal economic rights for women, including the rights to own and inherit property, sign a contract, save, register and manage a business and own and operate a bank account by 2026</td>
<td>46.1%</td>
</tr>
<tr>
<td>At least 30 per cent of all elected officials at local, regional and national levels are women as well as in judicial institutions</td>
<td>18%</td>
</tr>
<tr>
<td>Reduce 2013 levels of violence against women and girls by at least 20 per cent</td>
<td>93.9</td>
</tr>
<tr>
<td>Reduce by 50 per cent all harmful social norms and customary practices against women and girls and those that promote violence and discrimination against women and girls</td>
<td>24.2%</td>
</tr>
<tr>
<td>Eliminate all barriers to quality education, health and social services for Women and Girls by 2020</td>
<td>60%</td>
</tr>
</tbody>
</table>


Figure 31: Progress achieved (as a percentage of total progress expected by 2019) by eight of the countries in Southern Africa with respect to goal 17 of Agenda 2063

Goal 18: Engaged and Empowered Youth and Children

As illustrated in figure 32, only Zimbabwe successfully achieved 2019 targets for goal 18. Lesotho and Mozambique achieved approximately 73 per cent and 56 per cent, respectively, of the progress expected by 2019 with respect to that goal, while Botswana, Namibia and South Africa made almost no progress compared with the 2013 baseline. Facilitating business opportunities for youth-owned micro-, small and medium-sized enterprises under the terms of the Agreement is likely to increase momentum towards the achievement of the goal 18 targets.

Table 11: Agenda 2063 goal 18 targets and target values expected to be achieved at the continental level by 2019

<table>
<thead>
<tr>
<th>Agenda 2063 target</th>
<th>2019 target value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce 2013 rate of youth unemployment by at least 25 per cent, in particular female youth</td>
<td>15%</td>
</tr>
<tr>
<td>End all forms of violence, child labour exploitation, child marriage and human trafficking:</td>
<td></td>
</tr>
<tr>
<td>(a) Percentage of children engaged in child labour</td>
<td>9.2%</td>
</tr>
<tr>
<td>(b) Percentage of children engaged in child marriage</td>
<td>5.1%</td>
</tr>
<tr>
<td>(c) Percentage of children who are victims of human trafficking</td>
<td>5.4%</td>
</tr>
<tr>
<td>Full implementation of the provisions of the African Charter on the Rights of the Youth is attained</td>
<td>60%</td>
</tr>
</tbody>
</table>

Accelerating implementation of the Agreement Establishing the African Continental Free Trade Area in Southern Africa to achieve the Sustainable Development Goals and the aspirations, goals and targets of Agenda 2063

**Figure 32:** Progress achieved (as a percentage of total progress expected by 2019) by eight of the countries in Southern Africa with respect to goal 18 of Agenda 2063

![Graph showing progress](image)

**Source:** African Union Commission and AUDA-NEPAD, 2020.

- **Specific challenges impeding implementation of the Agenda 2063 and the achievement of the Sustainable Development Goals**

Table 12 sets out selected Agenda 2063 targets alongside selected indicators of the Sustainable Development Goals, thus highlighting their complementary nature.

**Table 12: Similarities between selected Agenda 2063 targets and Sustainable Development Goal indicators**

<table>
<thead>
<tr>
<th>Agenda 2063 target</th>
<th>Sustainable Development Goal indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1.2. Reduce 2013 unemployment rate by at least 25%</td>
<td>8.5.2. Unemployment rate, by sex, age and persons with disabilities</td>
</tr>
<tr>
<td>1.2.1. Reduce stunting in children to 10% and underweight to 5%</td>
<td>2.2.1. Prevalence of stunting (height for age &lt;-2 standard deviation from the median of the World Health Organization (WHO) Child Growth Standards) among children under 5 years of age</td>
</tr>
<tr>
<td>3.1.1. Increase 2013 levels of access to sexual and reproductive health services to women by at least 30%</td>
<td>3.7.1. Proportion of women of reproductive age (aged 15–49 years) who have their need for family planning satisfied with modern methods</td>
</tr>
<tr>
<td>3.1.3. Reduce the 2013 incidence of HIV/AIDS, Malaria and TB by at least 80%</td>
<td>3.3.1. Number of new HIV infections per 1,000 uninfected populations, by sex, age and key populations</td>
</tr>
<tr>
<td>4.1.1. Annual GDP growth rate of at least 7%</td>
<td>8.1.1. Annual growth rate of real GDP per capita</td>
</tr>
<tr>
<td>4.2.1. Real value of manufacturing in GDP is 50% more than the 2013 level.</td>
<td>9.2.1. Manufacturing value added as a proportion of GDP and per capita</td>
</tr>
<tr>
<td>5.1.1. Double agricultural total factor productivity</td>
<td>2.3.1. Volume of production per labour unit by classes of farming/pastoral/forestry enterprise size</td>
</tr>
<tr>
<td>10.1.4. Increase electricity generation and distribution by at least 50% by 2020</td>
<td>7.1.1. Proportion of population with access to electricity</td>
</tr>
</tbody>
</table>


Although the achievement of each Sustainable Development Goal and Agenda 2063 goal is impeded by particular challenges and countries are at different levels of attainment of those goals, there are a number of common challenges faced by all eleven countries in Southern Africa. These challenges can be grouped into the following categories:
○ **Demographic imbalances**

The population of most countries is growing faster than their capacity to meet the needs of their citizens, putting pressure on infrastructure, including roads, power generation water and sanitation facilities, and information and communication technologies. The common challenge faced by the countries in Southern Africa is to ensure that their economies grow at rates that are commensurate with their growing populations (Sustainable Development Goals Center for Africa and Sustainable Development Solutions Network, 2020). That challenge is evidenced by countries’ slow progress towards the attainment of Sustainable Development Goals 7, 8 and 9. Demographic imbalances also result from the migration of people from rural areas to cities, which puts those cities under considerable strain, as most were built to accommodate much smaller populations. As a result, many cities lack the capacity to provide all their residents with the critical services that are essential for the attainment of many of the Sustainable Development Goals.

○ **Governance issues**

Although there is support for efforts to attain the Sustainable Development Goals across all 11 countries, poor governance systems that often ignore the views of poor or marginalized populations often threatens the attainment of those Goals. Policies enacted often have inadequate trickle-down effects as they are rarely mainstream the interests of intended beneficiaries in an effective manner. Thus, ending poverty as required by Goal 1, which requires full knowledge of how the poor live, and of how interventions and strategies are best crafted and targeted, remains a challenge as input from those living in poverty is rarely sought (Sustainable Development Goals Center for Africa and Sustainable Development Solutions Network, 2020).

The decision to pursue the Sustainable Development Goals also requires modifications to existing institutional mechanisms to ensure that there is effective institutional coordination with regard to Sustainable Development Goal initiatives. In some countries, however, institutional gaps impede efforts to undertake critical activities. The Sustainable Development Goals Center for Africa suggests that the institutional framework necessary for effective Goal implementation should be three-layered, comprising a lead unit for Goal implementation in the executive; a dedicated interministerial Goal task force/committee, and a parliamentary Goal committee. Not all countries have established that framework.

Table 13 provides an overview of the results of a survey of the 11 Southern African countries that was conducted in 2020. The survey revealed that only Botswana, Zambia and Zimbabwe had established Sustainable Development Goal institutions at all

<table>
<thead>
<tr>
<th>Lead unit for Goal implementation in the executive</th>
<th>Dedicated interministerial Goal task force/committee</th>
<th>Parliamentary Goal committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angola</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Botswana</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Eswatini</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Lesotho</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Malawi</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Mauritius</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Mozambique</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Namibia</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>South Africa</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Zambia</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

✓ Institution established
X Institution not yet established

*Source: Author’s elaboration on the basis provided in Sustainable Development Goals Centre for Africa and Sustainable Development Solutions Network (2020).*

Table 13: Establishment of dedicated Sustainable Development Goal institutions in the 11 countries
three levels, with most countries failing to establish a dedicated Goal oversight body at the parliamentar-
y level. Mozambique had yet to establish dedicated Sustainable Development Goal bodies at any of the three levels.

- Data gaps

Statistical systems in the 11 countries are neither robust nor well-funded, impeding their capacity to track implementation of the 2030 Agenda and Agenda 2063. Data gaps may include the total absence of reliable data to inform the indicator being tracked or its close proxies, and the absence of data at the level of disaggregation needed in order to carry out a detailed assessment, including at the vulnerability level, such as data on young people, children, persons with disabilities, refugees, displaced persons, indigenous people and migrants (Sustainable Development Goals Center for Africa and Sustainable Development Solutions Network, 2020). Data gaps in the 11 countries, include: the poverty head count ratio to inform Goal 1 in Zimbabwe; carbon dioxide emissions to inform Goal 7 in Eswatini, Lesotho and Malawi; measures to safeguard labour rights to inform Goal 8 in Eswatini and Lesotho; and logistics performance index data and data on expenditure on research and development to inform Goal 9 in Eswatini and Zimbabwes, respectively. Furthermore, the First Continental Report on the Implementation of Agenda 2063 did not provide an update on progress on Angola, Malawi and Mauritius due to data challenges. Without data, it is not possible to monitor progress towards the achievement of the Goals effectively.

- Inequalities within populations

Marginalized communities often score poorly in terms of progress towards the achievement of the Sustainable Development Goals. Examples of those communities include the San community in Botswana, Namibia and Zimbabwe, and the Doma people in Mozambique and Zimbabwe. In Angola, inequalities are also apparent in Cunene and Mexico provinces, which are characterized by particularly high poverty rates (World Bank, 2020). In Botswana, despite relatively stable economic growth, acute levels of poverty are still found in remote parts of the country, especially in Ngamiland and Kgalagadi (World Bank, 2015). In Mozambique, although the country has registered strong GDP growth in recent years, disparities across provinces continue to prevail, and poverty remains high in the northern and the central regions of the country relative to the south, especially in Zambézia, Nampula and Niassa provinces (World Bank, 2018a). To ensure that no one is left behind, concerted pro-poor economic policies are needed, particularly as the benefits of economic growth take time to trickle down to traditionally marginalized groups. Sustainable Development Goals 1 and 2, and goal 3 of Agenda 2063 tend to be particularly difficult to achieve in countries that are home to large marginalized communities, as a lack of progress in the area of development among those communities slows overall growth for the country as a whole.

- Economic shocks

Economic shocks tend to reverse gains achieved in the context of the 2030 Agenda and Agenda 2063, particularly when they absorb resources that would otherwise been assigned to development initiatives. Examples include natural disasters such as droughts and floods, civil wars and disease outbreaks, such as the recent COVID-19 pandemic. In 2021, for example, all eleven countries in Southern Africa performed poorly with respect to GDP growth, a critical indicator in Goal 8, due to the impact of the COVID-19 pandemic. To make matters worse, the pandemic struck when certain countries in the subregion, including Mozambique and Zimbabwe were still recovering from the impact of devastating floods. Economic shocks have a particularly negative impact on goal 4 of Agenda 2063, which focuses on economic transformation and job creation.

- Limited resources

The successful implementation of the two Agendas is likely to require resources that not all countries in Southern Africa can mobilize from traditional sources of financing, such as taxation. Sustainable Development Goal 9, for example, focuses, inter alia, on the creation of resilient infrastructure, while goal 10 of Agenda 2063 calls for world class infrastructure to be built across Africa. To achieve those objectives, sources of finances outside national budgets will be needed. Although loans from financial institutions are an option, the external debt burden of many African countries is already extremely high and debt servicing costs are already impeding economic expansion. For example, and as illustrated in figure 33,
Accelerating implementation of the Agreement Establishing the African Continental Free Trade Area in Southern Africa to achieve the Sustainable Development Goals and the aspirations, goals and targets of Agenda 2063

the external debt of Mozambique is now equivalent to some 65 per cent of the country’s GNI, while the external debts of Angola and Zambia are 50 per cent and 46 per cent of GNI, respectively. High debt burdens limit the ability of countries to raise new loans to finance the achievement of the Sustainable Development Goals and the goals of Agenda 2063.

Figure 33: External debt burdens in selected countries in Southern Africa

[Image: Figure 33.png]

Source: Author’s elaboration on the basis of World Bank data.

Important lessons can be learned from countries’ efforts to implement the Millennium Development Goals. First, conducting regular, in-depth monitoring and evaluation can help identify problematic indicators for which insufficient data are available at an early stage, allowing countries to take action to address key data gaps. Second, most countries have insufficient data collection capacity to enable them to track implementation of the 2030 Agenda and Agenda 2063, making it important to earmark resources for capacity-building at national statistics agencies so that are able to collect the required data.

Coordination also needs to be strengthened among national institutions that collect data in order to leverage synergies, rather than giving rise to competition, among those entities. In South Africa, for example, the Department of Planning, Monitoring and Evaluation and Statistics South Africa work together to align and coordinate data sources and determine data needs and reporting requirements for the Sustainable Development Goals and for the country’s Medium Term Strategic Framework (Dayal, 2018). The need to strengthen national statistical systems...
is also identified as a critical issue in closing data gaps in tracking progress on Agenda 2063 (African Union Commission and AUDA-NEPAD, 2020). Capacity-building also needs to extend to all the other stakeholders in the economy, including governmental departments and civil society organizations, so that data collection becomes a collective responsibility.

Third, it is important to harmonize data requirements for indicators, and for relevant indicator proxies, across all countries. A standard template, with clearly identified variables for all countries can help ensure that measurements are uniform across all the countries.

Fourth, there is a tendency for national stakeholders to question the validity of data derived from international sources because of discrepancies between data provided by national and international entities. Differences can, for example, come to light between macroeconomic data provided by the World Bank and IMF on the one hand, and by national data collection entities on the other. It is therefore important to ensure that methodological issues and procedures are widely understood, as this also reduces the chance that discrepancies will arise. Methodological issues in indicator measurement should, moreover, be mainstreamed in capacity-building processes so as to streamline efforts to implement the 2030 Agenda and Agenda 2063.

- Financing challenges stemming from the global response to the COVID-19 pandemic that have impeded implementation of the 2030 Agenda and Agenda 2063

The financial resources needed to implement the two Agendas are likely to remain beyond those available in most developing and least developed countries, even if they significantly improve their tax collection capacity. Low income developing countries would, for example, need to increase their Sustainable Development Goal budgets by some 12 per cent of GDP to achieve the 17 Goals by 2030. Failure to do so is likely to result in a financing gap of between $300 billion to $500 billion per year across health, education, roads, water and sanitation, and electrification (Sachs and others, 2021). Furthermore, and as explained above, the goals and targets of the two Agendas are intertwined and hence it is difficult for some to be achieved without achieving others first. For example, the general failure of countries to meet the targets of Goals 1 and 2 on poverty and hunger is also because they have failed to meet the targets of Goal 9, which calls, inter alia, for the construction of resilient infrastructure, and the targets of Goal 8 on inclusive economic growth. Goals 1 and 2 would undoubtedly be easier to achieve if appropriate infrastructure was in place and equitable economic growth improved the incomes of populations.

This also holds true with respect to the goals of Agenda 2063. Indeed, it is difficult for countries to achieve goal 1 on standards of living and quality of life and goal 3 on healthy and well-nourished citizens if goal 4 on transforming economies and job creation is not also achieved. The achievement of goal 4 is, in turn, dependent on a country’s capacity to attain goal 5 on modernizing agriculture and improving its productivity. Infrastructure development is of particular importance for the attainment of the Sustainable Development Goals and the goals of Agenda 2063. For example, although access to electricity is critical if countries are to foster economic growth, only Mauritius and South Africa have successfully met expectations with respect to that indicator. Implementation of the two Agendas will therefore depend to a significant extent on the ability of countries to secure adequate funding, particularly to finance infrastructure development and boost production.

Adequate infrastructure is the key missing link for economic growth and sustainable development in the African continent, as inadequate infrastructure limits African countries’ ability to foster growth and create jobs (ECA and others, 2019). Southern African countries lack the necessary fiscal space to finance infrastructure and other critical enablers needed to achieve the Sustainable Development Goals. With little allocation towards capital projects, resources end up being spread thinly, reducing their overall impact on the ground. As shown in figure 34, gross capital formation as a ratio of GDP across the 11 countries shows that investment levels have been very low over the past five years, barely exceeding 10 per cent of GDP in Eswatini and Zimbabwe, for example, while remaining below 20 per cent in Mauritius and Namibia.

Investments in public transport systems, roads, ports, hospitals and schools have the capacity to transform...
Accelerating implementation of the Agreement Establishing the African Continental Free Trade Area in Southern Africa to achieve the Sustainable Development Goals and the aspirations, goals and targets of Agenda 2063

Economies, but will require financial resources far beyond those available to countries in the sub-region. Innovative financial solutions must therefore be devised and optimal use must of the limited resources available. Furthermore, African countries must demonstrate effective use of the resources at their disposal before asking for assistance from their development partners. Southern Africa must look beyond aid and expand national capacities through measures aimed at extracting greater revenue and allowing that revenue to be deployed towards key targets. Countries could, for example, seek to curb illicit financial flows and design appropriate taxation mechanisms for extractive industries, in line with the provisions of the Africa Mining Vision.

Thus, it is quite apparent that partnerships between the public and private sectors will be needed and that the mobilization of both public and private resources must be enhanced. Governments should design innovative financing mechanisms to create incentives, inter alia by leveraging digital technologies, redirecting pension funds, and exploring crowdsourcing and crowdfunding. Devoting resources towards the creation of an environment suitable for the implementation of the 2030 Agenda and Agenda 2063 will also require efforts to enhance the use of existing resources. For example, given that most economies of the subregion are heavily dependent on agriculture, particular attention should be devoted to increasing agricultural yields, in line with the targets of Sustainable Development Goal 2 on ending hunger and goal 5 of Agenda 2063 on modernizing agriculture and increasing productivity.

Countries could, for example, support integrated research and development to encourage the development of high-yield seed varieties, while strengthening extension services could increase the quality of outputs and bolster efficiency. The resources available should, moreover, be deployed into proven and high-impact technologies that have the capacity to raise productivity, reduce risks and strengthen agricultural value chains.

However, there is already an implicit acknowledgement in the provisions of the 2030 Agenda and the Addis Ababa Action Agenda that the achievement of the Sustainable Development Goals will require the establishment of collaborative partnerships. Development partners are needed, especially as the 11 countries continue to face serious challenges in their efforts to implement the two Agendas. Those partners can help Africa deal with unanticipated shocks which threaten to derail development efforts. As the 2030 deadline for the achievement of the Sustainable Development Goals approaches, relevant stakeholders must continue to examine how additional resources can be mobilized to ensure that countries remain on track.

Figure 34: Gross capital formation as a percentage of GDP in Southern Africa, 2014–2020

Source: Author’s elaboration on the basis of World Bank data.
The fact that Southern African countries may not achieve many of the Sustainable Development Goals by the 2030 deadline should also be understood in the context of the COVID-19 pandemic. It is estimated that the pandemic increased annual incremental spending needs to ensure the achievement of the Goals by 2030 by some 21 per cent compared with pre-COVID-19 estimates (Sachs and others, 2021). Although the pandemic affected all economies, it led to significant economic contraction in the 11 countries in Southern Africa. Negative growth rates and curtailed production because of lockdown measures and restrictions on working hours, together with reduced aggregate demand, severely limited business opportunities. The effect of disruptions in global production and supply chains, which affected both imports and exports, also undermined economic growth. Import dependence also increased vulnerability, especially for countries that are heavily dependent on food imports, and often led to food price inflation (Organization for Economic Cooperation and Development (OECD), 2020; Ozili and Arun, 2020).

COVID-19 affected revenue streams for governments due to reduced economic activity while also affecting livelihoods through reduced incomes and remittances (Sustainable Development Goals Center for Africa and Sustainable Development Solutions Network, 2020). The impact of the COVID-19 pandemic on Sustainable Development Goal 8, on decent work, productive employment and economic growth, and on goal 4 of Agenda 2063, on transformed economies and job creation, and its effect on food security (Sustainable Development Goal 2) and poverty rates (Sustainable Development Goal 1) must not be underestimated. This means that post-COVID recovery efforts should also take into account the need to boost aggregate demand, increase the productive capacity of economies, and enhance access to food so as to try to reposition the 11 countries to their pre-COVID-19 positions.

Given the countries’ limited fiscal space and indebtedness, development partner support is required to support their COVID-19 recovery efforts. There are a number of possible ways through which development partners can assist African countries. Firstly, development partner support can be used to finance initiatives that reduce investment risks. They can also make use of innovative financial instruments such as blending loans and guarantees to unlock financial resources for development in Africa. Secondly, development partner support can be used to stimulate trade and investment. Examples include traditional aid for trade support, where specific capacity enhancement can be used to expand trade capacity (Schaefer, Moller and Afonso-Gallegos, 2018). Thirdly, development partner support can also be helpful in promoting science, technology and innovation initiatives. The achievement of Sustainable Development Goal 9 by the 2030 deadline will be especially challenging, as the COVID-19 pandemic resulted in few resources being devoted to innovation. Development partners should therefore facilitate cooperation among countries on science, technology and innovation projects and improve access to cutting-edge technology.

**Summary**

Countries in Southern Africa continue to face challenges in their efforts to implement the 2030 Agenda and Agenda 2063, including in connection with the five Sustainable Development Goals and the nine Agenda 2063 goals assessed in this report. There is, however, considerable scope for countries to leverage implementation of the Agreement Establishing the African Continental Free Trade Area to facilitate those efforts. Geographical imbalances, governance challenges, data gaps, financing challenges, economic shocks and inequality also continue to undermine efforts to implement the two Agendas and must be addressed.
V. The Agreement Establishing the African Continental Free Trade Area as an anchor for efforts to implement the 2030 Agenda and Agenda 2063

The Agreement as an anchor for the achievement of the Sustainable Development Goals

- Overview

The establishment of the African Continental Free Trade Area provides an unprecedented opportunity to promote trade and investment, and boost value addition and productivity (Apiko and Woolfrey, 2020). International markets are currently attractive due to the conclusion of preferential trade instruments that have reduced barriers to trade. Those instruments include the Generalized System of Preferences, the Everything but Arms initiative, and the African Growth and Opportunity Act, which were all adopted to favour trade with non-African markets (Ihua and others, 2018). That realignment of trade has, however, created high opportunity costs for those wishing to conduct trade within Africa, and particularly among countries that are not members of the same regional economic community. By eliminating trade barriers, the Agreement on the Establishment of the African Continental Free Trade Area has the potential to counter the advantage that non-African markets enjoy because of those trade agreements or historical patterns of trade. In addition to diverting trade back to Africa, the Agreement could also boost trade, stimulate investment and innovation, foster structural transformation, enhance economic growth and promote export diversification (Ihua and others, 2018). The Agreement is therefore a strategic tool for enhancing efforts to achieve the Sustainable Development Goals as it is linked to industrialization, job creation, value chains and regional integration.

- Impact of the Agreement on poverty and employment

Implementation of the Agreement will result in lower product costs for consumers and less onerous bureaucratic procedures and lower compliance costs for business enterprises. (World Bank, 2020b). Tariff reductions lower the prices of imported goods for consumers, which enhances their spending power and can have a direct impact on hunger and poverty. Southern African countries are making limited progress in achieving poverty alleviation, and implementation of the Agreement is likely to have a positive strategic impact on their efforts to achieve that objective. Tariff reductions on intermediate inputs for

Table 14: Estimated increases in real income in selected countries in Southern Africa following full implementation of the Agreement Establishing the African Continental Free Trade Area

<table>
<thead>
<tr>
<th>Country</th>
<th>Increase in real income by 2035 (per cent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zimbabwe</td>
<td>12</td>
</tr>
<tr>
<td>Namibia</td>
<td>10.7</td>
</tr>
<tr>
<td>Mauritius</td>
<td>6.9</td>
</tr>
<tr>
<td>Botswana</td>
<td>5.4</td>
</tr>
<tr>
<td>Zambia</td>
<td>4.7</td>
</tr>
<tr>
<td>South Africa</td>
<td>3.8</td>
</tr>
<tr>
<td>Mozambique</td>
<td>2.5</td>
</tr>
<tr>
<td>Malawi</td>
<td>1.8</td>
</tr>
</tbody>
</table>

Accelerating implementation of the Agreement Establishing the African Continental Free Trade Area in Southern Africa to achieve the Sustainable Development Goals and the aspirations, goals and targets of Agenda 2063

The benefits stemming from the creation of the African Continental Free Trade Area are substantial. Implementation of the Agreement will therefore enhance the capacity of the countries to respond to Sustainable Development Goal requirements (World Bank, 2020b). For example, it is estimated that, by 2035, real income will increase by 7 per cent across the whole continent if the Agreement is fully implemented, equivalent to some $445 billion in monetary terms (World Bank, 2020b). At the Southern Africa level, and as illustrated in table 13, full implementation of the Agreement is likely to result in real income gains, particularly in Mauritius, Namibia and Zimbabwe. Thus, income-generation opportunities, which are needed to enhance efforts to alleviate poverty and hunger, are likely to arise.

Exports generate foreign currency earnings, enhancing the capacity of countries to address domestic needs and achieve the Sustainable Development Goals. With full implementation of the Agreement, it is expected that intra-continental exports could increase by 81 per cent by 2035, while exports by African countries to non-African countries could increase by 19 per cent (World Bank, 2020b). That increase would boost African economies by some $238 billion.

Table 15 shows the estimated export gains that could also be realized in Southern Africa following implementation of the Agreement, highlighting that Mauritius, Namibia, South Africa and Zimbabwe are the countries that are likely to realize the greatest gains.

The Agreement as a strategy for structural transformation and increased output

Some countries are finding it challenging to achieve the Sustainable Development Goals because their economies are over-dependent on primary products, making them vulnerable to economic shocks and export receipt volatility. The Agreement is expected to increase intra-Africa manufacturing exports by 110 per cent, while manufacturing exports to the rest of the world are expected to increase by 46 per cent, generating some $823 billion across Africa by 2035 (World Bank, 2020b). Implementation of the Agreement is therefore critical for enhancing the capacity of economies in Southern Africa to achieve the Sustainable Development Goals.

Southern African countries are also facing challenges in increasing output. The Agreement is expected to increase regional output by $211 billion by 2035, with manufacturing output increasing by $56 billion (World Bank, 2020b). That increase is likely to occur despite the decrease in import prices. In fact, the increase in exports, driven by a reduction in production costs and lower-priced intermediates, together with enhanced trade facilitation and enhanced market access, is expected to offset the impact of increased demand for imports. Thus, implementation of the Agreement is expected to help increase GDP growth, as called for in Sustainable Development Goal 8.

Reviews have shown that many countries lack the capacity to finance infrastructure development. By

Table 15: Estimated increases in exports in selected countries in Southern Africa following full implementation of the Agreement Establishing the African Continental Free Trade Area

<table>
<thead>
<tr>
<th>Country</th>
<th>Increase in exports by 2035 (percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mauritius</td>
<td>62</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>59</td>
</tr>
<tr>
<td>Namibia</td>
<td>59</td>
</tr>
<tr>
<td>South Africa</td>
<td>44</td>
</tr>
<tr>
<td>Botswana</td>
<td>37</td>
</tr>
<tr>
<td>Malawi</td>
<td>34</td>
</tr>
<tr>
<td>Zambia</td>
<td>26</td>
</tr>
<tr>
<td>Mozambique</td>
<td>14</td>
</tr>
</tbody>
</table>

facilitating economic activity, the Agreement will, however, enable governments to increase revenue and mitigate against economic shocks that could derail poverty alleviation efforts.

Limited employment opportunities and entrenched poverty across the subregion are due, at least in part, to an overreliance on the agriculture sector. Since manufacturing and services are expected to grow more rapidly than agriculture following implementation of the Agreement, the establishment of the African Continental Free Trade Area will accelerate countries’ transition out of agriculture. In turn, this will create employment opportunities in value added production. With the implementation of the Agreement, agricultural employment is expected to decrease from 35.9 per cent of total employment in 2020 to 29.7 per cent by 2035, which would be to the benefit of:

- The wholesale and retail sectors, where the majority of small and medium-sized enterprises and informal businesses are concentrated, which is expected to increase its share of employment from 16.9 per cent to 20 per cent by 2035;

- Energy-intensive manufacturing, which is expected to experience a net increase in employment of some 2.4 million jobs by 2035; and

- The public sector, including education, health, electricity generation, water and public administration, which is expected to experience an increase in employment of some 4.6 million jobs by 2035 (World Bank, 2020b).

- The Agreement as a strategy for entrepreneurship, employment creation and micro-, small and medium-sized business enterprise development

Considering the manner in which certain countries in the subregion, including Zambia and Zimbabwe, have developed their national implementation strategies, implementation of the Agreement may help address challenges related to entrepreneurship and employment generation. The Zambia national strategy, for example, was formulated with a view to fostering job and wealth creation, poverty reduction, enterprise development and the empowerment of women and young people. Initiatives in those areas have a direct bearing on poverty alleviation and can increase governmental revenue, thereby enhancing the capacity of the authorities to respond to a range of challenges. Capacity-building through skill enhancement programmes to support production and export sectors is also a key focus of the strategy. The strategy also targets the establishment and strengthening of regional value chains by increasing imports and exports of intermediate goods for further processing.

The Zambian strategy has, moreover, been formulated to take advantage of the strengths of the national economy, which is characterized by a high number of small and medium-sized enterprises. The strategy aims to increase the production and supply of diversified products by encouraging the development of small and medium-sized business enterprises. Specifically, in the 10 years following implementation of the Agreement, Zambia will support the development of a total of 110 small and medium-sized enterprises (11 per year) that can produce exportable products. This will enhance income generation opportunities, create jobs and alleviate poverty, which continues to undermine progress by Zambia towards the attainment of Sustainable Development Goal 1.

The Zambian strategy also focuses on developing a competitive and efficient telecommunications sector to support the development of the country’s infrastructure backbone. Noting the deficiencies in the country’s transport services, the strategy also focuses on establishing economically-sustainable transport infrastructure to facilitate domestic, regional and international trade, which will facilitate the achievement of Sustainable Development Goal 9 on infrastructure.

Zimbabwe has also prioritized the development of horticulture and agriculture in its national implementation strategy, particularly for smallholder farmers, while also recognizing that the cotton, textiles and garment industries and associated value chains have great potential to alleviate poverty, particularly as they can provide employment to large numbers of low-skilled workers. Thus, implementation of the Agreement in these industries will boost incomes and create jobs, thereby facilitating the achievement of Sustainable Development Goals 1 and 8.
bwe is also focusing on the development of the leather, hides and skins value chains which have a strong rural base, as this will promote inclusive growth and the equitable sharing of any economic benefits accrued.

The national strategy of Zimbabwe also focuses on promoting inclusive development and alleviating poverty among marginalized sectors of the population, and especially among women and young people. Zimbabwe is therefore promoting the activities of women traders, encouraging entrepreneurship in the formal and informal sectors and creating employment opportunities for young people. Noting the country’s poor infrastructure and connectivity, the national strategy of Zimbabwe also supports the adoption of innovative technologies, infrastructure development to facilitate border connectivity, and access to markets through road and rail rehabilitation, power generation and access to water sources.

- **The Agreement as a strategy for implementing Agenda 2063**

The implementation of the Agreement on the Establishment of the African Continental Free Trade Area will also be instrumental in promoting implementation of Agenda 2063. The First Ten-Year Implementation Plan (2014–2023) of Agenda 2063 took into account national plans of member States and plans formulated at the regional economic community level in order to identify a series of priority areas (African Union Commission, 2015). Efforts exerted in the following priority areas could be enhanced through implementation of the Agreement:

**Sustainable and inclusive economic growth:** the inclusive and sustainable growth that is needed in order achieve the Sustainable Development Goals is also relevant for Agenda 2063. New trade opportunities in Southern Africa stemming from the establishment of the African Continental Free Trade Area can be exploited so that that all stakeholders, including marginalized groups such as young people, women and those working in the informal sector can tap into the benefits of increased trade. This is likely to have a significant impact on jobs, incomes and livelihoods, and support sustainable and inclusive growth.

**Human capital development:** the Agreement has a strong capacity-building component, and aims to ensure that all citizens have the skills they need to take advantage of the expanded continental market. Enhancing technology uptake, financial literacy, information processing and business communication skills builds sustainable human capital so that Africans are better able to realize the aspirations of Agenda 2063. Human capital development, a priority area under Agenda 2063, can therefore be supported through the implementation of the Agreement in Southern Africa.

**Agriculture/value addition and agribusinesses development:** agriculture is the backbone of many economies in Southern Africa. The national implementation strategies drawn up by Zambia and Zimbabwe focus on need to leverage the agricultural sector in order to reap inclusive benefits for all sectors of society. The strategies prioritize agroprocessing and underscore the need to strengthen regional value chains. That process will also be a critical step towards the attainment of Agenda 2063, where value addition and agribusiness development is a priority area. Countries in Southern Africa that have already taken steps to implement the Agreement have a good chance of also achieving the agriculture value addition and agricultural development objectives of Agenda 2063.

**Employment generation:** implementation of the Agreement is expected to create some 2.4 million jobs in energy-intensive manufacturing, 4.6 million jobs in public services, 280,000 jobs in recreation and other services, and 130,000 in trade services (World Bank, 2020b). Those employment gains are likely to be realized in economies that are committed to the full implementation of the Agreement; implementation will thus enhance the likelihood that those countries will also achieve the employment objectives set out in Agenda 2063.

**Women’s development and youth empowerment:** Agenda 2063 has also identified employment creation for women and young people as a priority area. The implementation strategies drawn up by Zambia and Zimbabwe are designed to ensure that women and young people, who are often marginalized within society, are prioritized so that they are better able to reap the benefits stemming from the creation of the African Continental Free Trade Area. Efforts in that area include the creation of new businesses, the strengthening of existing businesses, and
capacity-building to ensure that businesses owned by women and young people develop and prosper. Thus, the implementation of the Agreement will also help enhance employment opportunities for women and young people, as envisaged in Agenda 2063.

**Infrastructural development:** non-tariff barriers have been identified as one of the critical barriers that may prevent countries from realizing the full benefits of the African Continental Free Trade Area. In particular, the ease of doing business is undermined by poor enabling infrastructure. The implementation of the Agreement in Southern Africa should address key infrastructure bottlenecks with a view to boosting international trade. This means that by implementing the Agreement, countries in Southern Africa can also facilitate the attainment of the infrastructure targets of Agenda 2063.

**Manufacturing-based industrialization:** Agenda 2063 envisages manufacturing-based industrialization in Africa, and calls for an end to the continent’s overdependence on exports of primary commodities. As countries prepare for implementation of the Agreement, it has become clear that States with a strong manufacturing base are better positioned to reap the benefits stemming from the creation of the African Continental Free Trade Area. Implementation of the Agreement is likely to accelerate the emergence of strong manufacturing bases in Southern Africa, which will facilitate countries’ efforts to achieve the Agenda 2063 targets on manufacturing-based industrialization.
VI. Conclusions and recommendations

Conclusions

The main findings of the study that forms the basis of this report are as follows:

a) Nine of the eleven member States in Southern Africa have ratified the Agreement Establishing the African Continental Free Trade Area and deposited their instruments of ratification with the African Union Commission;

b) The pace of implementation of the Agreement can be enhanced by mobilizing support among all relevant stakeholders by deepening their knowledge of the potential trade opportunities likely to arise as a result of implementation. The private sector should be regarded as the critical stakeholder where buy-in is needed from the outset, and private sector stakeholders could help identify possible opportunities and develop strategies to take full advantage of the African Continental Free Trade Area. The low levels of complementarity among goods produced by countries that have ratified the Agreement are likely to affect the pace of implementation. Trade may, moreover, increase with the emergence of new value adding industries within the continent;

c) National implementation strategies can help raise awareness among States of the ways in which the Agreement can be implemented and help foster buy-in among all stakeholders participating in the implementation process;

d) Ongoing support should be provided to national implementation committees, which perform a critical role in promoting implementation of the Agreement. Those committees should be adequately funded and empowered with enforceable mandates so that they can demand that action is taken;

e) Factors impeding progress on the Sustainable Development Goals include high levels of poverty, low economic growth, countries’ reliance on exports of semi-processed products due to poorly-developed manufacturing sectors, limited employment opportunities, limited fiscal space due to low revenue inflows, and the poor state of key enabling infrastructure;

f) The Agreement can be used as an anchor for the attainment of Sustainable Development Goals by helping to addressing key impediments to development. Implementation of the Agreement will facilitate structural transformation by strengthening market opportunities that can boost trade and investment, enhance value addition and boost productivity. Implementation will also contribute to poverty alleviation by lowering prices of imported goods for consumers, thereby enhancing their spending power. The establishment of the African Continental Free Trade Area will create expanded markets that are likely to facilitate a transition away from agriculture and the creation of higher-quality employment opportunities across Southern Africa;

g) The creation of the African Continental Free Trade Area will facilitate the attainment of the aspirations, goals and targets of Agenda 2063. The implementation of the Agreement can facilitate sustainable and inclusive economic growth, promote human capital development, enhance agricultural value addition and agribusinesses development, support women’s development and youth empowerment, promote the development of trade-related infrastructure, and enhance manufacturing-based industrialization. Through their implementation of the Agreement, countries will thus be able to further efforts to address the key priority areas identified in the First Ten-Year Implementation Plan (2014-2023) of Agenda 2023;
h) Significant challenges continue to impede progress towards the achievement of the Sustainable Development Goals in Southern Africa. Only Mauritius has achieved one of the Goals, namely Goal 1 on poverty. Although countries are making progress on many of the Goals, the current pace of that progress means that countries will fail to achieve most of the Goals by the 2030 deadline;

i) With respect to some of the specific challenges that prevent the full attainment of the Sustainable Development Goals, most countries in Southern Africa lack at least one element in the three-layered institutional framework needed to oversee implementation of the Goals. That framework should comprise a lead unit for Goal implementation in the executive, a dedicated interministerial Sustainable Development Goal task force/committee, and a parliamentary Sustainable Development Goal committee;

j) Data limitations continue to impede efforts to track progress, while capacity gaps in data collection and monitoring among national institutions also compounds data and monitoring-related challenges. No harmonized system of data requirements to inform the indicators has been established, impeding countries’ data collection efforts and making comparisons difficult;

k) The countries in Southern Africa face resource constraints due to limited fiscal space. Public finances have worsened significantly in many countries in the subregion as a result of the economic repercussions of the COVID-19 pandemic. It is therefore critical to enhance the mobilization of both public and private sector resources to support country efforts to achieve the Sustainable Development Goals. Development partner support can enhance the capacity of countries in Southern Africa to access additional resources in future, thereby reducing their perennial dependence on financial support from abroad.

**Recommendations**

- **Enhancing the Agreement ratification and implementation process**

To accelerate implementation of the Agreement Establishing the African Continental Free Trade Area, the following recommendations are made:

a) The African Union Commission, supported by key development partners, including ECA, should seek to raise awareness among critical stakeholders in countries that have not yet ratified the Agreement of the benefits of ratification, including through the creation of a regional platform to promote implementation of the Agreement;

b) The African Union Commission should provide support to countries that have ratified the Agreement and have developed or are in the process of developing implementation strategies to help them address challenges and exploit opportunities identified in those strategies, including those related to capacity development (in trade facilitation, for example) for public and private sector stakeholders;

c) To ensure the alignment of national strategies at the regional level, SADC and COMESA should consider developing subregional strategies on the African Continental Free Trade Area that could guide actions by States as they seek to implement the Agreement and promote industrialization;

d) To increase buy-in and deepen understanding of the potential benefits of implementation of the Agreement, countries in Southern Africa should conduct extensive awareness-raising and capacity-building activities for private sector stakeholders to ensure that the sector is well-positioned to take advantage of deeper economic integration. Such activities would, moreover, foster national cohesion in the implementation process and maximize the socioeconomic benefits resulting from integration;
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e) To facilitate trade, priority should be given to addressing bottlenecks caused by non-tariff barriers, including poor infrastructure and onerous border clearance procedures;

f) To support national implementation strategies, civil society actors should be given explicit responsibility for overseeing implementation. This will allow both governmental and civil society entities to provide oversight and hold each other to account. States should ensure that their national implementation committees are adequately funded. It is also recommended that they adopt legislation to support the mandate of those committees, so that stakeholders take their actions seriously.

- **Consolidating progress towards the achievement of the Sustainable Development Goals and the goals of Agenda 2063**

To accelerate progress towards the attainment of the Sustainable Development Goals and the goals of Agenda 2063, the following recommendations are made:

i. States should develop institutional frameworks on the Sustainable Development Goals with distinct reporting channels in order to strengthen efforts to track progress. A three-tiered institutional framework is proposed, comprising a lead unit for Goal implementation in the executive, a dedicated inter-ministerial Sustainable Development Goal task force/committee, and a parliamentary Sustainable Development Goal committee;

ii. States, with support from development partners, should establish harmonized data collection methodologies. A lack of relevant data impedes efforts to track progress and differences in data collection methodologies complicates cross-country and regional comparisons;

iii. States should promote the effective use of their limited resources as a strategy for attracting development partner support. To that end, they should take action to curb illicit financial flows and design efficient taxation regimes in line with established benchmarks, such as those established in the African Mining Vision. Southern African countries should devote more attention to promoting the efficient use of their limited existing resources before seeking development partner support;

iv. Southern African countries should ensure that development partner support is used to finance initiatives that reduce investment risks and builds capacity for further expansion. To that end, they should, inter alia, make use of innovative financial instruments such as blending loans and guarantees, while also seeking to mobilize traditional aid for trade support;

v. Member States should mobilize resources for the development of infrastructure to facilitate trade and industrialization, including green and sustainable manufacturing. Strategies to mobilize resources could include the establishment of public-private partnerships and the introduction of incentives to encourage private sector engagement in the infrastructure sector;

vi. Member States should support the modernization of their agricultural sectors in order to enhance productivity and foster the emergence of agroprocessing businesses that can produce valued added products at internationally competitive prices. Opportunities in the digital economy should be explored and capacity-building support offered to micro-, small and medium-sized business enterprises to strengthen their competitiveness.
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