

Disrupting The Status Quo:

The Radical Approach to Cultivate
Africa's Future Economic Leaders
Through the AfCFTA.

POLICY BRIEF

EXECUTIVE SUMMARY

The African Future Economic Leaders (AFEL) Economic Impact Challenge is an innovative initiative designed to address key issues highlighted in the Protocol on Women and Youth in Trade to the Agreement Establishing the African Continental Free Trade Area (AfCFTA).

The competition aligns with Article 2 of the Protocol, which aims to support and enhance the effective participation of Women and Youth in intra-Africa trade. Launched in Nigeria, the challenge has successfully completed 2 cohorts, focusing on Nigerian universities.

The initiative has directly involved over 100 students from fifteen different universities, fostering economic literacy and grassroots advocacy. Notably, the challenge achieved gender parity with 56 female and 55 male participants, aligning with Sustainable Development Goals (SDGs) 8 and 9, and its approach directly addresses Article 8 of the Protocol of Women and Youth in Trade, which calls for the promotion and facilitation of empowerment and effective integration of Women and Youth in Trade.

The challenge's dual focus on Policy Advocacy and Implementation, and Policy Research and Presentation, encouraging critical thinking on continental policies and local business benefits. AFEL's activities also provide solutions to challenges identified in the Africa AfCFTA Youth Inclusion Study Report. By fostering economic literacy and grassroots advocacy, AFEL addresses the report's findings on limited awareness and understanding of the AfCFTA among youth. The challenge's emphasis on practical projects aligns with the report's recommendation for experiential learning opportunities.

Furthermore, AFEL's engagement with universities and its plans for expansion to other geopolitical zones of Nigeria in 2024 respond to the report's call for increased youth participation in AfCFTA processes and the need for geographically diverse representation.

The University of Ibadan and The University of Ilorin emerged as the frontrunners of the 1st and 2nd cohorts respectively. Securing first place in both categories, followed by strong performances from Obafemi Awolowo University, Ahmadu Bello University and others. Participants demonstrated a profound understanding of economic challenges and presented innovative solutions aligned with AFEL's vision of youth-driven economic development in Africa.

The 1st cohort of the AFEL Economic Impact Challenge, held from October to December 2023. It was focused on the southwestern geopolitical zone of Nigeria, laying the foundation for future expansion. Building on this, the 2nd cohort, which took place from April to July 2024, broadened the scope by including participants from other geopolitical zones across Nigeria. While facing logistical and resource challenges, AFEL's Economic Impact Challenge demonstrates a practical approach to implementing the Protocol on Women and Youth in Trade and addressing the gaps identified in youth inclusion in AfCFTA. By providing a platform for understanding complex economic concepts beyond traditional educational settings, AFEL is actively contributing to the development of Africa's future economic leaders.

Key Problem

African youth face limited engagement in economic policy-making and entrepreneurship, particularly concerning the African Continental Free Trade Area (AfCFTA). This lack of involvement stems from inadequate practical economic education and limited opportunities for youth to influence trade policies.

The AFEL Economic Impact Challenge addresses this gap by providing hands-on experience in economic policy advocacy and research. The initiative has successfully engaged 100 students from 15 universities across Nigeria, fostering economic literacy and grassroots advocacy.

Change is urgently needed to harness the potential of Africa's youth in driving economic growth and fully realizing the benefits of the AfCFTA. The AFEL challenge demonstrates that when given the opportunity, young people can develop innovative solutions to local economic challenges and effectively advocate for policy changes. To build on this success, we recommend:

1. Expanding economic literacy programs in educational institutions,
2. Strengthening public-private partnerships to provide mentorship and implementation support,
3. Developing targeted policies to support youth and women entrepreneurs, and
4. Allocating resources to scale up grassroots projects initiated by young entrepreneurs.

These actions will contribute to creating a generation of informed, engaged economic leaders capable of navigating and shaping Africa's economic future.

Problem Statement

The African Continental Free Trade Area (AfCFTA) presents a significant opportunity for economic growth and development across Africa. However, there is a critical gap in youth engagement and understanding of this initiative, which threatens its successful implementation and the realization of its benefits. The YouLead Africa AfCFTA Youth Inclusion Study Report highlights several key issues:

- **Limited awareness and understanding of AfCFTA among youth:** Only 37.4% of surveyed youth were aware of AfCFTA, with even fewer understanding its implications.
Inadequate youth participation in AfCFTA processes: Despite youth comprising a significant portion of Africa's population, their involvement in AfCFTA negotiations and implementation remains minimal
- **Lack of practical economic education:** Traditional educational systems often fail to provide youth with the practical knowledge and skills needed to engage effectively with complex economic policies like AfCFTA.
- **Insufficient support for youth entrepreneurship:** Young entrepreneurs face significant barriers in accessing finance, markets, and information necessary to benefit from AfCFTA opportunities

- **Gender disparities in economic participation:** Women, especially young women, face additional challenges in participating in cross-border trade and benefiting from AfCFTA.

In Nigeria, where our first activities took place, some of these issues are particularly pronounced. The AFEL Economic Impact Challenge revealed significant regional disparities in youth engagement with economic policies. The first cohort in the South-Western region saw robust participation from eight universities, while the second cohort covering other regions had limited engagement from only seven universities combined. The public cost of this problem is substantial. Failure to engage youth effectively in AfCFTA implementation could lead to:

- **Unrealized economic potential:** The AfCFTA could boost Africa's income by \$450 billion by 2035, but this potential may not be fully realized without active youth participation.
- **Increased youth unemployment:** Without proper engagement and preparation, youth may miss out on job opportunities created by AfCFTA, exacerbating already high youth unemployment rates.
- **Widening skills gap:** As AfCFTA changes the economic landscape, a lack of relevant skills among youth could lead to a mismatch between labor market needs and available talent
- **Social instability:** Economic exclusion of youth can lead to social unrest and political instability, imposing significant costs on society.

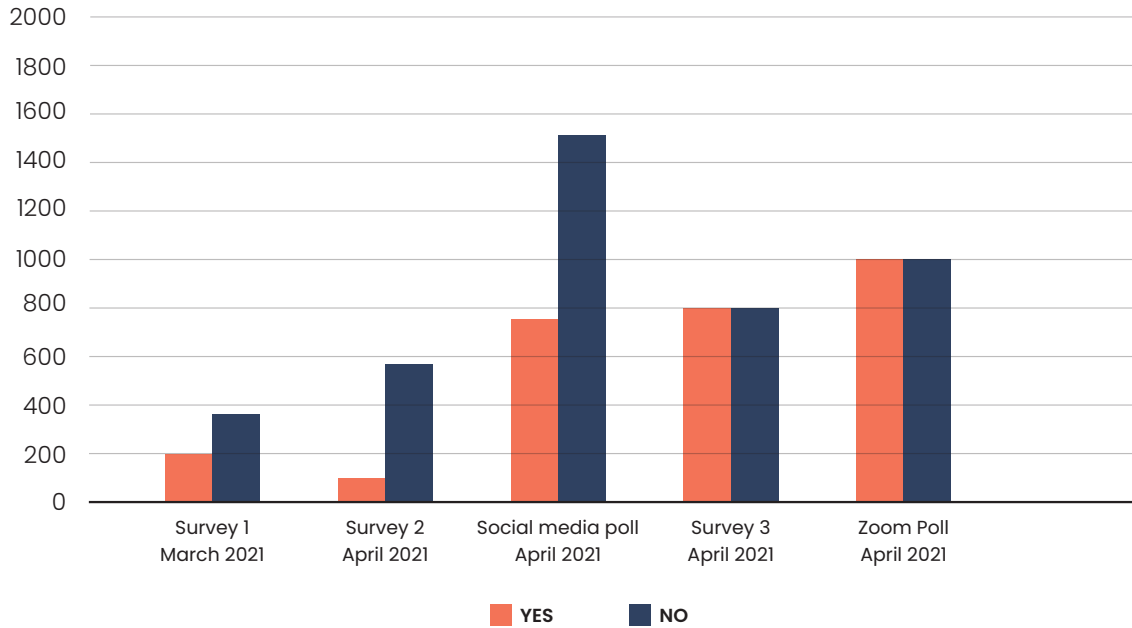
The root cause of these issues stems from a disconnect between policy-making processes and youth engagement. This is exacerbated by inadequate economic literacy programs and limited opportunities for practical application of economic concepts among young Africans

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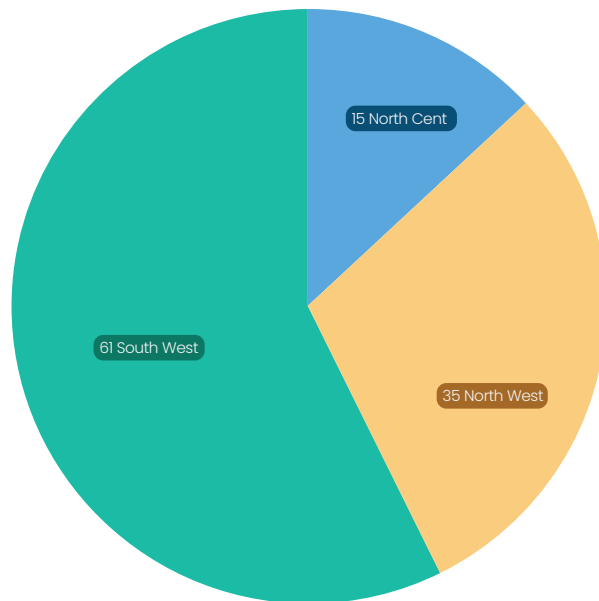
Levels of youth awareness of AfCFTA



SOURCE: *Making the AfCFTA Promises a Reality for African Youth: A continental case study on capacity gaps, policy constraints and prospect of youth inclusion in AfCFTA.*

Levels of Youth Participation in AFEL E.I.C

By number of registered student with active participation in the AFEL Economic Impact Challenge per region.



Total Number of Students = 111

- South West = 61
- North West = 35
- North Central = 15

 NIGERIA

Policy Options for Youth Engagement in AfCFTA

While there have been policy recommendations to bridge the youth engagement gap in the AfCFTA, Youth Engagement Initiatives, and they are not limited to:

1. AFEL Economic Impact Challenge

The Africa's Future Economic Leaders (AFEL) Economic Impact Challenge invites university students to participate in quarterly challenges focused on promoting economic development in Africa. Key features include:

- Gamified, and institutional approach towards learning the AfCFTA from their institutions
- "Learning by doing", a personalized and research based learning method for the AfCFTA
- Practical effort to solve Economic Challenges in participants' immediate environs, using the AfCFTA as the framework.
- Policy Advocacy at grassroot level

Implications: This approach directly addresses the lack of practical economic education and provides a platform for youth to engage with complex economic policies like AfCFTA.

2. AfCFTA Youth Forum Expansion

Building on the existing AfCFTA Youth Forum, this option would involve expanding its scope and reach:

- Establish local chapters in universities across Africa
- Implement a mentorship program pairing youth with AfCFTA experts
- Create a digital platform for continuous engagement and knowledge sharing

Implications: This option could create more widespread and sustained youth engagement with AfCFTA, potentially reaching a larger audience.

3. Umoja Africa Campaign Enhancement

Expanding on the "Umoja Africa Campaign – Youth Contributing to the Implementation of the AfCFTA":

- Develop a series of online courses on AfCFTA implementation
- Organize regional youth summits focused on AfCFTA opportunities
- Create a youth-led advisory board to provide input on AfCFTA policies

Implications: This approach could increase youth participation and promote the vision of the African Union Agency of 2063 more effectively.

4. Continental Youth Consultations Expansion

- Building on the existing Continental Youth Consultations
- Increase frequency of consultations to quarterly events
- Establish working groups to follow up on consultation outcomes
- Create a youth-led policy brief series on AfCFTA implementation

Implications: This could provide more regular opportunities for youth to contribute to discussions on economic development, democracy, governance, and peace and security in relation to AfCFTA

5. Youth in Trade Innovation Challenge Scale-up

- Expanding on the UNDP-AUC Youth in Trade Innovation Challenge
- Increase the number of participants and winners
- Provide long-term mentorship and funding for winning projects
- Create a network of challenge alumni to foster ongoing collaboration

Implications: This could lead to more youth-led businesses actively engaging in cross-border trade under AfCFTA.

Recommendations

To address the critical gap in youth engagement and understanding of the AfCFTA, we recommend a comprehensive approach that leverages AFEL's initiatives/ Programmes and aligns with existing youth engagement efforts on the continent. These recommendations are specific, feasible, and based on the evidence presented in this brief:

1. Implement the AFEL Economic Impact Challenge on a continental scale

Expand the AFEL Economic Impact Challenge to cover all African Union Member States. This initiative has already shown success in the pilot country, with participants demonstrating a profound understanding of economic challenges and presenting innovative solutions. The challenge aligns with SDGs 8 and 9 and promotes gender parity, as evidenced by the participation of 51 females and 48 males in the cohorts.

2. Develop and Deploy an AfCFTA Curriculum for Universities

Working with existing initiatives like Afreximbank's trade academy, and International Trade Centres SME Academy to create a comprehensive AfCFTA curriculum for university students, focusing on economics, law, and related disciplines. This initiative addresses the lack of practical economic education highlighted in the problem statement. The curriculum should be developed in collaboration with academic experts and AfCFTA officials to ensure relevance and accuracy.

3. Implement a Training of Trainers Program

Establish a Training of Trainers program for African Lecturers of Economics, Law and relevant discipline to create a multiplier effect in AfCFTA education at an earlier stage. This approach can help address the limited awareness of AfCFTA among youth, which currently stands at only 37.4% according to the YouLead Africa AfCFTA Youth Inclusion Study Report.

4. Publish a more accessible AfCFTA resource for University Students

Develop and distribute a comprehensive AfCFTA textbook tailored for university students. This resource will provide in-depth knowledge on the agreement, its implications, and opportunities, addressing the lack of understanding highlighted in the problem statement, and will be used as a study guide to help youths even better understand the agreement and how to navigate the economic realities.

5. Establish an AfCFTA Lecturers Exchange Programme

Create an exchange program for university lecturers to share knowledge and best practices in teaching AfCFTA-related topics. This initiative can help standardize and improve the quality of AfCFTA education across institutions.

6. Engage in Policy Advocacy in Member States

Develop a targeted policy advocacy program to engage with policy makers in AfCFTA state parties. This initiative can help address the disconnect between policy-making processes and youth engagement identified in the problem statement.

7. Launch AfCFTA Clubs Leveraging Youth Service Corps

Establish AfCFTA clubs within the framework of national youth service programs, such as the Nigeria Youth Service Corps. This approach can help increase youth participation in AfCFTA processes, addressing the inadequate youth involvement highlighted in the problem statement. These recommendations build on AFEL's existing initiatives and address the key issues identified in the brief. They are designed to be specific, feasible, and practical, with a focus on increasing youth awareness, understanding, and engagement with the AfCFTA.

By implementing these recommendations, we can work towards bridging the youth engagement gap and realizing the full potential of the AfCFTA for Africa's economic development.



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