



REPORT



Synergies and Spillovers between the African Continental Free Trade Area (AfCFTA) and the African Single Electricity Market (AfSEM)

Deborah Israel,
Research Associate, IAP

Chigozie Nweke-Eze,
Research Lead, IAP

Suggested citation

Israel D, Nweke-Eze, C. (2025).
Synergies and Spillovers between the African
Continental Free Trade Area (AfCFTA) and the
African Single Electricity Market (AfSEM). Report.
Integrated Africa Power (IAP).

Summary



This paper discusses the synergistic relationship between the African Continental Free Trade Area (AfCFTA) and the African Single Electricity Market (AfSEM). These important initiatives of the African Union (AU) aim at promoting regional integration and economic growth. While AfCFTA seeks to establish a unified continental market for the free movement of goods, services, and persons, AfSEM focuses on establishing the world's largest electricity market to provide affordable, reliable, and sustainable energy across Africa. The major findings highlight the critical role played by AfSEM in enabling the AfCFTA's objectives by tackling Africa's energy deficit, facilitating cross-border trade, and promoting industrialisation. AfSEM plans to develop energy infrastructure, such as energy interconnectors and large power plants, to reduce energy costs, enhance energy security, and promote sustainable growth. This is also in alignment with AfCFTA's green energy transition and promotes the creation of jobs, capacity building, and foreign and local investments. The policy recommendations explore the importance of aligning national energy policies with regional energy policies and AfCFTA Protocols, encouraging private-sector participation through financing mechanisms such as green bonds, and investing in digital innovations like smart grids and blockchain. This paper highlights the vitality of strengthening regional energy collaborations and the establishment of a monitoring framework to ensure the effective implementation of both initiatives. Finally, AfSEM is important to bridge the energy infrastructural gap in Africa and enhance the AfCFTA objectives towards sustainable energy trade across Africa.

Table of Contents



1.	Introduction	1
2.	An Overview of AfCFTA as a driver of regional economic development in Africa	2
2.1	The History and Objectives of the African Continental Free Trade Area (AfCFTA)	2
2.2	Update on the Progress of the African Continental Free Trade Area (AfCFTA) as a driver of regional economic development	4
3.	AfSEM as a Driver of Regional Energy Development in Africa	8
3.1	The Objectives and Key Pillars of the African Single Electricity Market (AfSEM)	9
3.2	The Implementation Timeframe for AfSEM	10
3.3	Update on the Progress of the African Single Electricity Market (AfSEM)	12
4.	AfSEM and AfCFTA: Critical Enabler, Synergy and Spillovers	14
4.1	AfSEM as a Critical Enabler for AfCFTA Objectives	14
4.2	The Synergy and Spillovers Between AfSEM and AfCFTA	17
5.	Policy Recommendations and Conclusion	20
6.	Bibliography	22
7.	References	28

1. Introduction



Africa's population is set to double by 2050, reaching nearly 2 billion people. However, for many communities across the continent, access to reliable and affordable energy remains a pressing challenge (Nweke-Eze, 2025). Thus, the African Single Electricity Market (AfSEM), a flagship initiative of the African Union (AU) in partnership with the European Union (EU), was launched in June 2021 to create the world's largest electricity market to solve the continent's energy problems and deficit. AfSEM is also responsible for harmonising energy regulatory frameworks to promote cross-border electricity trade and ensure access to reliable, affordable, and sustainable energy for all African households while leveraging the African Continental Free Trade Area (AfCFTA) agreement (African Union, 2021).

On the other hand, The African Continental Free Trade Area (AfCFTA) was launched in 2019 and identified by the International Monetary Fund (IMF) in 2023 as the World's Largest Free trade area with approximately 1.3 billion population¹. One of the main objectives of the AfCFTA is to establish a single continental market for goods and services with free movement of business travellers, capital², and investment to boost intra-Africa trade. For the continent's future growth, development and integration, the cooperation between AfSEM and AfCFTA is crucial.

Complementarily, these initiatives promote sustainable development, foster economic integration, and tackle challenges such as infrastructure deficits, energy insecurity and inadequate industrialisation. This article explores how AfSEM promotes regional energy development and its collaboration with AfCFTA to drive regional economic integration, development, and renaissance. Through the critical examination of the complementary roles of these flagship initiatives, policy recommendations for expedient success have been proffered, and a coordinated approach has been recommended to enable the realisation of their shared objectives for economic growth, sustainability, and inclusivity for the African continent.

2. An Overview of AfCFTA as a driver of regional economic development in Africa



The African Continental Free Trade Area (AfCFTA) reflects African leaders' commitment to ensuring regional integration and enhancing intra-African trade and economic development. Launched in 2019, it was identified by the International Monetary Fund (IMF) in 2023 as the World's largest free trade area, with a population of approximately 1.3 billion. The AfCFTA aims to create a single continental market for the free movement of goods, services, and investment while boosting intra-African trade.

2.1 The History and Objectives of the African Continental Free Trade Area (AfCFTA)

Some of the objectives for the establishment of the AfCFTA include the creation of a single continental market for goods and services with free movement of business travellers, investment, and capital³ while boosting intra-African trade, sustainable development, industrialisation, as well as fostering economic diversification by creating a value chain⁴. The Agreement also provides for the enhancement of competitiveness of State Parties' economies in the continent⁵ and global market while providing solutions to the overlapping memberships and ensuring overall integration⁶. The Agreement provides specific objectives for the realisation of AfCFTA goals such as the progressive elimination of tariffs and non-tariff barriers relating to trade in goods, progressive liberalisation of the services sector, ensuring cooperation on investment, competition policy, and intellectual property rights, customs procedures, and trade facilitation measures. The Agreement provides for the creation of a mechanism for the settlement of disputes arising from state parties' obligations and rights⁷.

The Agreement establishing the AfCFTA provides for the establishment of several protocols on Trade in Goods, Trade in Services, Investment, Intellectual Property Rights (IPRs), Competition Policy, Women and Youth in Trade, and Dispute Settlement⁸. The negotiations were divided into two phases, Phase I for Trade in Goods, Trade in Services, and Dispute Settlement, where these

protocols were adopted in 2018 and became legally binding in May 2019. While the protocols on Investment, Intellectual Property Rights (IPRs), and Competition Policy were slated for phase II⁹, and these protocols were negotiated over a while and adopted in February 2023. Two other protocols that were not initially included are the protocols on Digital Trade and Women and Youth in Trade. The Protocol on Women and Youth in Trade recently adopted¹⁰ was a result of the commitment of the African heads of states at the 35th ordinary session of the AU Assembly to broaden the inclusivity of the Agreement to ensure women are supported in line with the Agreement's objectives¹¹. Thus, it was agreed that a separate protocol be negotiated on Women and Youth in Trade (Modesta et al, 2023).

Historically, regional trade was heavily fragmented before the creation of AfCFTA and occurred through the eight (8) Regional Economic Communities (RECs) such as the Economic Community of West African States (ECOWAS), Economic Community of Central African States (ECCAS), Common Market for Eastern and Southern Africa (COMESA), Arab Maghreb Union (AMU), East African Community (EAC), Southern African Development Community (SADC), Community of Sahel-Saharan States (CEN-SAD), and Intergovernmental Authority on Development (IGAD) (Gerhard et al., 2022)¹². Additionally, The Agreement establishing the AfCFTA recognises these RECs as building blocs and works to unite Africa's extremely fragmented trade policy terrain¹³. These RECs were previously saddled with the different responsibilities outlined by the Abuja Treaty 1991¹⁴. They were expected to create Free Trade Agreements (FTAs) and, subsequently, customs unions and, which would later establish a unified continental customs union. An expected objective of the unified Continental Customs Union was to create a continental common market by adopting the common policies from those established regional customs unions for deeper economic integration for sectors such as communications, agriculture, energy and transport as well as ensure uniformity of fiscal, monetary and financial policies (Gerhard et al., 2022). This structure would birth the African Economic Community (AEC), and the Custom Unions would be dissolved. This has not taken place yet because out of the eight (8) RECs listed, only four (4) have successfully created Free Trade Agreements (FTAs)¹⁵.

However, the AfCFTA, with fifty-five (55) member states, has begun to create harmonised policies and regulations in the above-listed sectors and expressly recognises that only the RECs FTAs will serve as building blocs for AfCFTA¹⁶.

The Agreement additionally provides that any African trade arrangements and Custom Unions that currently possess higher levels of regional integration among themselves than what is obtainable under the AfCFTA can maintain such regional integration¹⁷. The Agreement does not provide for the abolishment of any of the RECs as was implied in the Abuja Treaty 1991 for the establishment of the African Economic Community (AEC).

2.2 Update on the Progress of the African Continental Free Trade Area (AfCFTA) as a driver of regional economic development

Significant progress has been recorded at the AfCFTA and the Committees tasked with negotiating the various Protocols, Annexes, and Appendices. The AfCFTA, facilitates cross-border trade through the Protocols on trade in goods and services, by providing for tariff reduction with specific procedures and deadlines, progressively eliminating non-tariff barriers, and promoting measures for customs cooperation and trade facilitation. The AfCFTA establishes rules of origin to ensure preferential treatment for State Parties' goods and liberalises some services sectors allowing market access for service providers and promoting foreign direct investment. Also, the Protocol on Trade in Services supports the mutual recognition of professional qualifications and harmonises domestic regulation frameworks to ensure a fair-trade environment. (Tralac, 2024).

The AfCFTA Committee on Trade in Services (CTiS) has been negotiating five (5) priority sectors, which include tourism, transportation, business services, communication, and financial services, and has progressively improved market access while most State Parties have developed schedules of Specific Commitments and submitted them to the Secretariat. Interestingly, from the AfCFTA's implementation progress and result report for 2023 prepared by AFDB, forty-eight (48) service offers have been sent to the Secretariat, and twenty-two (22) have been verified as provisional Schedules of Specific Commitments¹⁸. The Committee on Trade in Services has drafted regulatory frameworks for communication and financial services to encourage cogent liberalisation amongst States Parties.¹⁹ However, nothing is set in stone as there are still ongoing negotiations to conclude issues in Phase One (1), such as rules

of origin, tariff concessions and the schedules of specific commitment for these priority areas.

Notably, electricity services are tradable under the AfCFTA within the services sector as it relates to the generation, transmission, and distribution of electricity across borders. The AfCFTA aims to liberalise the services sectors²⁰, using the Services Sectoral Classification List of the World Trade Organization (WTO), which references the United Nations' Central Product Classification (CPC)²¹ system to categorise services. Under this classification, energy services, including electricity, are provided for under Business Services (Section 1), specifically under Engineering Services (CPC 8672) and Integrated Engineering Services (CPC 8673). It is pertinent to state that this classification only provides a framework for the AfCFTA, and the liberalisation and inclusion of electricity services depend on the commitments made by state parties in their schedules of specific commitments (Sékou, 2023).

Additionally, the AfCFTA Committee on Trade in Goods (CTiG) has progressed in fostering intra-African trade during its negotiating rounds by harmonising trade policies regarding the rules of origin²², reducing non-tariff barriers, discussing how goods produced are treated in Special Economic Zones and streamlining customs procedures. State Parties have submitted Provisional Schedules of tariff concession (PSTC) for trade in goods, which include a list of 90 percent of liberalised products, sensitive products which require extended time for liberalisation, and the products to be temporarily exempted from liberalisation, such as public health and national security (Tralac, 2024). As of 2023, it was reported that State Parties have submitted 47 tariff offers, and 42 have been verified and certified (AFDB, 2023). The tariffs for sensitive products are currently being negotiated, and the products which fall into this category are agricultural goods, textiles, automobiles, animal products, and plastics. Electricity energy trading falls under the list of 90 percent of liberalised products, and it is classified as code 2716.00 under the Harmonized System (HS) (ECOWAS, 2021). However, even though electricity is classified as tradable under AfCFTA, the possibility depends on the establishment of peculiar agreements, regulatory frameworks, and infrastructure because it requires lots of infrastructure, and there is a deficit in Africa. The African Union is working tirelessly to bridge this gap through various initiatives to be discussed subsequently.

The Protocol on Investment, adopted in February 2023, established a unified

legal framework for inclusive and sustainable investments across Africa. The Protocol has simplified cross-border investments to foster better development of power pools and regional electricity markets. The protocol protects legal investors while maintaining public interest. The provisions for tax incentives, sustainable projects and public-private partnerships will positively impact investments in projects about electricity infrastructure like regional interconnectors, renewable energy plants, and electricity transmission grids (Danish et al., 2023). The protocol also builds on existing and international investment frameworks in Africa, such as UNCTAD's Investment Policy for Sustainable Development and the Pan-African Investment Code²³. It also affirms state sovereignty by excluding matters such as public debt restructuring, taxation, and government subsidies. The negotiations have been completed and the focus is currently on signing, ratifying, and the implementation. The remaining protocols on Intellectual Property, Competition Policy, Digital Trade, and Women on Youth in Trade have been approved and some adopted. However, negotiations are ongoing for further annexes, regulations for the implementation of these protocol and other issues the committees have been mandated to discuss (Teniola, 2023).

Pertinently, trading under the AfCFTA formally commenced on the first of January 2021 however, no trade has been recorded among State Parties. Thus, the AfCFTA Guided Trade Initiative (GTI) was launched in October 2022, to facilitate trading under the AfCFTA tariff preferences among State Parties who are interested and meet the criteria to begin meaningful commercial trade²⁴. The GTI objective was to test the effectiveness of the legal frameworks of AfCFTA instruments and the efficiency of institutional and legal structures in the seven (7) participating countries, namely Rwanda, Egypt, Tanzania, Mauritius, Ghana, Cameroon, and Kenya (AFDB, 2023). This initiative does not substitute State Parties' roles in the implementation of the Agreement of the AfCFTA but to prove its operationality.

The AfCFTA continues to drive regional economic development through the establishment of a single continental market, which encourages market expansion and efficiency for all its member states. The integration of the economies of all States Parties by the AfCFTA provides about \$3.4 trillion of combined Gross Domestic Product (GDP) (World Bank, 2020). This large market ensures businesses can scale production to meet their increasing

demand, enhancing efficiency and reducing the costs of each unit.²⁵ This AU initiative aims to increase the income of sixty-eight (68) percent of the continent's population living below \$5.50 daily and to alleviate the extreme poverty of at least thirty (30) million persons.

Furthermore, the AfCFTA promises the development of general infrastructure, such as the Lagos-Abidjan Corridor roads, ports, and railways and ensures the simplification of the procedures of customs to foster \$292 billion of \$450 billion in income gains potentially²⁶. The United Nations Economic Commission for Africa (UNECA) estimated that the AfCFTA has the potential to boost intra-Africa trade by 52.3 percent through the elimination of import duties, and this figure could be doubled when non-tariff barriers are reduced. Other estimations were that the AfCFTA would increase intra-Africa trade by 52% or \$35 billion which would average 50% from 2023 till year 2030²⁷.

Finally, the AfCFTA celebrated its fifth (5th) Anniversary, implying that the Agreement is due for a review. At the Thirty-Seventh (37th) Ordinary Session of the African Union Summit, which took place on February 2024, the AfCFTA Secretariat was urged to set in place the requirements for the review of the Agreement (Kiiza Africa, 2025).

3. AfSEM as a Driver of Regional Energy Development in Africa



The African Single Electricity Market (AfSEM) is one of the flagship initiatives of the African Union (AU) in partnership with the European Union (EU) to create the world's largest electricity market, with approximately 1.3 billion people on the continent. AfSEM was launched in June 2021 at an event organised by the African Union and Africa-EU Energy Partnership (AEEP)²⁸ to solve the continent's energy deficit, promote cross-border electricity trade, and ensure access to reliable, affordable, and sustainable energy for all African households (African Union, 2021). The launch was significant for harmonising regulatory frameworks, enhancing communication and transportation infrastructure, and effecting sustainable energy practices in Africa (Africa Energy Commission, 2024). The objectives of this initiative align with Agenda 2063 and Sustainable Development Goal 7 (SDG7) to drive the continent into prosperity, growth, and robust development.²⁹

In the continent, electricity trade occurs through the five (5) regional power pools, namely the Southern African Power Pool (SAPP), Eastern African Power Pool (EAPP), Maghreb Electricity Committee (COMELEC), West African Power Pool (WAPP)³⁰, and Central African Power Pool (CAPP)³¹. Thus, the AU's commitment to establishing a unified electricity market for the continent while leveraging the five power pools resulted in the creation of AfSEM. The fact that electricity is not regarded as a heavily traded good compared to coal, oil, and gas is another factor in the establishment of AfSEM. According to reports, it can be estimated that about 3% of all gross electricity generated was exported across national borders³². This electricity trade has been attributed to the development of the European Union's (EU) Electricity market. Therefore, the African Union created AfSEM to enhance cross-border energy trade and cooperation among all fifty-five (55) State Parties.

3.1. The Objectives and Key Pillars of the African Single Electricity Market (AfSEM)

The objectives of AfSEM are simple, and they include improving access to affordable energy across regions, encouraging the adoption of renewable energy, ensuring energy security, harmonising regulatory frameworks, and attracting domestic and foreign investment to develop and modernise electricity infrastructure in the continent. These objectives can be classified into three (3) important pillars, which are the harmonisation of policies and regulations to create standards for the electricity market while enhancing cross-border trade (NEPAD, 2021); the development of Africa's electricity infrastructure, facilitating the generation, transmission, and distribution networks of power³³; and capacity building for stakeholders as well as their continuous engagement to foster efficient market operations and governance (African Union, 2021).

Regarding the harmonisation of policies and regulatory frameworks, AfSEM seeks to establish well-defined and commonly agreed standards consisting of market rules, technical standards, and grid codes of all State Parties. The unified framework will regulate the electricity market and ensure that all States Parties have a seamless trading experience. This harmonisation will align grid codes, ensuring compatibility and integration of national grids into the continental network to enhance the transmission systems. Consumer protection is prioritised as the development of AfSEM would create competitive electricity prices to protect consumers, ensuring that frameworks promote service quality, affordability, and reliability. With the realisation of regulatory harmonisation, transactional costs and regulatory barriers will be reduced, enhancing efficient trading. To ensure the feasibility of AfSEM's objective, there must be commitment at the national level of all State Parties to create consistent policy frameworks, ensuring improved coordination of actors and integration of operations of all regional electricity markets at the continental level³⁴.

The development of electricity infrastructure is another crucial pillar of AfSEM. This will modernise and expand the electricity infrastructure in Africa to ensure higher generation capacity, distribution, and transmission to meet the demands in the continent's urban and rural areas.³⁵ AfSEM is a sustainability-focused initiative because access to electricity directly supports five SDGs which are Eradication of Extreme Poverty (SDG 1), good health and

well-being (SDG 3), quality education (SDG 4), clean water supply and sanitation (SDG 6), affordable and clean energy (SDG 7), build and promote industrialisation, innovation and infrastructure (SDG 9), and Climate Action (SDG 13) (George, 2022).

AfSEM is stakeholders-centric, this is why, during the development and implementation stages of the initiative, over a hundred (100) energy stakeholders all over the continent were involved in the creation of the policy paper and roadmap for 2040.³⁶ There is a strong emphasis on the improvement of the stakeholder's capacity to operate and manage the single market effectively. Therefore, training programs and public awareness campaigns are offered to relevant stakeholders involving government officials, the private sector, civil societies, and RECs. There is so much potential regarding the development and implementation of AfSEM, such as greater access to electricity, reduced GHG emissions, the acceleration of greener solutions, competitive prices for consumers, and strategic planning for integrating power systems to enhance deeper integration on a larger scale (African Union, 2021).

3.2 The Implementation Timeframe for AfSEM

The implementation process for this initiative was planned into three phases, which will take place from 2020-2040 with specific short-term, medium-term, and long-term goals.

3.2.1 Phase 1: “Preparation, Institutional Strengthening and Governance”³⁷

This spans between 2020-2025 and has a focus on laying the foundation for its regulatory, legal, and pilot programs. The guidelines provided that States Parties should create an independent authority for national electricity regulation, an independent transmission system, an independent distribution system operator, as well as the national electricity market action plan. This involves the development of a harmonised regulatory and legal framework governing grid integration and cross-border electricity trading at national, regional, and

continental markets. Also, developing standards for tariffs, safety protocols and technical codes in the RECs for seamless integration. The first phase provides for the organisation of training, workshops and capacity-building programs for stakeholders focusing on the integration of renewable energy, management of the grid, and power market operations. Finally, the launching of pilot projects testing cross-border electricity trading mechanisms to identify regulatory, technical, and financial challenges (African Union, 2021).

3.2.2 Phase 2: Legal and Regulatory Development

This phase focuses on scaling infrastructure and integrating regional electricity markets, ranging from years 2026-2030.

This phase provides that all Regional Economic Communities (RECs) are expected to have specialised institutions such as Power Pools and Regional Regulators, with the basis of inter-utility and inter-governmental memoranda of understanding (African Union, 2021). These regional regulators require the authority to regulate processes carried out for the realisation of the regional electricity market. At this stage, it is pertinent that electricity market action plans for the national level be in alignment with what is obtainable at the regional level for regional electricity market action plans. In finalising this phase, the development of regional ten-year transmission and regional codes networks will be established

3.2.3 Phase 3: Market Opening

This phase spans years 2031-2040 and is expected to liberalise the wholesale markets across the continent, where consumers are at liberty to purchase electricity from suppliers of their choice. To maintain efficient and healthy competitive operations in the markets, an African wholesale market surveillance and enforcement system must be created, which will involve the collation and analysis of data at the continental level, also ensuring that regulations are enforced at the national level. Consumer protection is a top priority as the retail markets open up to safeguard individual and business interests. Also, the

regional electricity market action plans must be in alignment with the wider continental plan. This requires a continental ten-year transmission network plan with an agreement on interconnection targets for the linkages of the grid across borders. A unified grid code must be adopted for the seamless flow of electricity across the continent. In finalising this phase, ensuring the integration of regional electricity markets is crucial and with consistent efforts, AfSEM will be fully operational in 2040.

3.3 Update on the Progress of the African Single Electricity Market (AfSEM)

After the launch of AfSEM, the Continental Master Plan (CMP) was developed to support its implementation.³⁸ African Energy Ministers assigned the African Union Development Agency to spearhead the implementation of the varying phases of AfSEM under the Continental Master Plan (CMP) and integrate all energy infrastructure for seamless generation and transmission. (AUDA-NEPAD, 2022). CMP is the blueprint for implementing AfSEM, ensuring the provision of the infrastructure necessary for enabling intra-regional electricity trade and the linkage of all national and regional power pools' networks for transmission³⁹. CMP promotes the Green Vision of Africa while building a unified grid for the continent and establishing a ten-year transmission network development plan. This implementation is carried out by AUDA-NEPAD while being supported by the International Renewable Energy Agency (IRENA), the European Union - Global Technical Assistance Facility (EU-GTAF) and the International Atomic Energy Agency (IAEA)⁴⁰.

In implementing the first phase of AfSEM, CMP has made significant progress, such as the establishment of a common Continental Energy Information System, fostered strategic partnerships with agencies such as IRENA and IAEA which are officially its endorsed modelling partners.⁴¹ These modelling partners are to technically train and bring together principal African energy stakeholders like African Development Bank (AFDB), AUDA-NEPAD, and African Power Pools while being supported by EU-GTAF to share the same database, modelling tools, and processes for data collation (AUDA-NEPAD, 2022). Infrastructurally, CMP has ensured collaboration and participatory efforts by the five (5) African

regional power pools (COMELEC, CAPP, SAPP, EAPP, and WAPP⁴²) to develop cost projections and analyse available resources for energy technologies. Other milestones achieved include the evaluation of the continental energy demand projection by 2040; the development of strategic plans tackling the unique challenges faced by Africa's five regions, aligning these strategic plans with the aspirations of Africa's Agenda 2063; and highlighting the significance of information technologies in updating key energy data and its storage support⁴³. Significantly, the CMP modelling team have been trained severally on the usage of all continent Africa model built with IRENA's System Planning Test (SPLAT) models.⁴⁴ The CMP modelling team consists of experts from four (4) African regional power pools (CAPP, SAPP, EAPP, and WAPP), AUC, North African Region, and AUDA-NEPAD⁴⁵. Recently, in September 2024, a hybrid stakeholders' validation AfSEM-CMP-AFEES workshop on energy integration was held in Addis Ababa, Ethiopia. This workshop was the final stage of the development of crucial frameworks to drive energy transition in Africa. Some key achievements arrived at this workshop include establishing guidelines to ensure the operationalisation of AfSEM, the creation of AfSEM's communication strategy, revision of the action plan and strategy for Africa's Harmonised Electricity Market, as well as the evaluation and monitoring of baseline reports to track progress. The workshop also introduced important concepts under CMP, such as generating and transmitting priority projects and the Hybrid Demand Forecasting Concept⁴⁶.

4. AFSEM and AfCFTA: Critical Enabler, Synergy and Spillovers



The AfSEM and AfCFTA are two flagship initiatives of the African Union (AU) aimed at fostering regional and economic growth and integration. The AfCFTA is to establish a single continental market for goods and services with free movement of business travellers, capital⁴⁷, and investment, boosting intra-African trade, promoting sustainable development and industrialisation which includes electricity energy as a good and service as well as attracting investments in this regard. Contrastingly, AfSEM was launched to establish the world's largest electricity market to provide and ensure access to reliable, affordable, and sustainable energy for all African households (African Union, 2021). It is important to examine how AfSEM compliments the AfCFTA and helps in the achievement of its goals.

4.1 AfSEM as a Critical Enabler for AfCFTA Objectives

AfSEM plays a vital role in the realisation of the AfCFTA objectives relating to boosting intra-African trade and continental integration. AfSEM's enabling role cuts across key objectives of the AfCFTA, such as the facilitation of regional integration and cross-border trade, the development of infrastructure, industrialisation, the attraction of investments, the promotion of sustainable developments and acclimate actions and the creation of jobs and building capacity for stakeholders.

4.1.1 AfSEM Addressing Energy Deficits and Promoting Sustainable Energy Services

AfSEM addresses the energy deficits, ensuring the continent's reliance on non-African Energy sources is reduced. The availability of reliable and affordable energy is extremely important for the manufacturing and services

sectors, which are critical to the AfCFTA objectives of boosting trade in Africa by 52% and doubling the figure by 2030⁴⁸. Also, the provision of sustainable energy is essential to offering diverse opportunities such as poverty alleviation, food security, job creation, and gender equality (Nweke-Eze, 2025).

There are additional efforts by AfSEM to harmonise regulatory frameworks and policies to facilitate seamless electricity trading under the AfCFTA, which is important for the reduction of transactional costs and the transportation of goods and services⁴⁹. CMP was developed to facilitate the implementation of AfSEM and promises to identify and gather resources as well as investments for the development of large power plants and energy interconnectors in the continent (African Union, 2023). AfSEM ensures the availability of infrastructure for the easy distribution of energy across borders, improving supply, reducing shortages, and allowing countries with excess power to transmit to other countries with deficits. This infrastructural development is expected to increase Africa's renewable power capacity to 300 gigawatts by 2030, which aligns with the continent's green energy transition goals (African Union, 2021). For example, Ethiopia, which possesses abundant hydropower resources, will export to other countries in the continent seamlessly which will foster more competitive and efficient cross-border exchanges (African Union, 2021).

4.1.2 AfSEM's Enabling Industrialisation and Green Energy Transition

As a core objective of the AfCFTA, industrialisation is enhanced by AfSEM by ensuring steady, green, and affordable energy to companies, households, telecommunication, and transportation sectors (Bethlehem, 2023). The availability of energy promotes industrial expansion and the diversifying effect of African countries' economies, and AfSEM promises the provision of energy at a reduced cost, ensuring industrial growth through the integration of energy systems. Statistics from the World Bank show that Africa struggles with high electricity costs, which distorts competitiveness and production (World Bank, 2020).

AfSEM also supports the objectives of the AfCFTA through the proposed

development of infrastructure for renewable energy, ensuring a smooth transition into greener industries (Juliya et al., 2025). Clean energy solutions will promote the reduction of environmental degradation and pollution while providing access to improved human health, and water and tackling climate change (Nweke-Eze, 2025). Carbon emissions will be greatly reduced across Africa as AfSEM processes the development of solar, wind, and hydropower resources. This aligns with the AfCFTA's environmental sustainability goals and in a broader spectrum, will lead to the creation of jobs, increment in the manufacturing output of Africa, and boost intra-Africa trade (Bethlehem, 2023; Nweke-Eze, 2025).

4.1.3 AfSEM Promotes Energy Security to Attract Investments

AfSEM proposes energy security which is a crucial factor in attracting foreign and domestic investment. Access to reliable energy is important and could be the minor difference in attracting the required investment or resources. The Single Electricity Market reduces the risks attached to these investments by providing these investors with a guarantee of access to reliable energy in the continent essentially for sectors like mining, manufacturing, and agriculture which are major areas under the AfCFTA Trade in goods and services sector. AfSEM is instrumental in achieving Africa's competitiveness and energy integration because one of the goals for its establishment is to make energy available at competitive rates and reduce power outage risks (African Union, 2021). By integrating Africa's Energy Systems, investors will profit from economies of scale from the development of energy within these countries. This will also reduce the risks of investment by spreading the risk of capacity to pay and affordability (Nweke-Eze, 2025).

4.1.4 AfSEM's Contribution to Africa's Renewable Energy Transition in Africa

AfSEM advances the United Nations Sustainable Development Goals (SDGs)⁵⁰. Integrating renewable energy into the continental's power grid applies to both

the AfCFTA framework and AfSEM's goals. AfSEM contributes to reducing Africa's carbon print by dissuading reliance on fossil fuels and ensuring clean energy usage. For example, the African Union's initiatives on the development of solar and wind energy projects to advance the implementation of AfSEM are likely to spur renewable energy capacity by 50% in the next ten years, according to the United Nations Economic Commission for Africa (UNECA, 2023). This is integral to the long-term economic sustainability of Africa and also in line with the broader environmental objectives of AfCFTA, which emphasises green growth. AfSEM is focused on capacity building, thus enabling local communities and enterprises to develop, participate in, and benefit from the emerging energy market for economic growth and social inclusion in Africa.

4.2 The Synergy and Spillovers Between AfSEM and AfCFTA

While these AfSEM and AfCFTA have different objectives, the interplay is important as trade, economic development and industrialisation are heavily impacted by the availability of reliable energy.

4.2.1 AfSEM and AfCFTA Powering Cross-border Trade and Industrialisation

Energy is a catalyst for the realisation of the AfCFTA's objectives, especially for manufacturing products and carrying out services, which are major sectors under the AfCFTA. Electricity Services trading is provided for under the AfCFTA under Business Services (Section 1), specifically under Engineering Services (CPC 8672) and Integrated Engineering Services (CPC 8673)⁵¹. Under the Protocol on Trade in Goods at the AfCFTA, Electricity Energy is provided for among the list of 90 percent of liberalised products, and it is classified as code 2716.00 under the Harmonised System (HS) (ECOWAS, 2021). However, much electricity trading has not begun because it requires robust infrastructure as well as harmonisation of the regulatory frameworks. Therefore, AfSEM was launched to address the electricity deficits in the continent by ensuring the development

of energy interconnectors and large power plants while harmonising the existing regulatory frameworks in the five regional power pools. This development will result in less transactional costs, eliminating the energy deficits largely and stabilising the energy supply for economic diversification and industrial expansion (Murefu, 2022).

4.2.2 AfSEM and AfCFTA Harmonising Frameworks for Trade, Energy, and Investments

AfSEM and AfCFTA will both ensure the harmonisation of regulatory frameworks for trade and energy. Enhancing the standards and regulations relating to their respective fields fosters seamless cross-border trades and energy transactions and slowly eradicates trade barriers that distort the movement of goods and services under the AfCFTA (Murefu, 2022). These initiatives also promote and attract Foreign Direct Investments (FDI) as well as domestic investments by ensuring the availability of energy security, removing trade barriers, and developing the protocol of investment at the AfCFTA. The assurance of energy security through the establishment of the unified electricity market portrays the reduction of investment risks for important areas under the AfCFTA, such as mining, manufacturing, and agriculture. Both initiatives promote competitiveness in trade and energy to enhance intra-Africa trade while making the continent an attractive investor destination.

4.2.3 AfSEM and AfCFTA Enhancing Regional Integration and Sustainable Development

AfSEM and AfCFTA are critical to advancing the United Nations Sustainable Development Goals (SDGs) in Africa. AfSEM achieves this by promoting and integrating renewable energy into the continent's power grid. It discourages the reliance on fossil fuels to support environmental sustainability, which is in alignment with AfCFTA's goals on green growth. This allows for mitigating environmental impacts, fostering economic growth, creating jobs⁵², and building capacity for communities and enterprises (Murefu, 2022; Nweke-Eze, 2025).

In conclusion, the synergy between these initiatives is crucial for regional integration, economic development, and sustainable development. AfSEM

focuses on developing energy infrastructure, harmonising regulatory requirements, and integrating renewable energy sources to support the objectives of AfCFTA, such as intra-African trade, industrialisation, and investment attraction. Resolving energy challenges and providing a stable and sustainable power supply will, therefore, make AfSEM pivotal in allowing AfCFTA to achieve its full potential and mark the way toward a prosperous and interdependent African continent.

5. Policy Recommendations and Conclusion



To ensure that Africa fully exploits the potential of the synergy between AfSEM and AfCFTA, certain structures are essential.

a. There is an urgency for regional bodies and state parties to align their national policies with the AfCFTA protocols as well as energy policies. Aligning policies, regulations, and technical standards among States Parties is crucial for fostering a supportive environment for regional power trading. This involves standardising regulations, tariffs, and frameworks for trading, including cross-border electricity for smooth integration between trade initiatives and energy markets.

b. The need for capacity building for stakeholders cannot be overemphasised for trade and energy professionals for the implementation of AfSEM and AfCFTA goals and empowering institutions for effective monitoring and enforcing compliance with these agreements. State Parties should be encouraged to share knowledge through workshops, conferences, and study visits. It is also important to facilitate the sharing of best practices, experiences, and lessons learned regarding power sector advancement and regional integration. Additionally, collaborating with member nations and regional institutions to design capacity-building programs and provide technical assistance is advantageous. Such initiatives can improve the skills of energy professionals, fortify regulatory frameworks, and encourage the dissemination of knowledge related to renewable energy technologies and best practices (Nweke-Eze, 2025).

c. There should be more attention on financing mechanisms and Public-Private Partnerships (PPPs), such as green bonds, which will attract foreign direct investment in renewable energy projects and lead to industrialisation in the continent. Private-sector participation must be encouraged to foster innovation and attract investment, as Europe's energy sector has hugely benefited from the involvement of the private sector (Nweke-Eze, 2025). To encourage private sector participation, governments of

State Parties should offer subsidies and tax incentives to speedily develop critical energy resources. Also, introducing local content requirements for energy products will create opportunities for jobs, build local skills, contribute to socio-economic benefits, and align with the inclusive growth objectives of the AfCFTA.

d. The implementation of the goals of these initiatives requires embracing digital innovations, such as the integration of blockchain technologies and smart grids across the continent to ensure energy distribution, reduced transactional costs, and overall transparency in energy transactions.

e. Collaborations of RECs must be strengthened to develop the integration of energy markets, which will further support trade in energy services, resolve regional disputes, and share investment strategies and best practices. The establishment of the required regional energy corridors to link countries with surplus energy production to countries in deficit will promote the goal of a green energy transition and industrialisation in Africa.

f. It is important to establish a monitoring and evaluation framework to track the progress of both initiatives toward accountability within the agreed deadlines. Continuous assessment and reporting will also promote transparency and accountability, leading to the desired economic growth and regional integration the continent greatly desires.

In Conclusion, to ensure that the AfCFTA's objectives are realised, there is an unavoidable need for robust infrastructure that requires energy security such as transportation, communication and AfSEM is mandated to bridge this infrastructural gap while harmonising the energy regulatory frameworks for the integration of generating, transmitting and distribution plans for energy⁵³. Therefore, AfSEM will boost the continental electricity sector, establish a unified electricity market, and promote competitiveness and economic growth for electricity trade while leveraging on key protocols of the AfCFTA such as Trade in Goods, Trade in Services, Investment, Competition Policy and Digital Trade.

6. Bibliography



1. African Development Bank. (2023). *Implementation Progress and Results Report (IPR)*. Retrieved from https://www.afdb.org/sites/default/files/documents/projects-and-operations/multinational_-_institutional_support_project_for_the_africa_union_-_continental_free_trade_area_implementation_-_p-z1-kfo-059_-_ipr_juin_2023.pdf?utm_
2. African Union. (1991). *Treaty Establishing the African Economic Community*. Accessed from https://au.int/sites/default/files/treaties/37636-treaty-TREATY_ESTABLISHING_THE_AEC-compressed.pdf
3. African Union. (2018). *Agreement establishing the African Continental Free Trade Area*. African Union.
4. African Union. (2021). *African Union Launches World's Largest Single Electricity Market (AFSEM)*. Press Release. Retrieved from <https://au.int/en/pressreleases/20210604/african-union-launches-worlds-largest-single-electricity-market-afsem>
5. African Union (AU). (2021). "Launching the African Single Electricity Market." Retrieved from <https://au.int/en/newsevents/20210603/launching-african-single-electricity-market>
6. African Union. (2021). *The "POLICY PAPER AND ROADMAP - Towards A Single African Electricity Market: Roadmap 2040" Report and Publication Have Been Developed by The EU Technical Assistance Facility (TAF) For Sustainable Energy Upon Request Of The African Union Commission, Under Project "Support To The African Union For The Harmonisation Of The Electricity Market In Africa"*. Retrieved from https://cmpmwanga.nepad.org/files/Comms/Publications/AfSEM_Policy_Paper_and_Roadmap_2040_03122021.pdf
7. African Union. (2023). *African Ministers Commit to Accelerate Infrastructural Development to Boost Africa's Competitiveness And Participation In Global Market*. Press Release. Retrieved from

<https://au.int/ar/node/43160>

8. African Union (2018). *Agreement Establishing the African Continental Free Trade Area*. Retrieved from

https://au.int/sites/default/files/treaties/36437-treaty-consolidated_text_on_cfta_-_en.pdf

9. African Union. (2018). *Protocol on Trade in Goods*. African Continental Free Trade Area. Retrieved from

https://au.int/sites/default/files/treaties/36437-treaty-consolidated_text_on_cfta_-_en.pdf

10. African Union. (2018). *Protocol on Trade in Services*. African Continental Free Trade Area. Retrieved from

https://au.int/sites/default/files/treaties/36437-treaty-consolidated_text_on_cfta_-_en.pdf

11. Africa-EU Energy Partnership page. (2021). *African Single Electricity Market (AfSEM) Launched*. Retrieved from

<https://africa-eu-energy-partnership.org/african-single-electricity-market-af-sem-launched/>

12. Africa-EU Energy Partnership (AEEP). (2024). “*African Single Electricity Market (AfSEM) Factsheet*.” Retrieved from

https://africa-eu-energy-partnership.org/wp-content/uploads/2024/08/AEEP_Factsheet_Aug-2024.pdf

13. AUDA-NEPAD. (2023). *The African Continental Master Plan: A Continental approach to Africa’s energy future*. African Union Development Agency Website. Retrieved from <https://nepad.org/continental-master-plan>

14. AMETrade. (2021). *Boosting energy, oil & gas intra-Africa trade with the African Continental Free Trade Area (AfCFTA)*. Retrieved from

<https://ametrade.org/newsroom/boosting-energy-oil-gas-intra-africa-trade-with-the-african-continental-free-trade-area-afcfta/#:~:text=AfCFTA%20will%20increase%20energy%2C%20oil,larger%20market%20with%20lower%20risk>

15. Bethlehem Abraham. (2023). *Regional Electricity Market Under the AfCFTA: Prospects and Challenges for Ethiopia*. TralacBlog. Retrieved from

<https://www.tralac.org/blog/article/16245-regional-electricity-market-under-the-afcfta-prospects-and-challenges-for-ethiopia.html>

16. Danish, Hamed El-Kady, Makane Moïse Mbengue, Suzy H. Nikiéma & Daniel Uribe. (2023). *The Protocol on Investment to the Agreement Establishing the African Continental Free Trade Area: What's in it and what's next for the Continent?* Investment Treaty News. Retrieved from <https://www.iisd.org/itn/en/2023/07/01/the-protocol-on-investment-to-the-agreement-establishing-the-african-continental-free-trade-area-whats-in-it-and-whats-next-for-the-continent/>
17. Economic Community of West African States (ECOWAS). (2021). *Draft Provisional Schedule of Tariff Concessions*. Retrieved from <https://amchamghana.org/download/ecowas-afcfta-tariff-concession-schedule/>
18. European Union. (2023). *Powering Africa's future: key documents officially adopted to pave the way for a sustainable African Single Electricity Market and a Continental Power System Masterplan*. EU Website. https://www.eeas.europa.eu/delegations/african-union-au/powering-africa's-future-key-documents-officially-adopted-pave-way-sustainable-african-single_en?s=43
19. George Kyriakarakos. (2022). *Harmonizing the Electricity Markets in Africa: An Overview of the Continental Policy and Institutional Framework towards the African Single Electricity Market*. Institute for Bio-Economy and Agri-Technology (iBO), Centre for Research and Technology-Hellas (CERTH), 6th km Charilaou-Thermi Rd, Thermi, 57001 Thessaloniki, Greece. Retrieved from <https://www.mdpi.com/2071-1050/14/17/10924>
20. Gerhard Erasmus, Trudi Hartzenberg. (2022). *The meaning of building blocks for African integration is defined by the applicable legal instruments and subsequent practice*. Retrieved from <https://www.tralac.org/blog/article/15546-the-meaning-of-building-blocks-for-african-integration-is-defined-by-the-applicable-legal-instruments-and-subsequent-practice.html>
21. International Monetary Fund. (2023). *Trade Integration in Africa: Unleashing the Continent's Potential in a Changing World*. African and Middle East and Central Asia Departments, Departmental Paper No. DP/2023/003. Prepared by ElGanainy, A., Hakobyan, S., Liu, F., Weisfeld, H., Abbas, A., Allard, C., Balima, H., Bteish, C., Giri, R., Kanda, D., Kett, B., Meleshchuk, S.,

- Pohl, M., Ramirez, G., & Zymek, R. Retrieved from <https://www.imf.org/en/Publications/Departmental-Papers-Policy-Papers/Issues/2023/05/03/Trade-Integration-in-Africa-Unleashing-the-Continent-s-Potential-in-a-Changing-World-529215>
22. International Renewable Energy Agency (IRENA). (2024). *System Planning Test SPLAT Models for Africa*. Accessed from <https://www.irena.org/Energy-Transition/Planning/SPLAT-Models-for-Africa>.
23. International Renewable Energy Agency (IRENA). (2023). *Africa Continental Power System Masterplan*. Accessed from <https://www.irena.org/Energy-Transition/Planning/Africa-Continental-Power-System-Masterplan>
24. International Trade Centre (ITC). (2021). *Market Access Map: Discover – Questions and Answers*. Retrieved from https://www.macmap.org/en/learn/afcfta?utm_
25. Juliya Arbisman, Niyati Ahuja and Hyuna Yong. (2025). *Investment in Africa: Free trade area agreement powers continent's energy future*. Reuters. Retrieved from <https://www.reuters.com/legal/legalindustry/investment-africa-free-trade-area-agreement-powers-continents-energy-future-2025-01-17/>
26. Kiiza Africa. (2025). *Assessing Five Years of The African Continental Free Trade Area (AfCFTA): Proposals on Potential Amendments*. South Centre.
27. Mihalakas, Athanasios and Malkawi, Bashar, *Regional Integration in Africa - The Role of the AfCFTA in Advancing Political Integration* (January 03, 2024). *Transnational Dispute Management* (November 2023), Arizona Legal Studies Discussion Paper No. 24-01, Available at SSRN: <https://ssrn.com/abstract=4692076>
28. Modesta Nsowaa-Adu and Elisa Fornalé. (2023). “Negotiating towards a tailor-made gender protocol under the AfCFTA: Could integrating Africa’s fragmented gender chapters be the key?” World Trade Institute, University of Bern, Switzerland. Retrieved from https://www.wto.org/english/res_e/booksp_e/making_trade_work_for_women_ch8_e.pdf
29. Murefu Barasa. (2022). *AfCFTA and the opportunity for an African interconnected electricity market*. Energy For Growth Hub. Retrieved from

<https://energyforgrowth.org/article/afcfta-and-the-opportunity-for-an-african-interconnected-electricity-market/>

30. Nweke-Eze, C. (2025). *Integrating Africa Energy: Progress, Challenges and Policy Implications*. Report. Integrated Africa Power (IAP).

31. Oseni and Pollit (2014), *Institutional Arrangements for Promotion of Regional Integration of Electricity Markets: International Experience*, The World Bank, Policy Research Working Paper 6947.

32. Owusu-Acheampong, Odekunle, Nweke-Eze, C. (2023). *The West African Power Pool: Bringing the intentions to reality*.

33. Sékou Falil Doumbouya. (2023). *Regional integration of trade in services in Africa:*

overview and leveraging regulatory survey results. Retrieved from

https://www.wto.org/library/events/event_resources/serv_2702202310/80_353.pdf?

34. Teniola Tayo. (2023). *The Road to Africa's Single Market: Progress so far and challenges for the future*. Africa Policy Research Institute. Retrieved from <https://afripoli.org/the-road-to-africas-single-market-progress-so-far-and-challenges-for-the-future>

35. The Citizen. (2024). *Africa Takes Major Step Toward Energy Integration at AfSEM-CMP-AfEES Workshop in Addis Ababa*.

<https://www.thecitizen.co.tz/tanzania/news/africa/africa-takes-major-step-toward-energy-integration-at-afsem-cmp-afees-workshop-in-addis-ababa-4758218>

36. Trade Law Centre (Tralac). (2024). *AfCFTA Negotiations timeline*.

TralacBlog. Retrieved from

<https://www.tralac.org/resources/afcfta-negotiations-timeline.html>

37. Trade Law Centre (Tralac). (2023). *African Continental Free Trade Area (AfCFTA) Frequently Asked Questions*. TralacBlog. Retrieved from

<https://www.tralac.org/documents/resources/faqs/4621-updated-tralac-afcfta-faqs/file.html>

38. United Nations Economic Commission for Africa (UNECA). (2023). *AFRICA DAY AT COP28. Scaling up Financing for Climate Action and Green Growth in Africa*. Retrieved from

https://www.uneca.org/eca-events/sites/default/files/resources/documents/ACPC/cop/cop28/concept_note_africa_day_at_cop28.pdf

39. World Bank. (2020). *The African Continental Free Trade Area: Economic and Distributional Effects*. Retrieved from <https://www.worldbank.org/en/topic/trade/publication/the-african-continental-free-trade-area.print>
40. World Trade Organization. (1991). *Services Sectoral Classification List*. MTN.GNS/W/120.

References



1. *International Monetary Fund. (2023). Trade Integration in Africa: Unleashing the Continent's Potential in a Changing World, African and Middle East and Central Asia Departments.*
2. *Article 3(c) the Agreement Establishing the African Continental Free Trade Area (AfCFTA)*
3. *Article 3(c) the Agreement Establishing the African Continental Free Trade Area (AfCFTA)*
4. *Article 3, Ibid.*
5. *Article 3(f) of the Agreement Establishing the African Continental Free Trade Area (AfCFTA)*
6. *Article 3(h) Ibid.*
7. *Article 4 Ibid.*
8. *Article 6 of the Agreement Establishing the African Continental Free Trade Area (AfCFTA)*
9. *Article 7, Ibid.*
10. *Adopted in February 2024 by the African Union Assembly.*
11. *Article 3(e), ibid.*
12. *Gerhard Erasmus and Trudi Hartzenberg. (2022) "The meaning of building blocks for African integration is defined by the applicable legal instruments and subsequent practice. Accessed from <https://www.tralac.org/blog/article/15546-the-meaning-of-building-blocks-for-african-integration-is-defined-by-the-applicable-legal-instruments-and-subsequent-practice.html>*
13. *Ibid.*
14. *https://au.int/sites/default/files/treaties/37636-treaty-TREATY_ESTABLISHING_THE_AEC-compressed.pdf*
15. *Gerhard Erasmus and Trudi Hartzenberg, "The meaning of building blocks for African integration is defined by the applicable legal instruments and subsequent practice.*
16. *Art 5(b) of the Agreement Establishing the AfCFTA.*

17. *Art 19(2) AfCFTA Agreement and Art 8(2) AfCFTA Protocol on Trade in Goods*
18. *African Development Bank. (2023). Implementation Progress and Results Report (IPR).
https://www.afdb.org/sites/default/files/documents/projects-and-operations/multinational_-_institutional_support_project_for_the_africa_union_-_continental_free_trade_area_implementation_-_p-z1-kfo-059_-_ipr_juin_2023.pdf?utm_*
19. *Trade Law Centre (Tralac). (2023). African Continental Free Trade Area (AfCFTA) Frequently Asked Questions. TralacBlog. Retrieved from
<https://www.tralac.org/documents/resources/faqs/4621-updated-tralac-afcfta-faqs/file.html>*
20. *International Trade Centre (ITC). (2021). Market Access Map: Discover – Questions and Answers. Retrieved from
https://www.macmap.org/en/learn/afcfta?utm_*
21. *World Trade Organization. (1991). Services Sectoral Classification List. MTN.GNS/W/120.*
22. *Under the AfCFTA, Rules of Origin are important for ensuring the suitability of goods for preferential tariff treatment.*
23. *Danish et al., (2023). The Protocol on Investment to the Agreement Establishing the African Continental Free Trade Area: What’s in it and what’s next for the Continent? Investment Treaty News.*
24. *African Development Bank. (2023). Implementation Progress and Results Report (IPR).*
25. *World Bank. (2020, July 27). The African Continental Free Trade Area: Economic and Distributional Effects. Retrieved from
<https://www.worldbank.org/en/topic/trade/publication/the-african-continental-free-trade-area.print>*
26. *World bank, Ibid.,*
27. *AMETrade. Boosting energy, oil & gas intra-Africa trade with the African Continental Free Trade Area (AfCFTA). Retrieved from
<https://ametradet.org/newsroom/boosting-energy-oil-gas-intra-africa-trade-with-the-african-continental-free-trade-area-afcfta/#:~:text=AfCFTA%20will%20increase%20energy%20oil,larger%20market%20with%20lower%20risk>*

28. African Union (AU). (2021). "Launching the African Single Electricity Market." Retrieved from <https://au.int/en/newsevents/20210603/launching-african-single-electricity-market>
29. Africa-EU Energy Partnership (AEEP). (2024). "African Single Electricity Market (AfSEM) Factsheet." Retrieved from https://africa-eu-energy-partnership.org/wp-content/uploads/2024/08/AEEP_Factsheet_Aug-2024.pdf
30. Owusu-Acheampong, Odekunle, Nweke-Eze, C. (2023). *The West African Power Pool: Bringing the intentions to reality.*
31. Bethlehem Abraham. (2023). *Regional Electricity Market Under the AfCFTA: Prospects and Challenges for Ethiopia.* TralacBlog. Retrieved from <https://www.tralac.org/blog/article/16245-regional-electricity-market-under-the-afcfta-prospects-and-challenges-for-ethiopia.html>
32. Oseni and Pollit (2014), *Institutional Arrangements for Promotion of Regional Integration of Electricity Markets: International Experience*, The World Bank, Policy Research Working Paper 6947.
33. George Kyriakarakos. (2022). *Harmonizing the Electricity Markets in Africa: An Overview of the Continental Policy and Institutional Framework towards the African Single Electricity Market.* Institute for Bio-Economy and Agri-Technology (iBO), Centre for Research and Technology-Hellas (CERTH), 6th km Charilaou-Thermi Rd, Thermi, 57001 Thessaloniki, Greece. Retrieved from <https://www.mdpi.com/2071-1050/14/17/10924>
34. African Union. (2021). *The "POLICY PAPER AND ROADMAP - Towards a Single African Electricity Market: Roadmap 2040"*.
35. Ibid.
36. African Union. (2021). *The "POLICY PAPER AND ROADMAP - Towards a Single African Electricity Market: Roadmap 2040"*.
37. *ibid*
38. International Renewable Energy Agency. (2023) *Africa Continental Power System Masterplan.* Accessed from <https://www.irena.org/Energy-Transition/Planning/Africa-Continental-Power-System-Masterplan>
39. European Union. (2023). *Powering Africa's future: key documents officially adopted to pave the way for a sustainable African Single Electricity*

- Electricity Market and a Continental Power System Masterplan. EU Website.*
40. *AUDA-NEPAD. (2023). The African Continental Master Plan: A Continental approach to Africa's energy future. African Union Development Agency Website.*
41. *International Renewable Energy Agency (IRENA). (2023) Africa Continental Power System Masterplan.*
42. *Owusu-Acheampong, Odekunle, Nweke-Eze, C. (2023). The West African Power Pool: Bringing the intentions to reality.*
43. *AUDA-NEPAD. (2023). The African Continental Master Plan: A Continental approach to Africa's energy future. African Union Development Agency Website.*
44. *International Renewable Energy Agency. (2024) System Planning Test SPLAT Models for Africa. Accessed from <https://www.irena.org/Energy-Transition/Planning/SPLAT-Models-for-Africa>.*
45. *International Renewable Energy Agency (IRENA). (2023) Africa Continental Power System Masterplan.*
46. *The Citizen. (2024). Africa Takes Major Step Toward Energy Integration at AfSEM-CMP-AfEES Workshop in Addis Ababa. <https://www.thecitizen.co.tz/tanzania/news/africa/africa-takes-major-step-toward-energy-integration-at-afsem-cmp-afees-workshop-in-addis-ababa-4758218>*
47. *Article 3(c) the Agreement Establishing the African Continental Free Trade Area (AfCFTA)*
48. *African Union. (2021). African Union Launches World's Largest Single Electricity Market (AFSEM). Press Release. Retrieved from <https://au.int/en/pressreleases/20210604/african-union-launches-worlds-largest-single-electricity-market-afsem>*
49. *Juliya Arbisman, Niyati Ahuja and Hyuna Yong. (2025). Investment in Africa: Free trade area agreement powers continent's energy future.*
50. *Bethlehem Abraham. (2023). Regional Electricity Market Under the AfCFTA: Prospects and Challenges for Ethiopia. TralacBlog.*
51. *World Trade Organization. (1991). Services Sectoral Classification List. MTN.GNS/W/120.*

52. Nweke-Eze, C. (2025). *Integrating Africa Energy: Progress, Challenges and Policy Implications*. Report. Integrated Africa Power (IAP).

53. Africa-EU Energy Partnership page. (2021).

<https://africa-eu-energy-partnership.org/african-single-electricity-market-a-fsem-launched/>

About IAP

Integrated Africa Power (IAP) is a multi-unit enterprise specialized in energy and infrastructure development on the African continent. We seek to solve Africa's energy deficits, through integrated systems solutions, resource pooling and cross-border cooperation. Our approach is based on our philosophies of tailored suitability, cost-effectiveness, sustainability and energy-development linkages.

Suggested citation

Israel D, Nweke-Eze, C. (2025). Synergies and Spillovers between the African Continental Free Trade Area (AfCFTA) and the African Single Electricity Market (AfSEM). Report. Integrated Africa Power (IAP).



Authors

Deborah Israel
Research Associate, IAP

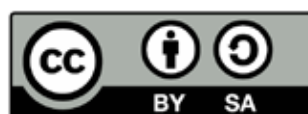
Chigozie Nweke-Eze,
Research Lead, IAP

Deborah Israel is a lawyer specialising in international trade and relations in Africa. She is a Research Associate at Integrated Africa Power (IAP)

Chigozie Nweke-Eze is an economist and geographer specializing in the international finance, economics, politics, geographies, and sustainability of large-scale and cross-border projects in the energy and mining sectors. He is the CEO of Integrated Africa Power (IAP).

Contact:

Email: admin@intafripower.de
Linkedin: Integrated Africa Power
Instagram: intafripower



The text of this publication is published under a Creative Commons license: “Creative Commons Attribution-Share Alike 4.0 international” (CC BY-SA 4.0), <https://creativecommons.org/licenses/by-sa/4.0/legalcode>.