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Unlocking Continental Integration: Structural Barriers, Public-Sector Capture, and Private-Sector Operationalization of the AfCFTA Protocols in Nigeria

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A Qualitative Documentary Analysis of Coordination Failures and Pathways to Reform, 2020–2026

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Abstract **Original Research Article**

The African Continental Free Trade Area (AfCFTA) is the largest free-trade project on the continent since the Organization of African Unity. Preferential trading has begun. Intra-African trade has risen modestly. Nigeria, Africa's largest economy, remains central to the agreement's success. This paper examines barriers to effective implementation of the AfCFTA Protocols in Nigeria from 2020 to 2026. The study uses qualitative documentary analysis of official texts, media reports, and stakeholder communications. It identifies political interference, public-sector capture, underfunding, and weak human resources as core constraints. These factors limit the Nigeria AfCFTA Coordination Office and keep the private sector at the margins. The dairy sector illustrates the gap between formal preferences and actual trade. The paper argues for structural reform that places private firms at the center of protocol delivery. It recommends statutory autonomy for the Coordination Office, accelerated ratification of Phase II protocols, ring-fenced funding, and clear metrics of preference utilization.

Keywords: AfCFTA, Nigeria, trade protocols, public-sector capture, private-sector participation, intra-African trade, coordination office, dairy sector.

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1. Introduction

Africa's youth population now exceeds 830 million people aged 15–35 (Brookings Institution, 2026). Critical minerals and digital technologies are reshaping global trade. The AfCFTA seeks to convert these forces into a single market of more than 1.4 billion people and a combined GDP above US$3 trillion. Preferential trade began under the Guided Trade Initiative in 2021–2022. By mid-2025 more than 8,500 certificates of origin had been issued. Twenty-four State Parties had gazetted provisional tariff schedules (tralac, 2026).

Nigeria ratified the Agreement in December 2020. It gazetted its provisional tariff schedule in April 2025. It submitted services schedules through ECOWAS in October 2025. It approved ratification of the Digital Trade Protocol in November 2025 (Federal Ministry of Industry, Trade and Investment [FMITI], 2026). Formal progress is clear. Practical results remain uneven. Intra-African trade still lags far behind Europe and Asia. Nigeria continues to import more than US$1 billion of milk powder each year, largely from New Zealand and Europe. Nearby African producers face persistent barriers (Dairy

Business Africa, 2025).

This paper examines the institutional and political-economy obstacles that hinder full implementation of the AfCFTA Protocols in Nigeria. It focuses on the Nigeria AfCFTA Coordination Office (NaCO), public-sector dominance, underfunding, and the resulting distance from private firms. The analysis covers the Protocols on Trade in Goods, Trade in Services, Investment, Intellectual Property, Competition Policy, Digital Trade, and Women and Youth in Trade.

The study uses qualitative documentary analysis. Sources include official publications, newspaper reporting, international organisation reports, and public stakeholder discourse between 2020 and 2026. The goal is actionable findings for the AfCFTA Secretariat and the Nigerian authorities.

2. Literature Review and Contextual Framework

2.1 The AfCFTA Architecture

The AfCFTA rests on a layered legal structure. The core Agreement and the Protocols on Trade in Goods, Trade in Services, and Dispute Settlement entered into force on 30 May 2019. Phase II protocols on Investment, Intellectual Property Rights, Competition Policy, Digital Trade, and Women and Youth in Trade require separate ratification by at least 22 State Parties (African Union, 2023–2026; tralac, 2026). By mid-2026, 49 of 54 signatories had ratified the core Agreement. Progress on Phase II instruments remains slower.

Twenty-four State Parties had gazetted provisional tariff schedules by early 2026. Nigeria joined them in April 2025. About 25 State Parties had submitted services schedules. Nigeria transmitted its schedule through ECOWAS in October 2025. FMITI, (2026) notes that Nigeria's early approval of the Digital Trade Protocol placed it among the first movers.

2.2 Intra-African Trade Performance and Nigeria's Position

Intra-African trade remains modest. Shares have stayed in the low-to-mid teens for most of the past decade. Afreximbank (2025) reports that intra-African trade rose 12.4 percent in 2024 to approximately US$220.3 billion, or about 14.4 percent of formal African trade. Projections for 2026 place the share near 16 percent and the absolute value near US$230 billion. These figures still lag European and Asian benchmarks.

Nigeria's trade remains oriented toward extra-continental partners. Non-oil exports reached a record US$6.1 billion in 2025, up 11.5 percent from 2024 (Nigerian Export Promotion Council [NEPC], 2026). African destinations accounted for only US$478.2 million of that total, mostly within ECOWAS. Total trade with other African countries reached about US$9.02 billion in 2025, a 21 percent rise from 2024 (Afreximbank, 2025). Absolute volumes remain small relative to Nigeria's overall trade and to the theoretical AfCFTA market.

Bilateral data underscore the thinness of East–West corridors. Between 2019 and 2023, Nigeria's average annual exports to Kenya stood at roughly US$4.7 million. Kenya's average annual exports to Nigeria reached about US$35.9 million (United Nations Development Programme [UNDP], 2025). Product composition remains narrow. Official air-cargo initiatives with RwandAir and others have produced early shipments. Sustained two-way commercial flows under AfCFTA preferences are not yet visible at scale.

2.3 Political Economy of Implementation

Scholarship on African regional integration highlights the gap between formal commitments and delivery (ODI, 2023; Luke & MacLeod, 2024). National implementation committees often depend on central budgets, lack statutory autonomy, and under-include private actors. In Nigeria the National Action Committee on AfCFTA was established in 2019. It evolved into the Nigeria AfCFTA Coordination Office. The National Coordinator has typically held concurrent advisory roles linked to the Ministry of Industry, Trade and Investment.

Public-sector capture, defined here as the dominance of state agencies in agenda-setting and resource allocation, weakens private incentives. Firms see protocol benefits as mediated through bureaucratic channels rather than transparent market rules. They therefore under-invest in rules-of-origin compliance, regional logistics, and product adaptation. High-visibility events advance quickly. The slower work of regulatory alignment and firm-level capacity building receives less consistent attention.

2.4 Demographic, Mineral, and Digital Context

Nigeria's large youth cohort, critical-mineral endowments, and digital strengths raise the stakes. Effective AfCFTA implementation could channel youth entrepreneurship into regional markets, support mineral processing rather than raw export, and lower transaction costs through digital protocols. Continued fragmentation risks locking Nigeria into lower-value extra-continental patterns (Brookings Institution, 2026; African Union, 2024).

3. Methodology

This study employs qualitative documentary analysis. The method suits the examination of institutional processes and political-economy dynamics where interview access is limited. The temporal scope covers 2020 to mid-2026.

Sources include official publications of the Federal Ministry of Industry, Trade and Investment, the Nigeria AfCFTA Coordination Office, the Central Bank of Nigeria, the African Union, and the AfCFTA Secretariat. Newspaper and specialist trade reporting supplied contemporaneous accounts. While Social-media discourse on LinkedIn and Facebook provided indicators of stakeholder perception, Secondary academic and policy analyses supplied conceptual framing.

Analysis proceeded through iterative close reading, thematic coding, and triangulation. Core themes: political interference, public-sector capture, underfunding, human-resource constraints, and private-sector alienation, emerged from the materials. The dairy corridor served as a critical case. Limitations include possible under-representation of informal practices and the absence of systematic primary interviews.

4. Findings: Obstacles to Protocol Implementation

4.1 Political Interference and Public-Sector Capture

Documentary evidence shows recurring political interference in sequencing and prioritisation. Nigeria's delayed gazetting of tariff schedules until April 2025 illustrates the point. Agenda-setting and resource control remain concentrated in ministries and agencies. Private actors function largely as consultees rather than co-drivers (ODI, 2023; stakeholder communications, 2023–2026).

When AfCFTA opportunities are framed as government programmes rather than market institutions, benefits risk distribution through discretionary channels. This perception deters sustained private investment in compliance systems and regional networks.

4.2 Underfunding and Human-Resource Constraints

Chronic underfunding limits the Coordination Office. Comparative assessments stress the need for predictable, multi-year, ring-fenced financing (ODI, 2023). Available materials do not show that Nigeria has secured such funding at a scale matching the mandate.

Staffing remains thin relative to the technical breadth of the agenda: tariff administration, rules of origin, services regulation, investment facilitation, intellectual property, competition policy, and digital standards. The coordination office is therefore, forced into a reactive posture.

4.3 Institutional Effectiveness of the Coordination Office

The Office has supported first preferential shipments and convened financing dialogues. However, structural limits persist as it lacks full statutory autonomy and self-accounting status. Private-sector representation remains consultative. Monitoring systems capable of tracking protocol-by-protocol utilization are underdeveloped.

4.4 Alienation of the Private Sector

Public-sector dominance produces incomplete mobilization of private enterprise. Firms perceive high compliance costs, information asymmetry, logistics frictions, and policy uncertainty. Many defaults to extra-continental supply chains or informal practices. Preference utilization therefore stays low.

5. Protocol-Specific Implications and the Dairy Case

5.1 Trade in Goods and the Dairy Corridor

The Protocol on Trade in Goods is the most advanced and Nigeria's 2025 tariff schedule removed a formal obstacle. The dairy sector shows the remaining distance. Nigeria meets only a fraction of domestic demand from local production. East African producers hold surplus capacity. Structured preferential trade has been slow to scale. As a consequence, Non-tariff measures, cold-chain gaps, and payment frictions keep effective costs high relative to established extra-continental channels (Dairy Business Africa, 2025).

Recent high-value agreements for Ugandan powdered milk illustrate that political facilitation can unlock deals. They also show how dependent such breakthroughs remain on high-level intervention rather than routine commercial processes.

5.2 Trade in Services

Nigeria's October 2025 services schedules cover the five priority sectors. Regrettably, obstacles from non-reciprocity between trading countries remains. Effective liberalization requires domestic regulatory reform: mutual recognition of qualifications, transparent licensing, and removal of residual nationality or economic-needs tests. Capacity constraints and weak private coalitions slow this work. The gap between legal commitments and practical market entry remains wide.

5.3 Investment, Competition, Intellectual Property, and Digital Trade

Phase II protocols remain at earlier stages. Nigeria's early move on Digital Trade is positive and aligns with its fintech and creative strengths, and full benefit depends on progress in data flows, electronic transactions, and cybersecurity cooperation. The Investment Protocol could support critical-minerals value chains. However, competition disciplines are needed to protect market opening as formal commitment nn each domain advances faster than regulatory and capacity work.

5.4 Critical Minerals

Nigeria holds endowments of lithium and rare-earth elements. Without continental value-chain strategies and credible investment rules, resources risk exiting in raw form. AfCFTA rules of origin and the Investment Protocol, once operational, could support regional processing. Realization requires predictable institutions that private investors trust.

6. Pathways for Structural Reform

Five linked reforms follow from the findings.

First, grant the Coordination Office statutory autonomy, multi-year ring-fenced funding, and formal private-sector co-governance. Self-accounting status would allow the office to attract complementary resources and protect institutional memory.

Second, treat accelerated ratification and domestication of all outstanding protocols as a single priority package. The Digital Trade experience offers a template.

Third, elevate practical facilitation. Priority value chains such as dairy need mutual recognition of standards, rapid NTB response, and lower logistics and payment costs.

Fourth, reposition private associations as co-owners of implementation roadmaps. Metrics should track preference utilization, African export growth, and regional investment.

Fifth, the AfCFTA Secretariat should intensify peer learning, standardized monitoring, and targeted capacity support to national offices.

7. Conclusion and Recommendations

Between 2020 and 2026 the AfCFTA moved from legal instrument to partial operational reality. Nigeria completed important formal steps. Translation into sustained private-sector trade remains incomplete. Political interference, public-sector capture, underfunding, and human-resource constraints continue to limit the national coordination architecture.

The demographic weight of Nigeria's youth, its critical-mineral endowments, and its digital strengths make the stakes high. Decisive reform can convert formal commitments into measurable outcomes. Delay risks locking the country into subordinate positions in emerging value chains.

Recommendations to the Nigerian authorities:

1. Enact statutory reforms that confer operational autonomy, multi-year funding, and private-sector co-governance on the Coordination Office.
2. Complete ratification and domestic implementation of all Phase II protocols on an accelerated timetable.
3. Establish priority value-chain facilitation programmes, beginning with dairy and related agro-processed goods.
4. Reorient public expenditure toward trade-facilitation public goods rather than discretionary transaction support.
5. Reorient Nigeria's AFCFTA export destination missions toward reciprocal trade-facilitation rather than discretionary transaction support.
6. Publish regular, disaggregated statistics on preference utilisation, non-tariff barrier incidence, and private-sector participation.

Recommendations to the AfCFTA Secretariat:

7. Intensify technical support to national coordination structures.
8. Develop/deepen continental monitoring frameworks that track protocol-by-protocol progress.
9. Create platforms for rapid dissemination of practical solutions to recurring non-tariff and logistics barriers.

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