AFRICAN DEVELOPMENT BANK GROUP

2019 GOVERNORS' DIGEST

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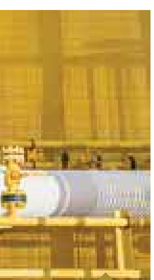

A MESSAGE FROM THE PRESIDENT

AKINWUMI A. ADESINA

I am extremely pleased to share some thoughts with you in this second edition of the Governors' Digest, a unique publication that was unveiled at our 2018 Annual Meetings in Busan.

First, let me warmly welcome you to the 2019 Annual Meetings of the African Development Bank in Equatorial Guinea. Within a relatively short period of time, Equatorial Guinea has gone on to build world-class infrastructure that I believe will lay the foundations for its future prosperity and help provide today's younger generation with tremendous advantages.

Just a few weeks ago, I attended an IT and Coding Boot Camp right here in Malabo where I was thrilled by the ingenuity and creativity of the participants; young men and women who in just five days collaborated on and created an array of amazing technological products and solutions.

Among them, Sigfredo, who developed a moving robot and wants to study aeronautics and robotics; 18-year-old Angelica, who created an intelligent stick for the blind and visually impaired; Mathias, who, inspired by the beauty of his country, designed an impressive online visitor portal; Celso, who has a well-thought-out agro-business idea for processing mangos and avocados; and Quintin, who is developing a safety and security app for taxi users.

This is one of the reasons why the vision, passion, energy, and creativity of these young men and women, and millions of others across the length and breadth of Africa, inspire hope in the future.

As a Bank, we are committed to creating 25 million jobs in 10 years. Many of these new jobs will be in science and technology, IT, agro-businesses, *fashionomics*, fintech, multimedia, and a host of other start-ups and companies. Therefore, as a Bank, we will continue to work hard to ensure that these young talents and budding entrepreneurs are able to **scale** up, **shape** the economies of their countries, and **succeed** in their respective enterprises.

With this as a backdrop to the theme of the 2019 Annual Meetings - *Regional Integration for Africa's Economic Prosperity*, there is much that we can learn and take away from their collaborative genius.

Regional integration is a major imperative for Africa because we need to harness the opportunities from economies of scale and larger markets. Our progress depends on enhanced cooperation. The proverb may be a cliché now, but it remains as true as ever – "If you want to go fast, go alone. If you want to go far, go together."

As the African Continental Free Trade Agreement enters the implementation phase, Africa is poised to become one of the largest free trade areas in the world, a single market with a combined population of more than 1.2 billion people and combined GDP of more than $2.5 trillion. Needless to say, our continent is on the cusp of unprecedented opportunities for economic transformation.

The African Development Bank will continue to play a lead role in supporting the efforts of the continent to move forward together through policy reforms and regulatory harmonization that promote good governance, free movement of people and goods and the development of regional infrastructure to enhance connectivity.

I appreciate the feedback and constant support I have received from you, our Governors, over the past four years. As a result, the quality and frequency of our interactions have improved greatly. Your perspectives and insights continue to be an invaluable resource.

Thanks to your unwavering support, the Bank continues to grow from strength to strength, impacting the lives of the people of Africa.

The numbers tell a compelling story of how far we have come.

- The loan income rose from $563 million in 2015 to $803 million in 2017, an increase of 42.6% while net operating income has increased from $492 million in 2015 to $781 million by the end of 2017.

- The highest allocation from net income to reserves ever in the history of the Bank was reached in 2017, for an amount of $190.35 million.

- I am also pleased that in 2018, the Bank was ranked number one by the Multilateral Organization Performance Assessment Network (MOPAN), a position jointly shared with the World Bank.

Above all, we have been able to stay true to our High 5s. Between 2015 and 2018, we achieved the following developmental results:

- **16 million** people were connected to new or improved electricity under Light Up Africa

- **70 million** people gained access to improved agricultural technologies under Feed Africa

- **9 million** people benefited from private sector investment under Industrialize Africa

- **55 million** people gained access to better transport services under Integrate Africa

- 31 million people benefited from improved access to water and sanitation under Improve the Quality of Life of Africans.

Together, we are making a difference. Just over the last three years, we have touched 181 million lives through our operations. We have empowered parents to do more for their children because they are able to produce better harvests on account of improved access to agricultural technologies. Young men and women such as Sigfredo and Anjelica today can imagine a better future for themselves; and millions of children can study at night because they have electricity. Businesses and traders can cover greater distances quicker and increase their profit margins.

I earnestly believe that a 7th General Capital Increase and 15th African Development Fund replenishment will provide us with expanded resources and opportunities to strengthen our capacity to deliver more and have an even greater life-changing impact on the lives of millions of Africans we have the privilege to serve.

I call on all of us, collectively, to imagine what Africa can be.

Let's move forward together and make this vision a reality.

Dr. Akinwumi A. Adesina
President of the African Development Bank

FOREWORD

Dean of the Board of Directors

Our annual meetings are an opportunity for the Governors to communicate the vision and directives that will guide the Bank Group's affairs in the coming years, as well as offering a chance to reflect on progress made.

Despite a persistently unfavourable global climate, the Bank Group has made remarkable progress over the past few years. It has consolidated its strategic priorities with the adoption of the High 5s, has pursued internal reforms to strengthen its institutional framework, and has become more agile and effective in respect of its services. The Bank Group has striven to establish closer ties with its clients by promoting a new model for development and by raising awareness about its services. It must be said that the implementation model has encountered some difficulties that the Bank's senior management will need to address. Meanwhile, the Bank Group has expanded its lending, investment and grant programmes as well as its technical assistance to regional member countries. Throughout the Bank's work, its central concern has been to innovate and overcome obstacles formerly considered insurmountable, as our beloved continent continues on its path to becoming an emerging economy.

This has been the product of relentless and, more importantly, collective work. The Board of Directors wishes to express its sincerest gratitude to all members of the Bank Group's senior management and staff for their efforts. Thanks must also go to the Board of Governors for its constant support and for the trust it places in its representatives to carry out the supervisory role to which they have been assigned.

Challenging though it may be, we are on the right path

As Africa continues to develop, its financing needs will continue to rise, with no end in sight. Our Bank must support this progress, this inexorable march, towards what we hope will be a brighter future. A better lit, better nourished, better integrated, more industrialised and healthier Africa is what the world needs now. To that end, the African Development Bank Group must be more adept, nimble, and sure of itself and of its place as a leader in development financing in Africa. The Bank Group's strength lies in its African authenticity, its regional knowledge and clients. It must rely on these strengths and, along with other partners, act more consequentially and more effectively.

The Bank cannot achieve that aim without renewed shareholder support. We are delighted to note the progress made during initial discussions for a 7th general capital increase.

We aspire to an Africa brimming with confidence that will take its rightful place in the community of nations to address the collective challenges facing a globalised world. Capital among these challenges are the constant strain on the environment and the effects of climate change, global trade imbalances, and the fight to eliminate poverty. We believe that such an Africa can be realised, just as we believe in the ability of the African Development Bank to fulfil its role in making that African dream a reality. The Board of Directors is fully committed to its mission. It has every intention of carrying it out with optimism and abiding determination. GD

Abdelmajid Mellouki

Dean of the Board of Directors
African Development Bank Group

PREFACE

Secretary General of the African Development Bank Group

It gives me great pleasure to welcome our Governors, Executive Directors, staff and other participants to the 54th Annual Meeting of the Bank and the 45th Annual Meeting of the African Development Bank and of the African Development Fund (the Bank Group), respectively in Malabo, Equatorial Guinea from 11 – 14 June 2019.

The theme of this year's annual meetings, "*Regional Integration for Africa's Economic Prosperity*" brings together the many continental endeavours that aim to focus the common destiny of our African member countries.

The African Continental Free Trade Agreement and the Protocol on Free Movement of Persons of the African Union as well as the regional infrastructure development initiative of the Bank Group reinforce the determination of Africa, underpinned by the African Union Agenda 2063, to create an Africa we want – a prosperous Africa at peace with itself and managed by its citizens. The integration of Africa's economies through infrastructure, transportation, skills and services, and the relaxation of geographical boundaries, among others, is critical for Africa's economic competitiveness in the international economy.

At the annual meetings, our Boards of Governors, as the highest decision-making and oversight organs of the Bank and the Fund, review activities of the Bank and the Fund during the preceding financial year and provide direction and guidance. Our Governors will adopt resolutions on key decisions and conclusions of the annual meetings. Significantly, the Board of Governors will also consider the meaning of regional integration within the Bank's overall mandate as a catalyst of Africa's socio-economic development.

The annual meetings provide excellent opportunities for knowledge generation and sharing through several fantastic knowledge and side events; as well as meaningful participant networking, development and business opportunities, and social interaction.

The host country, Equatorial Guinea, is one of Africa's best-kept secrets. Malabo, the host city of the annual meetings, is a tropical paradise - an island of great beauty. The cities of Bata, Mongomo and Djibloho are hinterland pearls. If your schedule permits, I encourage you to explore and discover the Equatorial Guinea you wished you knew. You will surely be amazed!

As Secretary to the Boards of Governors of the Bank Group, I have the distinct privilege and honour to welcome you to the annual meetings. It is my hope that all participants will enjoy every aspect of the meetings.

Prof. Vincent O. Nmehielle

Secretary General
African Development Bank Group

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EDITORIAL

VICTOR OLADOKUN

In 2018, the fictional country of Wakanda in the blockbuster movie *Black Panther*, was ranked fourth as the most mentioned 'country' in Africa during TV broadcasts, according to a recent study by the University of Southern California. Coverage of Wakanda far exceeded mentions about African business, travel, health; sports, or development. While the finding is amusing, it is a reminder of the significant narrative challenge an integrated Africa faces in showcasing opportunities and the many transformational changes taking place in the continent. Ultimately, effective and transparent communication will be key to regional integration, and the capacity to attract investor and partner interest.

At the heart of every civilization is a human desire for game-changing solutions that transform the worlds and lives. *Vibranium*, Wakanda's equally fictional precious metal, was the key to making it the most technologically advanced nation on the planet. But in reality, critical to a regionally integrated ecosystem will be how Africa continues to innovatively use, manage and add value to its tremendous resources.

Tectonic global shifts are changing every aspect of our economies and enterprises, including policies, education, research, ICT, finance and banking, trade, migration and the mobility of human capital, goods and services. The African Continental Free Trade Area agreement, which came into force on May 30, 2019, holds the tantalizing prospect for the creation of a single market for goods, services and the movement of persons, with a total GDP of $2.5 trillion, and a combined population of one billion people.

Astounding and rapid technological developments are already under way in artificial intelligence, robotics, nanotech, quantum computing and Big Data. The African Development Bank and partners such as The Rockefeller Foundation, Microsoft, and Facebook, have launched a Coding for Employment Program to create over 9 million jobs and reach 32 million youth and women across the region. With an eye on the future, the African Development Bank is also working to bring advanced drone technologies to African agriculture with a pilot project already under way in Tunisia, and plans for potential regional rollouts.

The fact is that it's no longer 'business as usual.' The ground underneath our feet is shifting at amazing speed. So, one thing is certain. The near future will be radically different from anything we might contemplate today. Which is why the African Development Bank and other partners, will continue to work toward integrating the best ideas, technologies, policies, systems and infrastructure.

Creating the regionally integrated Africa of our dreams, will require political will, policy changes, and private and public sector partnerships. It will also require positive human agency and energy, characterized by vision, great hope, trust, and a genuine love of humanity. Only then, can we expect to bring the greatest benefit to the greatest number of Africans ever.

In 2019, as the African Development Bank commemorates its 55th anniversary, we are poised to play an even more strategic role, in conjunction with the African Union Commission and other partners, to help make Africa's economic integration a concrete reality. Together, we will irreversibly impact and transform the lives of millions of Africans. GD

Dr. Victor Oladokun

Executive Editor, Governors' Digest
Director of Communication and External Relations
African Development Bank

EMMANUEL NNADOZIE

Executive Secretary
African Capacity Building Foundation

Strong institutions and effective leadership are key to African integration

Much has been achieved in advancing integration in Africa, as exemplified by the decisive progress made by the African Continental Free Trade Area. Yet the overall pace of integration remains slow mostly because integration's most critical drivers and enablers—especially strong institutions and effective leadership—have demonstrably not received adequate attention.

Three key institutions deserve serious attention if Africa's integration goals are to be realised. First are the institutions that set the agenda and make policies and laws including treaties or legal frameworks that define the rules of the game, be it at continental or regional levels such as the Assembly of the Heads of State and Governments. A good treaty should enable the African Union (AU) and regional economic communities (RECs) to enforce their will through member countries while an appropriate legal framework should make political actions relevant to citizens locally, compel governments to incorporate agreed laws and facilitate the passage of these laws by national legislatures.

Second are the various organisations—supranational and national—that implement policies and programmes on regional integration. These include continental, regional, and national institutions such as the AU and its organs and RECs dealing with the various issues that foster regional integration. The compliance and implementation agencies also include formal and informal independent watch groups that monitor compliance with laws, implementation of decisions, and mobilisation to ensure that action is taken at various levels.

A third category are continental and pan-African institutions such as the African Development Bank, the African Capacity Building Foundation and the Economic Commission for Africa supporting the process and whose roles are critical.

The reality is that these institutions have not performed optimally in driving integration and there is often insufficient synergy among them. Enhancing institutional performance will require strengthening legal frameworks; identifying, reinforcing and rationalising overarching integration institutions; developing more functional institutions; and establishing critical ones such as the African Central Bank, the African Monetary Fund and the African Investment Bank.

Yet, the key ingredient for accelerating and maximising the benefits of integration is effective leadership at all levels, especially in countries where implementation takes place. Visionary and effective leadership is critical for addressing institutional weaknesses, providing inspiration and clear direction to ensure that decisions are implemented, and fostering shared values towards African solidarity and a pan-African ethos. A citizen-driven integration process certainly requires building the relevant capacity and a change in mindset by all the key stakeholders. GD

VERA SONGWE

Executive Secretary & Under Secretary General
United Nations Economic Commission for Africa

Exploiting opportunities in the African Continental Free Trade Area Agreement

The entry into force of the African Continental Free Trade Area Agreement (AfCFTA) is charting a new path for the continent, with implications beyond trade and African integration. The progress of the Agreement is not only encouraging optimism around the AfCFTA, but also sending a signal that Africa is committed to looking within itself to find answers to the challenges of poverty and growth.

Estimates from the Economic Commission for Africa (ECA) show that under the AfCFTA, and if accompanied by the adoption of a more efficient system of trading across borders, already by 2022 the share of intra-African trade will increase to around 22%. The AfCFTA is expected to promote industrialisation, and deliver the associated tangible benefits for jobs, livelihoods and quality of life.

For the AfCFTA to deliver on its promise, however, three crucial issues need to be addressed. First, logistics constitutes a major non-tariff barrier to trade in Africa. The 57,000 kilometre Trans Africa Highway has missing links or sub-standard sections along about 20% of its length. Logistics are also particularly important for the 16 landlocked countries which depend on coastal countries for sea-borne trade. Investments to improve strategic logistics projects such as the road corridors and the African integrated high-speed rail network are needed to facilitate cross-border traffic and trade under AfCFTA. Africa has a financing gap of an estimated $130-170 billion annually for infrastructure, including transport, energy, ICT and soft infrastructure. The African Development Bank has an important and strategic role to play in supporting these priority investments

Second, with the AfCFTA, Africa must leverage e-commerce for inclusive growth and job creation. African e-commerce is growing at an estimated annual rate of 40% on the back of rapid digitalisation. Under the AfCFTA, it will be important to exploit opportunities for expanded market access and cross-border trading, especially for micro, small and medium enterprises, which constitute over 80% of African businesses. This will require, among others, investments in digital infrastructure to power the digital economy, as well as the removal of digital barriers through the interoperability of digital platforms.

Finally, as people are at the centre of trade, the free movement of people in Africa is critical for the AfCFTA. According to the 2018 Africa Visa Openness Index, African citizens still need visas to travel to more than half of African countries. While the 2018 African Union Protocol to the Treaty Establishing the African Economic Community Relating to Free Movement of Persons, Right of Residence and Right of Establishment has been signed by 32 countries, only Rwanda has ratified it. Beyond facilitating trade, free movement of people on the continent will enable the mobility of labour and skills, as well as capital, helping to power the industrialisation envisaged under the AfCFTA. GD

PLACING WOMEN AT THE HEART OF AFRICA'S DEVELOPMENT

Women account for half the continent's population. Empowering African women and girls and making sure that they have access to the same opportunities and resources as men, is key to ensuring everyone achieves their full potential and meaningfully contributes to Africa's social and economic development.

This section presents a snapshot of some of the major gender issues on the continent and reports about how the Bank is using its comparative advantage to advance gender equality and women's empowerment. Also included are other gender-focused issues, such as women entrepreneurs' access to finance and business opportunities, and the Bank's support for the collection and use of gender data.

DRIVING CHANGE IN AFRICA
Unleashing women's potential

A discussion with Vanessa Moungar, Director for Gender, Women and Civil Society

Why is the African Development Bank working on gender issues and women's empowerment?

The African Development Bank's mission is to advance the regional member countries' social progress and sustainable economic development. We know that women can be powerful agents of change and inclusive growth on the continent. Indeed, the developmental impact of women is significant. Research indicates that women re-invest up to 90% of their income in the education, health and nutrition of their family and community — compared to 30% to 40% for men. Therefore, empowering women is not only a question of social justice and moral imperative, but of the long-term prosperity of African societies. That is why the African Development Bank is committed to advancing the gender equality agenda through its Ten-Year Strategy and High 5 Agenda. There is an extraordinary opportunity to empower women through our operations, processes and policies to achieve more impact across the board in Africa.

Beyond gender mainstreaming, we are also concentrating on high-impact issues with gender-targeted interventions. As part of our focus on private sector development in Africa, we are in a unique position to support and unleash women's entrepreneurship. The African continent is home to the highest percentage of women entrepreneurs in the world: one in four women starts or manages a new business. This means that there is a critical mass of innovators and a positive trend to work with.

How can women entrepreneurs be best supported?

We know the playing field is not level: women entrepreneurs face multiple challenges in accessing the same opportunities as men. The difference in access to finance is particularly striking, with a financing gap between women and men estimated at $42 billion. The underlying causes of this gap are linked to perceptions of risk and the reality of lack of collateral. Banks and other financial institutions perceive the risks of lending to women as greater than those of lending to men. These prejudices are reinforced by customs and systems of law that do not allow women to present guarantees or collateral when they want to create or expand their business.

Therefore, the real challenge is: how can we de-risk lending to women in order to close the financing gap and liberate women's entrepreneurial capacity?

The African Development Bank's Affirmative Finance Action for Women in Africa (AFAWA) program intends to close this gender gap in access to finance. Since its launch, the Bank has accelerated its lending to women enterprises. In addition, AFAWA features an innovative solution: a pan-African, risk-sharing mechanism aimed at drastically transforming the African banking and financial landscape by guaranteeing lending to women entrepreneurs. This mechanism will leverage donor funds, multiplying ten times over the guarantees through the African Development Bank and the African Guarantee Fund. Through this risk-sharing mechanism for women-empowered businesses, AFAWA aims to mobilise $300 million to catalyze $3 billion over the next five years.

Beyond the financing mechanism, AFAWA's strength resides in its integrated approach, composed of three pillars: access to finance, technical assistance, and enabling environment. Most commercial banks do not understand the specific needs of women entrepreneurs, and they often lack adequate strategies, processes, and financial instruments for this market segment. With its technical assistance pillar, AFAWA aims to assist banks in setting up specific programs, products and services for women entrepreneurs, including gender-disaggregated indicators to track and improve impact through the long-term deployment of experts in commercial banks. Direct assistance to women entrepreneurs is also included in order to strengthen their capacities to put together their projects in bankable formats and meet the requirements of financial institutions.

Finally, to ensure long-term systemic change, the third pillar of AFAWA is to engage advocacy with African governments to improve the legal and regulatory environment for women's entrepreneurship – with a particular focus on property and inheritance rights.

Through this multi-pronged and multi-stakeholder approach, AFAWA aims to disrupt the status quo and exert a transformational impact for African women entrepreneurs.

What are the specific areas where women can be empowered and where can they have the most impact?

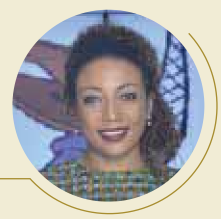
Supporting women's empowerment and reducing gender gaps are crucial in our work, particularly in specific areas. For instance, through affirmative procurement, we explore how public procurement processes can be used to increase the access of women entrepreneurs to business opportunities. Through Fashionomics Africa, we support the growth of the African textile and fashion industry to open its potential for revenue and job creation, especially for women and youth. Through our work on the inclusion of women in the Information and Communication Technologies sector, our objective is to bridge the digital gender divide to ensure that women and girls participate in the digital economy.

Climate change is another priority sector: we know that climate change affects women and men differently, because of the different roles they play in society and their different access to resources. Women are more vulnerable to the effects of natural disasters, primarily because they constitute the majority of the world's poor. They are also more dependent for their livelihood on natural resources threatened by climate change. That is why the Inclusive Climate Action initiative focuses on the need for transformational changes towards low-emission, climate resilient, inclusive, and sustainable development, with a gender perspective. Through the inclusive climate change adaptation for sustainable Africa program, the Bank is also providing knowledge management and capacity building activities for the African group of negotiators on gender.

We also ensure that we support women in the most fragile environments. As development stakeholders, we have a responsibility to do more for the most vulnerable populations living in remote and challenging areas. Recently, I was part of a visit in Niger organised by the International Committee of the Red Cross and witnessed first-hand the multiple challenges faced by displaced populations in the Sahel, particularly women. In my conversations with displaced women there, I heard them emphasise that they need more than just humanitarian assistance – they told me they need support to access the means to help themselves. They are eager to restart the economic activities that will rebuild societies in the long run. Innovative partnerships with like-minded institutions with complementary strengths such as the ICRC will help us reach those most in need by combining our experience in economic empowerment and the presence of women in the most fragile contexts.

Women are key drivers of change and innovation. Everyone working in this field must prioritise the challenges they face to make sure that women can fully play their role in Africa's transformation. GD

Vanessa Moungar
Director for Gender, Women and Civil Society



PERSPECTIVES

“We must dare to start businesses supposedly reserved for men.”

Aissatou Cisse Seye

CEO, Pendis CI

Aissatou Cisse Seye is the CEO of Pendis CI, a company operating in Côte d'Ivoire that specialicizes in staff transportation. She has been at the helm of the 20-year-old company since 2007.

She is one of 150 women entrepreneurs who attended the AFAWA-organised Masterclasses in Abidjan in December 2018 and March 2019, in partnership with Entreprenarium, a pan-African foundation supporting young and women entrepreneurs. “We now know that it is important, as an entrepreneur, to have an overview of the ecosystem before starting a business, and to ensure healthy and transparent financial planning to launch a project in the mid to long term,” Seye says.

When asked about the challenges of being a woman in a sector traditionally reserved for men, she disagreed with the assumption: “As women, we can excel in all sectors and we have to dare to start businesses supposedly reserved for men. To succeed, it is important to train oneself and learn from the ones who have the knowledge and experience,” she said.

Seye believes that women entrepreneurs in Côte d'Ivoire need more training to strengthen their skills in management and financial planning, and to develop a culture of personal financial saving.

Her ambition? “To develop sustainable jobs that contribute to growth and value creation. I also want to improve my sector, as everything revolves around transportation: goods, staff, food, patients…my dream is to be able to help my fellow women entrepreneurs in the food-producing sector to manage the transport, distribution, and delivery of their products.” GD

Impacting women:

An agricultural project in Madagascar

In 2017, the African Development Bank launched the second phase of the project to restore and extend the Bas Mangoky irrigation zone in south-west Madagascar. While the first phase started in 2013 and contributed to the restoration of the water intake, the aims of the current phase include the development of water resource infrastructure, the development of irrigated plots, and the use of improved seed over a bigger cultivable area. The Bank's objective is to make the south-west of Madagascar the "Big Island's" rice bowl with additional annual production of 44,000 tons of rough rice and 2,400 tons of lima beans.

Bertine Mariazy is a farmer in Tanandava, a rural town in south-west Madagascar's Morombe District. Her living standards have significantly improved over the past eight years, as a result of this project. Having better quality water — and in greater quantity — for her land has enabled her to double her rice production and her cropping area. Trained in new rice cultivation techniques, Mariazy benefited from a micro-loan made possible by the increase in her earnings. The single mother of two daughters used her micro-loan to invest in a power cultivator to replace the zebu cattle traditionally used for ploughing. The power cultivator led to a considerable increase in her crop yield.

"Thanks to the increase in my income, I was able to enroll [my daughters] in the [school] courses that they wanted," Mariazy says. "Being able to educate my daughters remains my greatest pride. My first daughter took a nursing course in Toliara (the regional capital, 198 km from Tanandava), while my second daughter is at the agricultural college in a neighboring town. I'm really pleased about that," she added.

Three warehouses were built to store large equipment and production offered for sale. The African Development Bank project recommendations resulted in women's groups obtaining exclusive management rights, promoting women's empowerment in the region.

Délicia Zaname, president of the Tsianisiha warehouse management committee can vouch for this. Her quality of life has improved and she says that as a woman in a leadership position, her responsibilities have transformed her.

"Before, I wasn't thought of as anyone in particular, and I didn't talk to anyone. Now, I negotiate with the men and protect the interests of the warehouse. I feel stronger."

Funded by the Bank in partnership with the Malagasy State, the second phase of the project will cost a total of $61.7 million and is scheduled to be completed in 2022. GD

FROM DATA TO ACTION

Recommendations based on the results of the Africa Gender Index

As the premier development institution on the continent, the African Development Bank is uniquely positioned to engage in policy dialogue on women's empowerment and the reduction of gender gaps. Policy reforms need to be evidence-based, which is why the Bank is investing in the production of gender data through: the acceleration of the production of country gender profiles; the launch of an Online Gender Data portal, and the strengthening of local and regional capacities to produce and manage sex-disaggregated data – a method of showing differences between women and men on various social and economic dimension.

As part of this work, the African Development Bank and the UN Economic Commission for Africa produced the new edition of the Africa Gender Index. Pooling together data from 54 countries, the Index offers a comprehensive picture of gender equality in Africa at present and assesses what is required to accelerate progress on gender equality across the continent. Below are some key findings and recommendations.

JOBS

69.7%
Vulnerable employment

53.9%
Participation in business gap

Young women are more likely than young men to be in informal, low paid and vulnerable employment. The Africa Gender Index recommends tackling traditional expectations about gender roles regarding unpaid domestic work, ensuring affordable childcare and paid maternity leave, and investing in infrastructural services to free up women's time and enable them to work and be entrepreneurs, among other recommendations to increase women's access to formal jobs.

AGRICULTURE

Unequal land rights are a major driver of gender inequality in Africa. Women generally have less access to credit than men, which is often due to a lack of assets to use as collateral and is a major barrier to investment. Lack of finance for women farmers often keeps women trapped in poverty and subsistence farming – particularly in the face of climate impacts. To empower women in the agricultural sector, who represent 70% of African women, recommendations from the Africa Gender Index include increasing access to land, providing affordable credit and ensuring women benefit from increased trade across borders.

72%
Ownership of a house and/or a land

83.5%
Access to credit for those aged 15 and over

REPRESENTATION & EMPOWERMENT

42.1%
Managers, professionals and technicians

24.9%
Parliamentary representation gap

14.5%
Top managers in firms

In both the private and public sectors, senior decision-making remains substantially in the hands of men rather than women. Yet, diversity in leadership roles matters. Parliaments with a larger proportion of women tend to promote legislation for women's needs and gender equality. When companies have a greater share of women on their boards, they perform better financially. These result in virtuous circles, as women leaders provide role models for girls and young women. It is therefore important to take active steps to address gender inequality in public and private leadership – gender-based quotas have proven to be an important tool.

ALGERIA

MOHAMED LOUKAL

Minister of Finance

Bio

Before being appointed to head the Ministry of Finance in March 2019, Mohamed Loukal had been governor of the Bank of Algeria since 2016. After academic studies in Algiers and specialised courses in finance and banking in France and Italy, he served the banking sector for over 40 years. At the External Bank of Algeria (BEA), where he became CEO in 2005 after holding a range of senior positions, his mastery of the workings of banking and financial institutions helped propel the BEA to the forefront of the Algerian banking sector and helped it become a flagship institution within the Maghreb and in Africa. Mohamed Loukal has also held several directorships at national and international level. In addition, his banking and financial expertise has contributed to the successful implementation of economic, financial and banking reforms initiated by the Government.

Finding Africa's greatest assets

In an uncertain global economic context that recently experienced financial crises and a slowdown in activity, Africa has succeeded in recording very significant growth over the last two decades, including double-digit rates in some countries. This dynamism is also reflected in the optimistic projections of the international finance institutions.

There is, in fact, a broad consensus around the enormous potential of the African continent to make significant leaps forward in development and to accelerate the rate at which its economy catches up.

It is also clear, however, that the economic potential of Africa, which is not limited to natural resources alone, has not been used to the best possible advantage for development. The growth dynamic has not gone hand in hand with the desired economic structural changes since the productive structure of African economies remains largely based on the exploitation of commodities with low added value.

The experience of the emerging countries and various empirical studies have clearly shown that the key to ensuring long-term sustainable growth for the African continent is to gain entry into global value chains through high added-value sophisticated products. For this, Africa must overcome a range of challenges in different development areas for which substantial investments are still needed.

The condition of the infrastructure is one of the challenges as it creates a substantial brake on the development and competitiveness of African businesses, for example, in high transport and logistics costs. The World Bank estimates the negative impact to be a 2% slowdown in African growth. The African Development Bank estimates Africa's infrastructure development requirements as $130 to $170 billion annually.

These constraints have affected Africa's share of world trade. According to estimates by certain international organizations, it is 5% at most; and intra-African trade relations are well below expectations, accounting for only 15% of total trade on the continent.

In this context, regional integration is undoubtedly one of the main vectors to further support productivity and make better use of the continent's resources and potential, through a better-connected space that is more open to trade, especially intra-African trade. We therefore welcome the African Development Bank's decision to make regional integration one of the five pillars of its strategy for its member countries.

Algeria has always affirmed its strong commitment to the continent's regional integration from its independence to signing the agreement to create the continental free-trade area in 2018. Algeria has always fully committed to preparing the conditions necessary for successful African integration, by making it an integral part of the development programmes that have formed the framework for projects of great value to the nation and to the continent alike.

The ambitious Trans-Sahara Highway project for example opens up the countries of the Sahel by providing them with direct access to the Mediterranean. The section of an estimated 2300 kilometres that passes through Algerian territory is nearly fully completed.

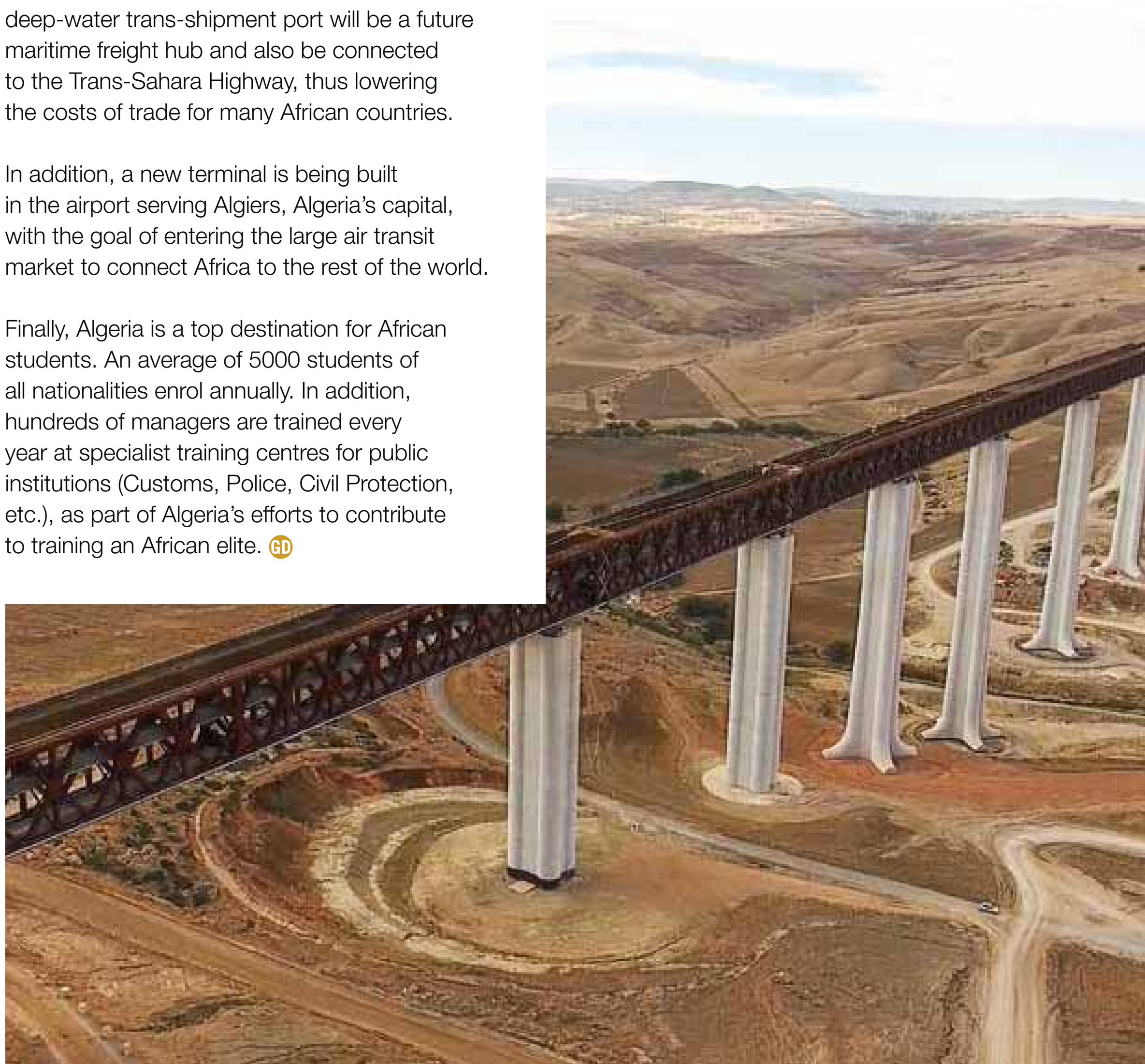
With regard to the new information technologies considered to be an important lever for the development of Africa, Algeria is making a considerable contribution to the continent's connectivity by laying the Algiers-Lagos fibre optic cable alongside the Trans-Sahara Highway.

In energy, Algeria has signed an agreement to implement the Algeria-Nigeria gas pipeline megaproject, which will enable the African countries that are involved to increase their share of the European gas market through a pipeline longer than 4000 kilometres with an annual capacity of 30 billion cubic metres.

We might also mention the Port Centre project that Algeria will be launching soon. This deep-water trans-shipment port will be a future maritime freight hub and also be connected to the Trans-Sahara Highway, thus lowering the costs of trade for many African countries.

In addition, a new terminal is being built in the airport serving Algiers, Algeria's capital, with the goal of entering the large air transit market to connect Africa to the rest of the world.

Finally, Algeria is a top destination for African students. An average of 5000 students of all nationalities enrol annually. In addition, hundreds of managers are trained every year at specialist training centres for public institutions (Customs, Police, Civil Protection, etc.), as part of Algeria's efforts to contribute to training an African elite.



The great viaduct of Tlemcen
Considered the greatest railway viaduct in Africa, Measuring 1780 metres in length

New air terminal in Algiers
Opened on 29 April 2019, the new terminal at Algiers international airport has a capacity of 10 million passengers per year

A key component for sustainable development

In March 2018 African countries signed the African Continental Free Trade Area Agreement (AfCFTA). By this, African leaders clearly committed themselves to boost continental trade in an ambitious and comprehensive manner, since this agreement goes further than a basic free trade agreement. It is complemented by other continental initiatives ranging from the Protocol of Free Movement of Persons to the Single African Air Transport Market.

The agreement comes into force in July 2019 following completion of the requisite ratifications in May 2019. The key challenge and opportunity now its practical implementation. Done properly it could have an early and tremendous impact and become not only the key driver for economic prosperity and regional integration but also for peace, good governance and stability on the continent. As the example of the European Union has shown, the free movement of goods and people with mutual recognition of standards and common regulations are key components for prosperity and peace.

If the AfCFTA is successfully implemented throughout Africa, the agreement will create a single African market of over a billion consumers with a total GDP of over $3 trillion, according to UN calculations. This would make Africa the largest free trade area in the world, larger even than the single market of the European Union today. This will not be achieved overnight and a continuous, determined and sustainable process is required. The share of intra-African exports as a percentage of total African exports has increased from about 10% in 1995 to between 14% and 18% in 2017, but it remains low compared to equivalent levels in Europe (69%), Asia (59%) and North America (31%).

For AfCFTA to be the inclusive game changer it is intended to be, getting its implementation right is of the utmost importance. Therefore it is crucial not to repeat the mistakes made in the past, which led to an unequal distribution of economic growth. This will be even more challenging, as this agreement comes at a time when global uncertainties are rising and headwinds against economic growth are strengthening. The benefits of multilateralism and multilateral institutions are being questioned by global powers and mutual trust between countries and institutions is suffering.

However, Austria is convinced that in order to achieve the High 5s and address challenges on the African continent we need more multilateralism, not less. We need more partnership on an equal footing, not less. We need trusted multilateral institutions to overcome barriers of development and achieve the transition to sustainable green growth and mitigating climate change.

Austria is convinced that institutions such as the African Development Bank Group should not only support the AfCFTA secretariat organisationally, but also foster trade and regional integration by high quality and sustainable hard infrastructure as well as soft infrastructure. Only if substantial improvements in the implementation of trade facilitation measures are achieved, the cost of doing business is lowered and efficiency and competitiveness are improved. In this area digitalisation can be used as a strong driver. By using e-government tools, trade becomes more transparent and less vulnerable to disruptive practices.

Moreover, sustainable and inclusive free trade requires effective policies to be developed and implemented by strong institutions and a solid regulatory framework. The AfCFTA can only become the intended cornerstone of an integrated, peaceful and prosperous Africa for all if supply side constraints are addressed and different needs linked to market size and competitiveness are taken into account.

The African Development Bank - as one of the leading multilateral institutions on the continent - can act catalytically by strengthening its policy dialogue with its shareholders. The Bank can be one of the leading players for the inclusive and sustainable growth in Africa, by increasing its potential for effective and efficient development outcomes.

In concluding, I would like to underline that Austria seeks a partnership with Africa which is based on collaboration, mutual business opportunities, the circulation of knowledge, research and information; and which reaps the benefits of digitalisation where Africa has already leapfrogged Europe in some sectors. GD

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HARTWIG LOEGER

Minister of Finance

Bio

Hartwig Loeger has been Minister of Finance of the Federal Republic of Austria since December 2017. He previously served for many years as the Chief Executive Officer of Uniqa Austria Insurance Group, Austria's largest enterprise in the insurance sector, before which he held several leading positions in the private sector. Mr. Loeger studied at the Economic University of Vienna, Austria and at the University of St. Gallen, Switzerland.

BRAZIL

ERIVALDO ALFREDO GOMES

Secretary for Economic and International Affairs

Bio

Mr. Erivaldo Alfredo Gomes is Secretary for Economic and International Affairs at the Special Secretariat of Foreign Trade and International Affairs of the Ministry of Economy of Brazil. With 18 years of experience in international economic negotiations, he is currently responsible for international economic and financial cooperation, including negotiations at the G20, the IMF, the World Bank Group and the OECD. He has a MBA in International Trade and has studied at the University of Brasilia, ENAP – Brazil, and the Minerva Program - GWU - Washington, DC.

Intensifying economic integration through transatlantic trade

The new Brazilian government inaugurated in January 2019 is committed to a business-enabling agenda focused on strengthening the pillars of macroeconomic stability and long-term growth as well as microeconomic efficiency and productivity based on a liberalization effort. In addition, the Brazilian economy has benefited from the implementation of stronger fiscal and monetary policies that have boosted the credibility of the country's macroeconomic framework. The enactment of medium- and long-term measures to increase economic growth associated with structural reforms is the government's priority for the coming years.

The Brazilian reform agenda, aimed at improving fiscal balance and the business environment, as well as supporting productivity gains and long-term sustainable growth, includes an extensive program of public concessions and an ambitious program of privatization. A government spending ceiling has been implemented in order to help curbing public debt levels, and a Labor Reform that increases flexibility in the labor market and reduces the costs of hiring workers was enacted. An administrative reform is under way to reduce the cost of the Government.

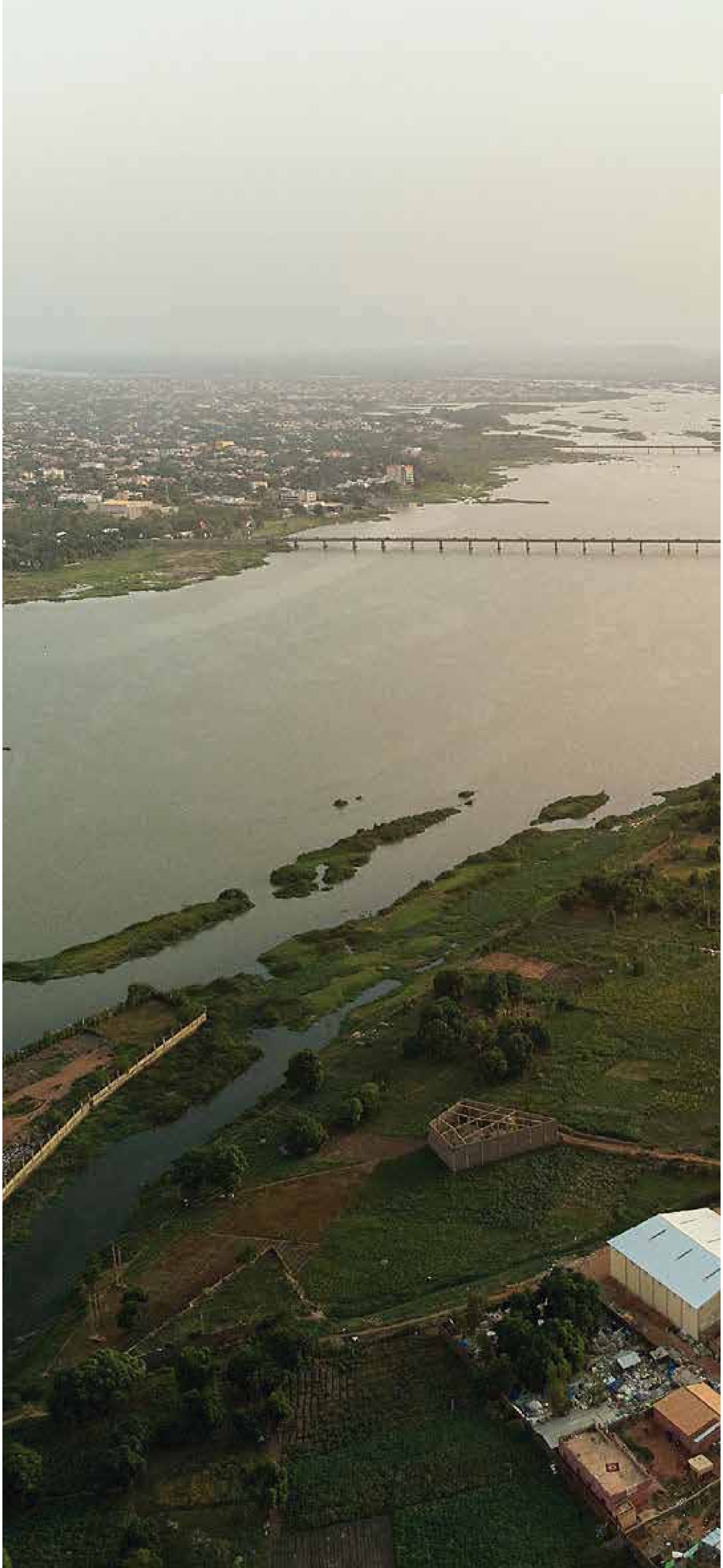
The government also aims to open trade in goods and services, in parallel with a consistent effort to access new technologies and open up opportunities for attracting more foreign direct investments.

In previous years, Brazil and Africa bilateral trade was far behind its full potential. However, in 2019, there has been a reversal of the recent trend of stagnation, giving space for the strengthening of trade between Brazil and African countries. Also noteworthy is the constant increase in Brazilian imports from the African continent. Between January and March of this year, Brazilian imports from Africa grew by 6.7%, indicating the possibility in the medium term of an increase in Brazilian exports to African countries as Brazil's imports from the continent augment and trade relations intensify.

In this sense, it is worth mentioning an important change in the Brazilian government's approach towards international trade. Traditionally, the public debate in Brazil on this subject considers exports to be extremely positive and imports as usually negative. The current government, however, sees imports as one of the main levers for productivity growth, understanding that trade flows are the main vectors for assessing relationships with our trading partners. As a result, the Brazilian government highlights its resolute willingness to strengthen trade ties between Brazil and Africa in order to bring our development agendas closer together.

The African Continental Free Trade Area (CFTA) makes Africa even more attractive as a trade partner while at the same time positioning the continent as a stronger global player. It could significantly boost intra-African trade, concurrently stimulating increased trade between African countries and the rest of the world. What is needed for materializing the potential of the CFTA within the continent serves also to making African countries more competitive in the global economy. Especially, if countries succeed in overcoming non-tariff bottlenecks, improving physical infrastructure within and between countries and improving customs systems and processes to facilitate the movement of people and products, intra-African and international trade can become a major engine of growth, attracting investment, generating wealth and contributing to improving the lives of Africans.

The successful implementation of the CFTA can make Africa's average real economic growth, which is estimated to be above average global growth in 2019, be even higher and sustain a trajectory significantly above global average growth for years to come. The African Development Bank Group can play a central role in supporting African countries to overcome the challenges to conquering the condition to reap the full benefits of the CFTA. By fittingly supporting the implementation of the CFTA and of the other development objectives of African countries, the AfDB Group can significantly contribute to making the integration of African countries and their constructive integration into the global economy bring about transformational development impacts. In this perspective, Brazil will continue to support the AfDB Group to enhance its capacity to deliver and support the development of quality infrastructure, improved regulatory environments, and transformational projects and programs contributing to promoting inclusive and sustainable development. GD



LASSANE KABORÉ

Minister of Economy, Finance and Development

What efforts are being made by your government to advance Africa's regional integration agenda?

Burkina Faso's central position means we do not have access to the sea. So, we import and integration is particularly important for us. We are making a great effort in this direction, including working towards the goal of removing barriers or at least curbing non-tariff barriers. We are involved in most of the (regional trade) corridors. Burkina has invested heavily, through borrowing, to develop trade corridors with neighboring countries. And ours is also a transit country. So, when we plan, we direct particular effort towards regional integration, including the African Continental Free Trade Area, an agreement that Burkina has also signed. I should point out that the President of Burkina Faso was mandated by his peers to steer the Task Force set up on free

movement, a Task Force previously headed by the former President of Niger, General Salou Djibo. The Head of State of Burkina Faso was appointed by his ECOWAS peers to lead this initiative, which reflects our commitment to regional integration.

What does Burkina Faso anticipate from the Continental Free Trade Area Agreement?

It will enable us to develop our intra-trade and, as a result, gradually progress to industrialisation and transformation. Markets are generally fragmented and the size of the markets often means that some structural investments cannot be viable. However, if we manage to ensure that the CFTA is effective throughout the African continent, we believe that this will boost our intra-regional trade, and our intra-African trade, which is now estimated around a low 20%. At ECOWAS level we are at a rate of not more than 16%, so this will boost trade and eventually allow the creation of wealth and development. So, we welcome this agreement.

How can regional integration support the Bank's other High 5 priorities in agriculture, energy, industry and improving the quality of life for the people of Africa?

Let us consider two of the High 5s: Industrialise Africa, and Feed Africa. Today, when you look at most of our countries, you will see that there are States that have enormous potential. These countries can produce enough to feed the rest, but they encounter barriers. Integration will encourage industrialisation, the development of intra-trade, wealth creation and the development of value chains. It makes no sense to continue to produce cocoa beans and just export them, we should now be making and exporting chocolate. And if we are integrated, we will have a vast chocolate market. Regional integration makes it possible, precisely, to industrialise and bring growth and prosperity to more Africans.

What must the Bank do to ensure it has the capacity to effectively utilise additional resources?

It is true that our Bank has many demands and strengthening the Bank's equity capital is very important because we have seen what it will do in terms of leverage. At the end of the meeting, we would be in a position to give more than $11 billion in loans, to support our industries, to support development. It is a very powerful leverage effect, and that is why we told the Bank President that Burkina Faso will strongly support this 7th capital increase for the Bank.

Intra-Africa Trade:
How do we compare?

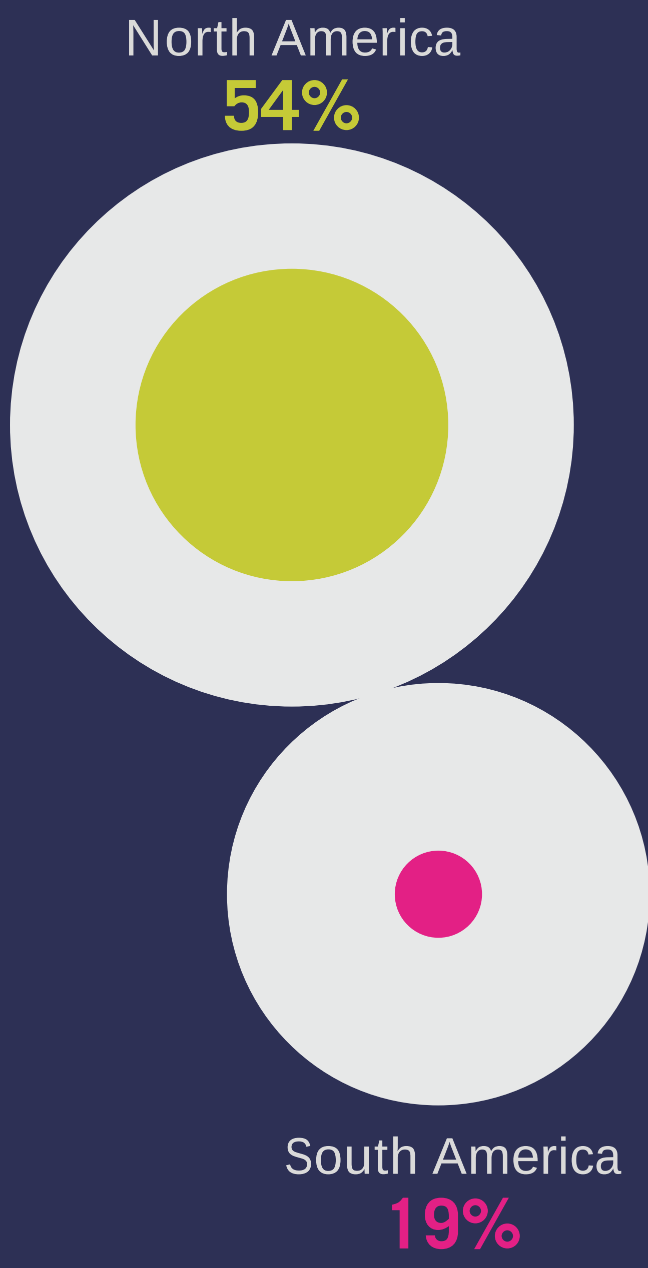
Intra-African trade comprises just 14.2% of the continent's total trade in goods. That is a fraction of the regional trade in other parts of the world.

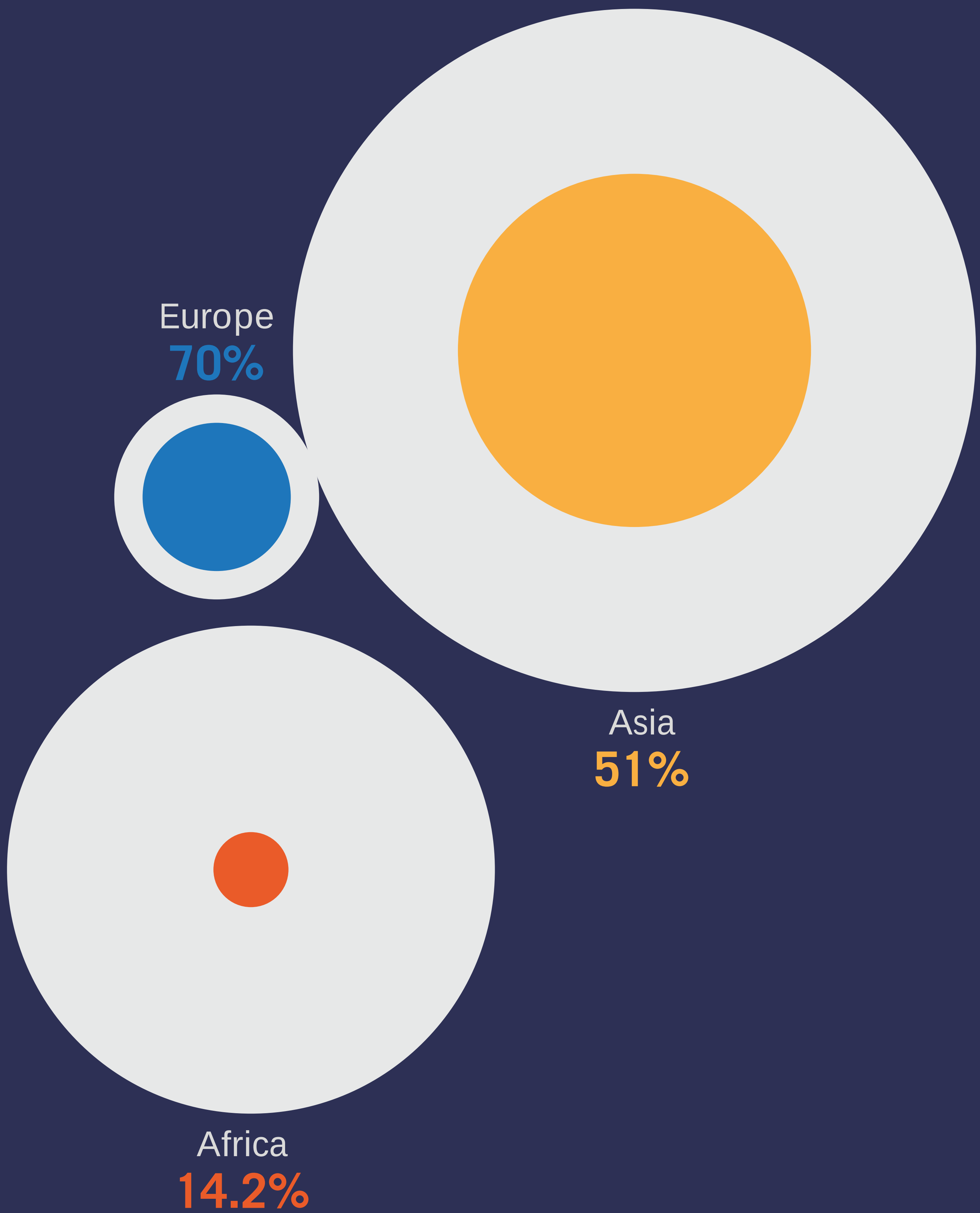
Asians buy and sell 51% of their goods amongst themselves. In North America, that figure is 54%, in Europe it's 70%.

Only South America's internal trade figures come close to Africa, at 19%.

African trade suffers because a significant number of the continent's economies export unprocessed, low-value commodities and import processed, high-value goods from them.

With more comprehensive and reliable data, the level of intra-Africa could be higher.



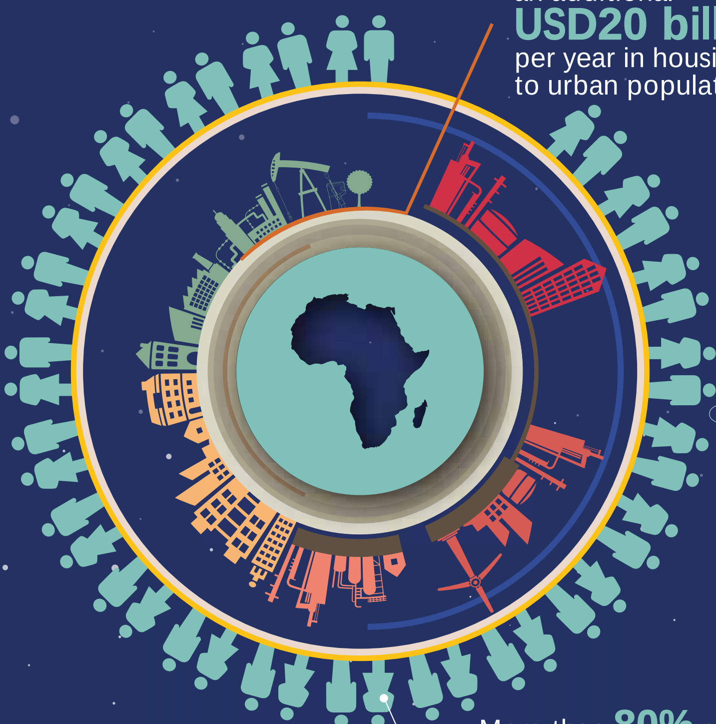


Europe
70%
Asia
51%
Africa
14.2%

TRANSPORT AND CITIES DAY

An estimated **USD20-25 billion** per year needs to be invested in basic urban infrastructure and

an additional **USD20 billion** per year in housing to respond to urban population growth



More than **80%** of Africa's population growth will occur in cities over the next **30 years**.

The African Development Bank is supporting national and local governments with investments in:

- **Sustainable transport**
- **Waste and pollution management**
- **Energy**
- **Water**
- **Climate-informed city planning**

BURUNDI

DOMITIEN NDIHOKUBWAYO

Minister of Finance, Budget and Development Planning

If you had to connect an African proverb to integration and the High 5s, what would it be?

There is a proverb in my country that says "a single man can make himself mad, but as one of many he cannot help himself become developed". The insight of this proverb is profound. Regional integration is not an easy proposition or concept for a single country on its own to adopt, let alone implement, even if the promised benefits include improvements in the economy, society, and quality of life of its population and communities. But if two, three, or four countries can work together on a similar project, the chances of the project's collaborative success may be improved through the strength of mutual cooperation. So what about 50 countries coming together to make it easier to have a big success of a major trans-border project?

And this is where the Bank's High 5s come in, and especially "Integrate Africa". The concept of integration is much more important, and potentially much more successful, with several countries than with just one. It takes on more meaning as more countries join the consensus. If I take the agricultural and food sector, "Feed Africa", it's clear that if we want to feed Africa, we cannot feed the population of just one country, because beyond the borders of that country, people might go hungry, that is a not just a production and consumption problem for the hungry country, but also a supply problem for the countries that produced a surplus.

If we talk of "lighting up and powering Africa", we cannot light up just one country, and believe that our job is done. It is not useful if we have energy at home but elsewhere there is none.

Narrow economic nationalism cannot be the path to African economic development. It leads only to fragmentation, division and potentially to conflict and violence. If we wish to "Industrialise Africa" it is true that there are small industries in every country that could temporarily benefit, but the markets for the goods cannot also be small otherwise they will not be successful and Africa's crops and products will have to continue to be exported raw and unprocessed. If we want to succeed in industrialising Africa, we must think on a continental scale and not at a national level. We must deliberately seek larger projects that straddle borders and even regions. We must act within the framework of a continental economy and find mass markets and mass production facilities. Above all we must also cooperate between African nations for this industrialisation to succeed, and to allow Africa to march forward into global trade, global markets, global workshops, and global investments.

So, let us deliberately cross beyond the national borders to implement integration at the sub-regional or regional levels. This is how regional integration and the implementation of the High 5s are so closely linked. It is how integration is supposed wo work. We cannot have one without the other. We will succeed only together. On est ensemble! I would also like to wish the African Development Bank a happy 55nd birthday. Long live the African Development Bank! GD

OLAVO CORREIA

Deputy Prime Minister and Minister of Finance

What effort is Cabo Verde making towards regional integration?

Cabo Verde is different. It is an archipelagic country, so it is not physically integrated in the continent and we have to guarantee integration through maritime links. For us, it is very important that Cabo Verde be connected to the African space, with our CEDEAO (ECOWAS) sub-region through regular, safe and reasonably-priced sea connections. Without this maritime link there can be no place for economic integration. Our priority project that we are also putting forward at the sub-regional level is to ensure that we have these effective shipping links. Also again, there is an issue that we have been talking about for a long time, but we have so far been unable to provide a solution. It is very important that ECOWAS focuses and finds a consensus around what needs to be done to ensure the maritime link with African sub-region countries, but also with Cabo Verde so that we also have effective economic integration.

How do we increase trade between African countries?

We have an enormous challenge in Africa to create employment opportunities for young Africans. Young people coming out of university, young people who have professional training, young people who have ambition and who have legitimate ambitions and need work. If we do not create favourable production conditions in Africa, we will not manage to create decent employment for young Africans. Young Africans deserve this. Therefore I think it is very important. African countries are also searching for a solution to produce the maximum possible in Africa. And we can produce a lot of things. We have raw materials, we have qualified and qualifying human resources, we have a market and therefore we have the conditions to produce in Africa and export to other continents, and not the other way around. Only in this way will we innovate in Africa, will we support research in Africa, will we create jobs for qualified young people in Africa. It is a challenge we must overcome. And we must create the conditions to increase business, to attract African investors so that they produce in Africa.

What are your expectations as regards the Continental Free Trade Area?

Bureaucracy at the borders constitutes an enormous cost for all our countries. It doesn't benefit anyone. If the market were free, and there were free movement, there would be opportunities for all African countries because we would have more consumers, have a larger market share and greater opportunities. That's why I think free trade in Africa is a necessity. I know it's not easy. This narrative has long been on the agenda, but many African leaders are still reluctant, resistant to opening the market. But there is no alternative. We have to bet on innovation, knowledge, and the ability to compete rather than creating artificial boundaries to impede or incentivize, which is inefficient. The freer the market, the more the most efficient will win and, in turn, the African continent. So, we have to progress quicker towards an effective framework of free trade, but I would go as far to say free movement of everything. Free movement of goods, people and capital so that we have an African space in which people move freely, where people can undertake businesses, innovate and produce and make their dreams a reality. This is what we want. We do not want people to emigrate from Africa to other countries, we want to create opportunities in Africa, so that people can live here, live in Africa, have quality of life, but also live safely and be happy in their own country and own continent. This is the best ambition that any African leader could have, which is to create the conditions necessary for their people to live happily in their own territory.

Que esforços seu país faz para a integração regional?

Cabo Verde é um país particular. É um país arquipelágico, portanto não está integrado fisicamente no continente e nós temos que garantir a integração pela via de ligações marítimas. Para nós é muito importante Cabo Verde estar ligado com o espaço africano, com a nossa sub-região da CDO através de ligações maritimas regulares, seguras e a bom preço. Sem essa ligação marítima não pode haver lugar na integração econômica. O nosso projeto prioritário que estamos a colocar também à nivel da sub-região é garantir que tenhamos essas ligações marítimas efetivas. Também mais uma vez está aqui uma questão em que há muito tempo se fala sobre ela, mas que até agora não conseguimos aportar uma solução. É muito importante que os pedidos da CDO concentrem e encontrem um consenso a volta daquilo que tem que ser feito para garantirmos a ligação marítima com os países da sub-região africana, mas também com Cabo Verde para que tenhamos também aqui uma integração efetiva do ponto de vista econômico.

Como aumentar o comércio entre países africanos?

Nós temos um desafio enorme na África que é criar oportunidades de emprego para os jovens africanos. Os jovens que saíram das universidades, os jovens que tem formação profissional, os jovens que tem ambição e que tem ambição legítima e precisam de emprego. Se nós não criarmos as condições para produzirmos em África, não conseguiremos criar empregos decentes para os jovens africanos. Os jovens africanos merecem isso. Portanto acho que é muito importante. Os países africanos também procurem uma solução para que possamos produzir o máximo possível em África. E podemos produzir muitas coisas. Nós temos matéria prima, temos recursos humanos qualificados e a qualificar, temos mercado interno e portanto temos condições para produzirmos em África e exportarmos para os demais continentes e não fazer o contrário. Só assim estaremos a inovar em África, estaremos a apostar na investigação em África, estaremos a criar empregos para os jovens qualificados em África. É um desafio que nós temos que vencer. E nós temos que criar as condições do ponto de vista do aumento do negócio, para atrairmos investidores africanos de outros para produzirem em África.

Qual a sua expectativa sobre a Zona de Livre Comércio Continental?

As burocracias nas fronteiras representam um custo enorme para todos os nossos países. Não beneficia ninguém. Se o mercado for livre, e haver livre circulação, então existirão oportunidades para todas as empresas africanas porque teremos mais consumidores, teremos um mercado mais vasto e teremos mais oportunidades. Portanto penso que o livre comércio em África é uma necessidade. Eu sei que não é fácil. É uma narrativa que há muito tempo está na agenda, mas muitos líderes africanos ainda tem reticencia, resistência em relação a abertura do mercado. Mas não há alternativa no mercado. Nós temos que apostar na inovação, no conhecimento, e na capacidade de competir e não na criação de burocracias artificiais para impedir ou para incentivar, que é ineficiente. Quanto mais livre for o mercado, os mais eficientes ganharão e o continente africano ganhará. Então nós temos que avançar com mais velocidade para um quadro efetivo de livre comércio, mas eu diria até livre circulação de tudo. Livre circulação de bens, de pessoas e de capitais para que possamos ter um espaço africano onde as pessoas circulem livremente, onde as pessoas possam empreender, possam inovar e possam produzir e possam realizar seus sonhos. Isso é o que nós queremos. Não queremos que as pessoas emigrem da África para outros países, nós queremos criar oportunidades em África, para que as pessoas possam viver aqui, viver em África, viver com qualidade, mas também viver com segurança e serem felizes em seu próprio país e seu próprio continente. Esta é a melhor ambição que qualquer líder africano possa ter, que é criar as condições para que seu povo possa viver em felicidade no seu próprio território.

CAMEROON

For the economic prosperity of Africa

ALAMINE OUSMANE MEY

Minister of Economy, Planning & Regional Development

Bio

Alamine Ousmane Mey earned his engineering degree from RWTH Aachen University, Germany. In 1993, he joined CCEI Bank, and later Afriland First Bank, serving as its Chief Executive Officer from 2003 to 2011. In December 2011, he was appointed Minister of Finance of Cameroon. In 2016, Alamine Ousmane Mey was awarded the African Banker prize for African Finance Minister of the Year. Since March 2018, he has been the Minister of the Economy, Planning and Regional Development.

Since its creation in 1964, the African Development Bank has made African regional integration one of its main pillars for the comprehensive economic and human development of the continent, supported by substantial funding for multinational operations. This key priority also lies at the heart of the African Union's Agenda 2063, is built into the New Partnership for Africa's Development, and forms the basis for actions undertaken by the regional economic communities. Generations of African leaders have wanted to use this major, decisive strategic choice to ensure the best possible success for the harmonious implementation of their shared visions, and to build an integrated continent based on the free movement of people, goods and capital supported by fully interconnected infrastructure and services.

This strategic option is strongly supported by African countries' development partners. The European Union, through the ninth and tenth European Development Funds, has devoted significant resources to supporting regional operations in sub-Saharan Africa. It has also made regional integration the first principle of the Economic Partnership Agreements currently under negotiation. Various initiatives from the United States of America, China and India all benefit African regional organisations.

However, one may question the relevance of this strategic option and of the considerable support given to different regional institutional construction at a time when nearly 400 million

Africans try to access basic social services while living on less than a $1.90 a day.

If we project ourselves virtually in time, we can imagine large population growth on the African continent by 2050. With a population of more than 2.5 billion, more than half of whom will be young people, Africa will face concomitant challenges and opportunities for economic, social and human development.

In this case, what are the essential levers for transforming the challenges of today and tomorrow into real opportunities for development on the continent and, therefore, worldwide? In a globalising world with complex, diverse and especially, shared issues, the most effective responses are all bound to include stronger, deeper integration as the way forward to achieving comprehensive, consistent and agreed outcomes for sustainable impact. Faced with a glaring infrastructure deficit, and in light of ever-growing social pressure for the successful insertion of young Africans into the world of work, a national approach quickly collides with financial and material limitations, and limited economic attractiveness of markets due to their fragmentation. This situation generally results in weak intra-regional trade and extremely limited foreign direct investment focused on the mining and oil sectors.

In this context, which includes the vulnerability of African economies to external shocks linked to volatile commodity prices, the choice of structurally transforming African economies into genuine sources of strong, sustainable and inclusive growth requires a stronger drive for infrastructural, economic and financial integration, underpinned by steady and resolute political will.

Making Africa a huge, economically solvent market therefore greatly depends on integrating its infrastructure. This involves physical connectivity by high quality roads, ports, airports and railways that have broad coverage, energy connectivity and connectivity to new information and telecommunications technology. Through infrastructure integration, the continent is creating a huge market and undoubtedly promoting the movement of people and goods in a more competitive environment. This in turn facilitates private sector investment in African industrialisation, the will to create wealth and jobs, and the pursuit of economic and financial performance in an enabling business environment.

In other words, the physical integration of Africa's infrastructure leads to a more attractive market at the economic level. The African Continental Free Trade Area, launched in March 2018 by the African Union and coming into force in July 2019 following ratification in May 2019, reflects a strong political commitment to an Africa that provides the best opportunities for stronger economic activity, and capable of meeting the social expectations of the people of the continent in terms of employment.

Financial integration on the continent is an adjuvant to economic integration. It is a corollary of physical integration that seeks to adequately meet funding needs through appropriate resource mobilisation. A more integrated banking system and a deeper capital market that is accessible continent-wide complete the range of measures to support the private and public sectors in their financial mobilisation of resources.

While integration brings many advantages, achieving it clearly leads to pooling challenges. This involves consistent implementation at the institutional, regulatory and operational levels of all appropriate measures to harmonise legislations, facilitate transactions and reduce the costs of production factors to ensure the successful promotion of intra-African trade.

Integration will position the continent to take an approach based on multilateral cooperation underpinned by solidarity and pooled resources, effectively addressing the social challenges of our time such as migration issues, which are symptomatic of an inadequate response on the part of the community to the people's legitimate expectations.

For African regional integration to lead to greater shared prosperity, less instability and fewer conflicts and humanitarian tragedies, the judicious use of resources, combined with a significant demographic dividend, must draw on the fourth industrial revolution in ICT and artificial intelligence for the smart use of comparative advantages gained in agriculture and agro-industry. The interpenetration of economies not only consolidates peace and stability but is also a real driver of the significant potential of African start-ups.

Integration is a policy that is both fair and timely. It is a strategic option that suits the current economic and commercial climate of Africa with its considerable fragmentation and 16 landlocked countries. Real African integration would allow agricultural and industrial production to extend beyond national borders, thus ensuring self-sufficiency in food and the economic transformation of the continent. It leads to more trade to which Africa would make a massive contribution. Energy integration is likely to propel the continent's industrialisation and create jobs that contribute to improving people's quality of life. The proven appropriateness of integration is central to the Bank's approach. In its High 5 priorities, the Bank has adopted the correct vision and means needed to quickly and successfully transform the African continent.

There is no doubt whatsoever that African regional integration will work as a catalyst for regional security and the expansion of international trade. Bearing this in mind, the Bank's assistance is needed for creating cross-border agro-processing areas to stimulate and invigorate a genuine policy of continent-wide value-chain development. This serves to create a strong and virtuous dynamic in the export of African products on the basis of a rich and diversified supply base, with higher added value that also takes timely advantage of the likely opening up of major world markets in China, India, Europe and the United States. The support of the African Development Bank in this regard will be both invaluable and decisive. GD

FÉLIX MOLOUA

Minister of the Economy, Planning and Cooperation

Bio

Félix Moloua has a qualification in demography from the Yaoundé II Institute of Demographic Training and Research in Cameroon. A large part of his career was spent in the technical directorate of the Central Census Bureau. He was Deputy Administrator of the Bank of Central African States from 2006-2010, then Administrator from 2010-2013. From 2007-2013, he was Director of the Ministry of the Economy, Planning and Cooperation. He has been Minister of the Economy, Planning and Cooperation since 11 April 2016.

What is the antidote to weak markets?

Integration is essential for the development of Africa, due to the weakness of our economies. Having spaces for trade based on shared economic interests is the best way forward for mutual development at low cost.

How critical are environmental issues to Africa's development?

The discussions around environmental issues are not a luxury. They are an opportunity to find appropriate solutions for improving the living conditions of millions of people in Africa whose main activity is survival. Let us take the preservation of the forest as an example: As far as the indigenous people, the pygmies, are concerned, the forest is their supermarket, and its over-exploitation may lead to the destruction of this ecosystem, possibly leading to the disappearance of this entire people. Therefore, trade based on its preservation is consistent with the protection of these people. Another example is the development of the "clean economy", which is an opportunity for employment for Africans.

African integration provides an opportunity for environmental co-management, in a spirit of collegial decision-making around issues related to the management of the shared space. The International Climate Change Conference (COP21) and the UN Biodiversity Conference (CBD Conference) are examples of integration in the service of environmental issues.

This is obviously connected to green growth…

Yes. Green growth is an opportunity for employment and development in Africa, which has the resources, that is, the water for hydropower, the sun for renewable energy, biomass for renewable energy, the wind for developing wind power, and so on. Thus, the energy needs of rich countries can be met by Africa's natural resources potential. The use of its natural resources can contribute to the socio-economic transformation of Africa.

What challenges are posed by the creation of an integrated African market? What should African institutions and governments do to meet the challenges?

There are many challenges to the creation of an integrated African market which can be summarised as:

- The free movement of people, explained by the introduction of a common biometric passport or the creation of a continental identity card that could enable Angolans to stay in Central African Republic without difficulty.
- The free movement of goods, which requires the creation of surface infrastructure, particularly roads, bridges and so on.
- The free movement of capital, so that Africa can have an African Bank with a common currency.
- The free movement of services, which is explained by natural or legal

persons, including traders, artisans and companies legally established in one country having the right to offer services in another country.

Consequently, all direct or indirect discrimination must be removed, unless justified by reasons of public interest. In this context, African institutions and governments need to agree to facilitate conditions for the implementation of the integrated African market, which is the foundation of development.

What lessons can Africa learn from Europe in terms of regional integration?

The African continent has nothing to learn from the European experience on regional integration. Europe, on the other hand, needs to draw on the spirit of fairness for its influence on the international scene.

How can communication help the successful implementation of African integration policies and strategies?

Communication is a powerful tool to inform people and raise their awareness of the need to follow and support the implementation of African integration policies and strategies. Accordingly, communication should raise awareness and support the implementation of African integration policies and strategies.

Successful regional integration is built on common institutional and financial policies. Is this enough?

No. In addition to this, we need integration of people, because interpersonal exchanges facilitate the flow of the economy, like the free movement of people and goods in the physical sense. If everything remained at the institutional level, implementation might not be effective.

Ultimately, what do you think the overall impact of African integration should be?

The overall impact should be the harmonious development of African countries, improved quality of life for African people through sharing experiences, skills transfer and cultural exchanges, among others. We should remember that Africa is a big market. The countries of Africa could start by opening up markets and trade within their continent, before looking to the outside; this would boost African economies.

Intra-African trade is the weakest in the world. What must be done to create a shift?

Intra-African trade certainly is the weakest in the world. However, there are mechanisms to promote it, such as the promotion of economic and regional integration, accelerating the creation of pan-African free-trade zones, significantly increasing trade volumes between African countries, the adoption and implementation of coherent and effective trade policies at national, regional, and continental levels, the promotion of goods manufactured in Africa, and so on.

How can Africa create larger markets and offer global-scale competitive advantages?

Africa can create larger markets and offer global-scale competitive advantages, firstly through industrial transformation and secondly through infrastructure development. Industrial transformation requires the creation of value chains in those sectors where Africa has comparative advantages. As for infrastructure development, what is needed is to include the private sector under public-private partnerships.

Does Africa need a new development model? If yes, why, and what should it look like?

Africa has a classic development model. However, it is noteworthy that the growth crisis facing Africa clearly shows that its model of development cannot be based on its raw material resources and the implications of that. So, the African continent needs to expand its industrial fabric to that effect.

How critical is a capital replenishment and General Capital Increase?

The African Development Bank faces increased demand for its resources from its member countries. In this context, a general capital increase will enable the Bank firstly to have the resources available to meet the needs of these countries and secondly to deal with the thorny problem of global warming, which could potentially and seriously compromise Africa's development prospects. GD

Can regional integration create a shift in uncontrolled emigration out of the region?

There is enormous potential to be exploited in Africa, both in terms of natural resources and our youth – our human resources. The continent's population is projected to be around 2.5 billion people by 2050. With such a population, both young and large in number, Africa has a potential market for the consumption of what it produces, a good proportion of which could be exported, instead of selling unprocessed commodities on international markets. There is room for hope, in light of the significant reforms being undertaken by the African Union and Africa's other institutions supporting the continent's greater economic integration. The continent will have free movement of people, goods, enterprise and services, where we will be able to buy and sell all types of products more freely. Also, economic integration is the only way to develop the African continent. It is also the only solution for the uncontrolled emigration that entices young Africans to go in search of a European Eldorado.

But all that glitters is not gold. And so, while Europeans come to Africa in search of commodities or go to Asia or America for new opportunities, all these young Africans emigrating in their tens of thousands should be putting their efforts into developing businesses in growth sectors, especially agriculture and livestock, whose potential needs are easily demonstrated. Given the important commodities that Africa has, how can we create jobs and wealth for all these potential young illegal immigrants? It is never too late to do the right thing. Economically, for example, the adoption of the African Continental Free Trade Area offers African countries every opportunity to strengthen economic integration in a space that is both dynamic and evolutionary.

How can regional integration support the Bank's High 5 priorities?

This is easy. We do not have sufficient and appropriate mechanisms for processing our raw materials and we always have to export them. It is as though we were exporting our commodities to fund foreign economies and create jobs elsewhere. But the fact is, it is the funding of our economies that is the issue, to create jobs and wealth. It is therefore very important to do the processing in Africa, thus creating added value and increasing the opportunities for our economies to diversify and help millions of Africans out of poverty. Feed Africa amounts to accelerating significant and innovative investment in value chains based on existing resources and building adequate infrastructure to promote the diversification of the African economy so far characterised by a low rate of intra-African trade. The major challenge to speeding up the integration process remains the low coverage of road, maritime and air infrastructure and of research and innovation incubators that would help bring about the free movement of people, goods, services and ideas across the continent.

And Africa also needs to be lit up and powered. The darkness that covers our cities and countryside contributes to the exclusion of our populations. The people are then often subjected to isolation, due to the lack of transport and communications, cutting production areas off from their markets or from staple food production areas, and isolating commodities from their processing plants. The lack of electricity has a negative impact that no one should have to experience. Access to electricity is a driver of innovation and progress. Action is attuned to light, whereas darkness forces us into inactivity and poverty. My country, for example, has an electricity-coverage rate of about 7%. This makes it impossible to carry out the economic diversification that is the only path to economic recovery, growth, and sustainable development. Since the birth of the Fourth Republic further to the Inclusive National Forum promoted by his Excellency the President of the Republic of Chad, Head of State Idriss Deby Itno, the Chadian Government has been undertaking a new economic policy through the design and implementation of an industrialisation and economic diversification master plan (PDIDE) with the support of the United Nations through the Economic Commission for Africa. But, with so small an electricity coverage rate, how can one hope to make such an initiative succeed? It means that the African Development Bank priority to light up and power Africa becomes an imperative of the first order. As part of this, Chad is committed to a process to increase the rate of access to electricity towards the African average of 42%. The promotion of renewable energy based on this country's very great solar potential will, if the necessary funding is mobilised, help achieve this goal in the near future.

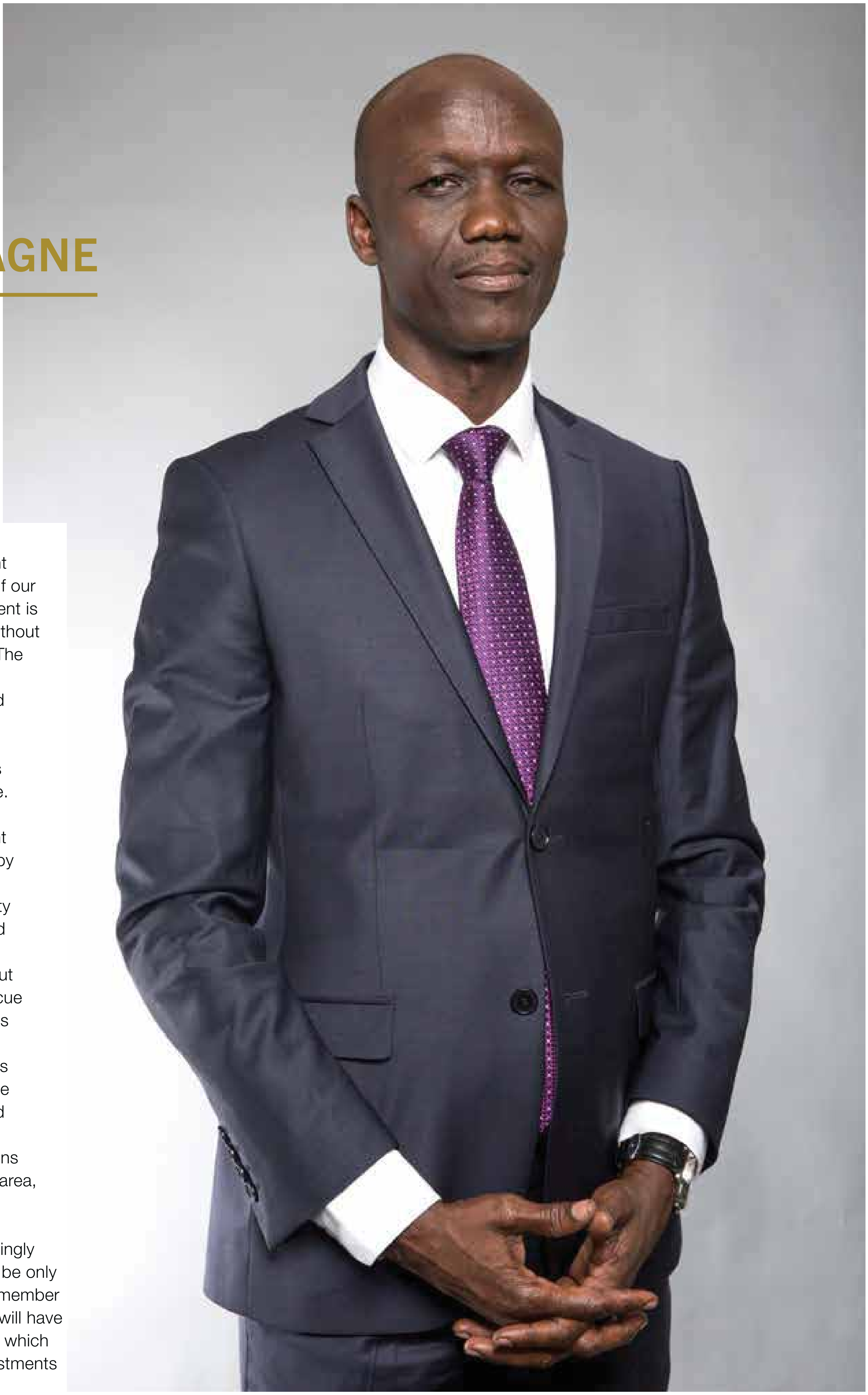
What is Africa's future in a world where multi-lateralism increasingly faces opposition and scepticism?

There is no future in protectionism. The countries of Africa are diverse, each with its own strengths and weaknesses. In this context, they all need to pool their comparative advantages to compensate for their respective weaknesses, to make a qualitative development leap and hope to make up for their real or supposed backwardness. Thus, the Bank's planned recapitalisation will be viewed as the chance of a lifetime for its member countries, especially the most fragile. This recapitalisation may be the solution to the enormous needs for development infrastructure finance, especially in agriculture. Thanks to the Bank and its triple-A status, fragile countries have a genuine opportunity to access certain concessional funding arms that enable them to invest in a number of strategic sectors, including energy, industrialisation, transport and communications, education, training and health. The direction of the Bank suits us well. However, we ask the Bank to move more quickly over making funding available. Indeed, the President of the Bank recognises that many agreements have been signed between the Bank and member countries, but disbursements have been comparatively low. In this respect, the Bank should make major efforts to accelerate the implementation of priority projects for member countries, especially the most fragile.

Another very important aspect that is often overlooked is security. It is practically

ISSA DOUBRAGNE

Minister of the Economy, Planning and Development



impossible now to think of development without a stable security environment. If our countries are not secure, no development is possible. No investment is profitable without a stable and lasting security situation. The guarantees that foreign investors need always include security, both within and beyond the borders of our countries. That is why it is imperative to include security expenditure in the accounts as investment spending and not otherwise. The specific situation of Chad, for example, is a textbook case. To prevent the asymmetric warfare imposed on it by the Boko Haram sect, Chad has been obliged to invest in defence and security equipment as well as in the training and maintenance of its troops, in order to combat the forces of evil. And acting out of solidarity, Chad has flown to the rescue of some neighbouring countries such as Cameroon and Nigeria or more distant countries such as Mali, not forgetting its participation in the G5 Sahel Joint Force alongside Niger, Mali, Burkina Faso and Mauritania. This latter military force, whose mission is to create the conditions for development to return to the Sahel area, is partly composed of Chadian troops.

The new role of the Bank, in an increasingly fragile security situation, can no longer be only that of supporting the development of member countries. If only for its own survival, it will have to build in the issue of security, without which there can be no guarantees for its investments in development.

COMOROS

FOUADY GOULAME

General Planning Commissioner

A vehicle for economic and social development

Bio

With a first degree in Education Science and a Master's in Adult Education, Fouady Goulame led the National Education Institute (INE) in the Comoros for five years and the Education Training and Research Institute (IFERE) for two years. He taught pedagogy at the National School of Higher Education (ENES) and was in charge of the LMD (Master's - Doctorate - Degree) unit at the University of the Comoros. He has been Commissioner-General for Planning for three years. He is a vice-governor of the African Development Bank, the Islamic Development Bank and the World Bank, and a governor of the African Capacity Building Foundation.

African integration is unquestionably essential to address the challenges posed by economic, political and cultural globalisation, as well as to strengthen ties between states, in order to serve populations whose needs cannot be met by a single state alone. Indeed, integration requires sacrificing a measure of national sovereignty to the shared policies of regional structures (Louis-Marie Morfaux et Jean Lefranc, 2011). Many regional and sub-regional organisations have emerged and made considerable strides with regard to African integration. Nonetheless, African integration is faced with a number of unresolved challenges, including poor governance, the market system, external interference and globalisation.

The Comoros enjoys a wealth of potential with its agricultural products, fishing and the best tourist attractions in the region. However, market access is very limited due to a striking lack of transport connectivity and the high cost of inter-island and intraregional transport by air and sea. Those services must be integrated to improve market access.

In addition, both language and customs barriers require particular attention to ensure the achievement of integration goals, including: the economic and social goals required for political and civil stability, peace, and democracy; and the cultural goals needed to strengthen ties between people. This is necessary for the sustainable development of the region. Despite the potential advantages of free trade, several obstacles to African integration have been highlighted, including potentially substantial losses in customs revenue and threats to local industries, small economies and least developed countries.

The language barrier also has sociocultural and economic consequences. In the majority of the countries comprising the regional free trade area of East Africa, English is the official language and the Comorian language is not understood, despite its basis in Swahili. In that context, using integration as an avenue for socio-economic transformation remains a formidable challenge.

Policy and infrastructure investment in seaports and airports could play a decisive role in improving inter-island and regional maritime transport and air transport connectivity, as well as expanding port capacity and reducing port dues. The key sectors of the African economy include energy, agriculture, land use, water resources, environmental goods and services, forestry and fishing – all of which involve sectoral, local, regional and global value chains. Given that context, training is of particular importance in the above-mentioned sectors, as well as in the working languages necessary for communication.

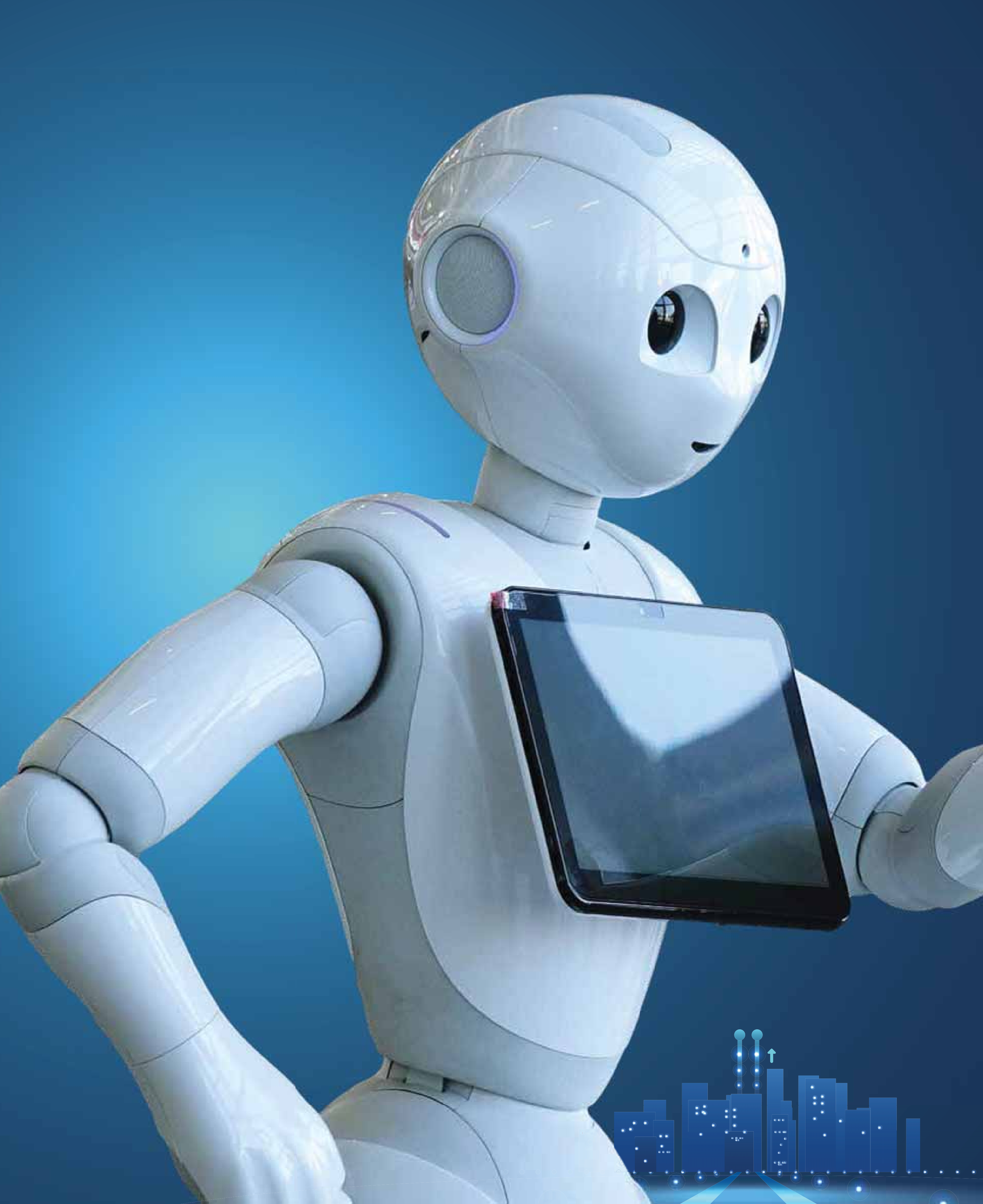
Agriculture — a particularly critical sector for food security in the Comoros

As is the case in almost every country, no sector is more critical to the economic and social well-being of the Comoros than agriculture. Its economic role is paramount, accounting for roughly 46% of GDP, 57% of jobs and 90% of export revenue. Yet, the country is increasingly importing food and experiencing food insecurity, and 70% of the farming population is living in poverty. If, however, our high-quality and high-volume cash crops of vanilla, cloves and ylang-ylang essential oil were processed here, the sector would be able to provide decent jobs and generate wealth. Agriculture would be in a position to stimulate growth, while contributing to environmental protection and job creation.

Fishing is also important in terms of its direct and indirect contribution to the well-being of local communities and to international trade. Improving the productivity of the main sectors is crucial for creating added value and drawing in more labour from other sectors. Doing so will enable the fishing sector and the blue economy to contribute to the structural transformation of the Comorian economy and the well-being and food security of the population, through the sustainable management of fisheries resources and the accelerated development of the subsector.

Of course, regional integration has yielded noteworthy results in terms of trade, transport, communications, energy, knowledge-sharing and the free movement of people. Notwithstanding that, obstacles to African integration have also been documented, including substantial losses in customs revenue and threats to local industries, small economies and least developed countries. It is recommended that an economic impact study be conducted on the potential consequences for the Comoros of acceding to the AfCFTA.

In order to improve terms of trade among African countries while boosting production, the African Development Bank, governments, regional and international organisations and other development aid agencies can have a determining role in initiating and monitoring the integration process through the adoption of clear policies. The development and emerging economies advocated and touted by certain heads of state, and the reduction of poverty in pursuit of the sustainable development goals in Africa, will require focused investment in building the capacity of all relevant parties and the provision of targeted financial aid.



African Youth: The revolution will be digital

The global economy, more than ever before, is experiencing a drastic and rapidly evolving revolution and Africa cannot be left behind. Digitisation, material sciences, self-driving cars, cloud computing and internet of things (IoT) technology are disrupting and reshaping how industries innovate, deliver products and services, and reach their customers. Digital connectivity represents an unprecedented opportunity to engage in the global economy and foster African economic integration across borders. With its dynamic and burgeoning youthful population, Africa has a formidable opportunity to tap into and take part in the new technological revolution.

As a potential supplier of labour to the world, Africa is uniquely positioned to take advantage of this revolution. With the fastest-growing population in the world, Africa's working-age population is projected to increase from 705 million in 2018 to almost 1.0 billion by 2030[1]. To reap the benefits of this unique demographic position, African youth must have a propitious and enabling regulatory and policy environment to acquire relevant digital skills in order to become major contributors to the digital economy.

The African Development Bank launched the Coding for Employment program last year to accelerate investment in human capital for the digital age throughout Africa. Through this program, currently piloted in Nigeria, Kenya, Rwanda, Senegal and Cote d'Ivoire, the Bank is building synergies between global technology giants, the local private sector, and educational institutions to create agile and collaborative ICT training programs to help the youth to innovate and thrive in the ICT sector and the digital economy more generally. The overwhelming demand for these training programs demonstrates that African youth are eager to advance themselves and their communities. For instance, in northern Nigeria, the program was oversubscribed with over 15,000 applications. To address the significant gender divide in digital skills, the Coding for Employment program also launched its first female-only ICT training program for 300 women and girls to give girls a fighting chance in the digital race. In the words of recent program participant Esther Ayuba, "When it comes to digital literacy, we are usually left behind. However, with a program like this we have a chance. I hope more women can benefit from this." The desire for new knowledge and problem solving skills among African youth is undeniable.

Beyond ICT training, the Bank is working to create an enabling ICT ecosystem that will support the youth and bridge the gap between skills and job opportunities. Given the knowledge-driven nature of the current digital economy, by next year more than one third of all jobs across all industries are expected to require complex problem-solving as a core skill[2]. Moreover, 66 % of jobs in developing countries might disappear due to the automation encouraged by technological progress[3]. African countries can no longer rely on supplying manual workers for the global economy. It is therefore vital to establish a young, job-ready workforce with high-end ICT skills, proven to generate more employment, innovative products, and added economic productivity.

There is an immense economic opportunity for Africa, with the rapid growth of internet access and mobile phone penetration across the continent and the buzzing energy and resourcefulness of African youth. Through significant investment in quality ICT training and investment in fibre optics and broadband connectivity, the African Development Bank is working hard to ensure that African youth have the tools they need to contribute at the highest levels to the digital economy. The Coding for Employment program will support the establishment of 130 innovation centres across Africa by 2025. The programme will also equip 234,000 young people on the continent with ICT skills and support the creation of nine million direct and indirect jobs. This vision requires the partnership of stakeholders in the public and private sector to create a resilient and competitive digital ecosystem for the continent.

1 AFDB (2019). Africa Economic Outlook 2019
2 World Economic Forum (2016). The Future of Jobs Report
3 OECD (2018)

"I am a programmer pursuing a Master's in computer science, and the education I have received here is exceptional. This university brings together the brightest researchers in Africa. It has given me the opportunity to work with students of other nationalities. I myself am Zambian."

Nchima Kapoma
Student, Carnegie Mellon University

"My friends and I are all Carnegie Mellon graduates. We wanted to launch a tech start-up that created value while having a positive impact on society. ICT offers endless possibilities. Our company's growth has been remarkable."

Victoria Munguti
Carnegie Mellon alumna from Kenya
Co-founder and Director of Hepta Analytics Limited

A new model of education is necessary to support the revolution in information and communications technology in Africa. Carnegie Mellon University, an institution of higher learning based in the United States, has established a campus in Rwanda dedicated to accomplishing just that.

The campus is the product of a partnership between the African Development Bank, the Government of Rwanda, and Carnegie Mellon University. The educational model is aimed at encouraging a revolutionary form of higher learning, one that is based in Africa, offering quality education, focused on technology, and intrinsically linked to the private sector. The model also helps further the Government of Rwanda's 2020 vision and its goal of building a knowledge-based economy. It encourages interaction and debate among professors, students, and young entrepreneurs and companies both in and out of Africa, to stimulate growth and create African jobs.

Carnegie Mellon University Africa in Rwanda was designed to serve as a centre of excellence and as a regional hub for information and communications technology in East Africa. It includes an innovation incubator developed to help students build their own businesses, a management training centre, a mobile research centre, an applied learning centre and a programme for designing secondary school curriculum. Beyond training an elite generation of Africans in cutting-edge technology, the campus offers the added benefit of slowing the African brain drain. One faculty member, a graduate of the prestigious Massachusetts Institute of Technology, chose to return to Rwanda so that her knowledge might benefit her country. Faculty testimonials also speak volumes: "If you educate advanced engineers abroad, they are very likely to stay there; by contrast, most of our students are eager to stay and work in Africa," said the director of the University.

A variety of career opportunities await the students. Some work in the financial sector, in public administration and in IT companies while others go into agriculture or telecommunications. Demand is so high that students are sometimes hired before they graduate. Some go on to launch their own companies. The African Development Bank has contributed 13 million euros to this innovative sub-Saharan initiative.

Rwanda

Training an elite generation of Africans in digital technology

Côte d'Ivoire has always been on the forefront of regional integration.

Côte d'Ivoire is a pioneer in regional integration. We already belong to sub-regional economic zones, including the WAEMU, with which you are familiar, which has a fairly high degree of economic and monetary integration, and includes 8 states; and ECOWAS, which covers a larger area that includes 12 states and at least 300 million consumers. Our country, Côte d'Ivoire, is involved in all integration efforts in both of these regional economic communities. In WAEMU, we already share the CFA franc, and the states have worked hard to ensure effective free movement of goods and people. In addition, we have monetary integration, and beyond that we have to share legislation regarding economic issues, customs and taxes. This effort is also being made in ECOWAS in which Côte d'Ivoire is very involved. Since 2011, President Ouattara has been working to regularise or revitalise our cooperation with these two groups, particularly in financial terms, and today Côte d'Ivoire's contribution to WAEMU represents 37% of the 8 member states, thanks to all of our efforts. Our President is also very involved in ECOWAS and has held the presidency once, during his two terms in each of these institutions. In addition, he was appointed by his peers, for example in WAEMU, to promote the financing of the Union and in this respect he joined a mission to improve the mobilization of resources within the Union, which he did with great efficiency in partnership with the central bank, the BCEAO.

Côte d'Ivoire has also incorporated most of the texts adopted by the Community into our national legislation. We are working hard on developing and improving connectivity infrastructures. We have what we call regional economic programmes that are often infrastructure projects that improve connectivity. They concern transport and energy; we supply energy to many neighbouring countries. In order to succeed, we created connectivity, transport and local production capacity.

Our government has made significant efforts to integrate the population. The 2014 general census indicated that foreigners comprise 25% of the population of Côte d'Ivoire. These are brothers and sisters who live peacefully and harmoniously with the local population. Our President is engaged in this dynamic and has exact, quantified objectives to increase and improve trade with neighbouring countries.

A paltry 20% of African trade is internal. What must Africa do to tilt the balance toward intra-African trade?

It is true that there is not much commercial trade. However, it is noteworthy that Côte d'Ivoire's rates are higher than the continental average. Our commercial trade figures are between 30% and 33%. Excluding petroleum products, for which we have very significant trade with Nigeria, we are at around 30% or maybe 28% and still above the continental average.

That said, we intend to take advantage of the continental free trade area to ensure that Côte d'Ivoire realizes its structural transformation. There are many possibilities. We are talking about trade, so we have to harmonise tax and customs legislation. Rules of origin are very important for the free trade areas, the areas where there is free movement of goods. We must also facilitate trade and physical connectivity between states. It seems to me that it is extremely important that we facilitate this movement and manage the transaction costs between the states. Our financial sectors must be part of this to support the dynamism of the private sector and ensure that the new opportunities can be taken advantage of once the borders are open. This is what creating wealth means; when companies are dynamic they can employ more people. Our population includes a high proportion of intelligent young people who are dynamic and increasingly well trained. Regional integration will provide them with more opportunities and therefore improve what they call growth spill over, and significantly reduce poverty.

How significant is a General Capital Increase for the Bank at a time of increased regional demand?

The Bank is a formidable support tool with its two counters: the concessional and non-concessional, the AfDB window, with the resources to effectively support significant, structuring financing in our countries. Today, the states have considerable financing needs because we are clearly considerably behind and we know that infrastructure is difficult to develop. This explains the level of need. Infrastructure that goes along with investment is the minimum basis for encouraging private operators to establish themselves in our countries, carry out income-generating activities and create jobs and income for local populations. And then there is everything required for social infrastructure: education, health, and drinking water. All of this requires resources and the investments should be concomitant. At the same time, as you educate the population, we must also create jobs because we have a young population that needs to be integrated, given how many people are graduating from our higher education institutions and universities every year. Investment must be massive, all-out. In this respect, I think it is appropriate for the Bank to have access to significant resources, whether AfDB or ADF.

NIALE KABA

Minister of Planning and Development

Bio

After a degree in Economics, Statistics and Development in Côte d'Ivoire and France, Nialé Kaba taught in Abidjan, then worked at the Primature on Fiscal and Budgetary Issues. She also served in the cabinet of the Prime Minister, the Ministry of Economy and Finance, the Ministry of Crafts and the Management of the Informal Sector and the general management of Côte d'Ivoire Tourism. She joined the Ivorian Government as Minister of Housing Promotion, then became Minister of Economy and Finance. Côte d'Ivoire is undertaking economic and financial reforms that strengthen the confidence of private investors and development partners.
Minister of Planning since 2016, Nialé Kaba brings her expertise in the mobilization of resources for financing, follow-up evaluations of investments and development strategies to her work and the Bank.

DENMARK

ULLA TORNAES

Minister for Development Cooperation

Bio

Ulla Tørnæs was appointed Minister for Development Cooperation in 2016. From February–November 2016, she served as the Minister for Higher Education and Science. In 2014, she was elected to the European Parliament for the Liberal Party. From 2005–2010 she served as Minister for Development Cooperation and from 2001–2005, she served as Minister for Education. She was elected to the Danish Parliament for the first time in 1994 and worked in the secretariat for the Liberal Party's parliamentary group from 1986–1994. She holds a BA in English and French from Copenhagen Business School.

Green growth: A priority for Denmark

The stakes are high. Africa is already experiencing the ill effects of environmental deterioration on many fronts, including the impacts of climate variability and change. Climate change cannot be ignored, for it exacerbates the worst catalysts of a crisis and fuels fragility. Africa is currently home to the highest number of undernourished people and has among the lowest agricultural yields in the world. Rapid population growth and land use practices are contributing to deforestation and land degradation, damaging fragile ecosystems, and exacerbating water scarcity. This can ultimately lead to people migrating because they cannot see a future where they live.

Agriculture-based economies feel the effects of climate change most acutely and in cities, air pollution and ineffective waste management pose serious and growing problems.

The challenge of delivering modern energy requires substantial investments as well as a strong commitment to make the energy sector more effective and efficient. There is a need for economic transformation to deliver green growth – growth that does not endanger Africa's natural environment in ways that reduce the welfare of present and future generations. The only way is to manage resources efficiently and spur inclusive economic growth with low carbon emissions.

Political commitment, appropriate policies and the implementation of strategic government plans are key drivers of green growth. From my country, Denmark, I recognise the importance of public regulation when it comes to the transition to renewable energy. I believe that with the right policies and institutions, Africa can pursue green growth and thus sustain the natural capital and environmental services on which prosperity depends.

Moreover, there is also potential for innovation to transform African agriculture, bringing jobs and strengthening food security. Economic transformation and green growth depend on new initiatives: taking risky investments in new, unfamiliar sectors, products, or adopting new, unfamiliar methods, technologies, or business models. This depends upon the activity of entrepreneurs, who drive change through their innovation and risk-taking. This is why Denmark supports the Bank's Youth Entrepreneurship and Innovation multi-donor trust fund and the Sustainable Energy Fund for Africa, which support small- and medium-scale Renewable Energy and Energy Efficiency projects. The energy fund provides project preparation, equity investments, and enabling environment support to bring viable renewable energy and energy efficiency projects to bankability to enable financing from the African Development Bank Group or other development finance institutions, commercial banks and other sources of debt or equity financing.

Finally, regional integration is also key to strengthened development and security in Africa as well as the continent's participation in the global economy. We believe that the African Development Bank Group with its expertise is in a unique position to play a leading role in the process to ensure both integration and sustainable green growth for Africa. GD

> **Economic transformation and green growth depend on new initiatives: taking risky investments in new, unfamiliar sectors, products, or adopting new, unfamiliar methods, technologies, or business models "**

CÉSAR AUGUSTO MBA ABOGO

Minister of Finance

What's the main reason why regional integration is important?

Regional integration is important in sustaining economic growth on the continent as it opens the doors for free movement of people, capital, goods and services that can meet the aspirations of the African Union's Agenda 2063 and achieve some of the UN Sustainable Development Goals objectives. The creation of a continent with a free trade area is an important step towards boosting intra-Africa trade and building the collective competitiveness of African labour and African products not only regionally but also internationally.

Is Equatorial Guinea fast-tracking regional integration?

Equatorial Guinea has participated and supported all initiatives that promote regional integration in Africa. It became a member of CEMAC, the African Union and CEEAC, where the objective is a monetary union. Equatorial Guinea has funded a variety of projects that help to improve the quality of life of many people in the region and its surroundings.

We have also adopted French as the second official language of the country, and Portuguese as the third official language, which will help to integrate the country into the French and Portuguese-speaking communities on the continent.

In addition, there are specific objectives, such as facilitating the movement of people into and around the country, increasing the number of commercial agreements and improving the union frontier across the CEMAC region. We also wish to reduce tax barriers with respect to other countries in the region and to liberalise trade with them. Key regulatory policies, including the current free market tourism investments, have aided our efforts to abolish bureaucratic processes, break down the barriers, and speed up financial operations at borders and ports.

Can the Continental Free Trade Agreement be a catalyst?

The implementation of the CFTA could move the region toward higher levels of intra-regional trade. Although economic globalisation still represents a huge challenge due to the continued existence of protectionist laws, supporting the continental free trade zone will turn the African continent into the largest free trade area in the world and help us to also stay competitive in international markets.

What key projects has the African Development Bank funded in Equatorial Guinea and what impact have they had on development?

From 1983 to 2018, the Government of Equatorial Guinea has signed 36 loan agreements and Letters of Grant Agreement with the Bank Group. A number of projects have achieved their goals, including improving public finance management support; training middle and senior graduates to support the development of the national health system; monitoring the national plan for economic and social development; technical support for the promotion of the private sector; and a Central African conservation project.

There have been several discussions about capital replenishments and increases. What is your take?

The African Development Bank is today one of the most important of the regional multilateral development finance institutions and a capital increase will be good for the Bank's shareholders to boost both their shares or profits. An increase will also strengthen the Bank's ability to fight poverty and improve people's living conditions.

On The African Development Bank's 55th Anniversary in 2019, what would your message be?

It has been a tough and worthy journey supporting the dreams and aspirations of Africans for 55 years. As a Finance Minister and as an African, I am so proud of the Bank and I hope that future generations of Ministers will be even more proud of our Bank, because it is ours and works for us all. Congratulations, African Development Bank. Congratulations, Africa!

As co-host of the Annual Meetings of the African Development Bank, how important is this occasion for Equatorial Guinea?

Hosting the Annual Meetings will be a

unique opportunity and a major platform to showcase our country and its achievements to the international community, and to mark the development journey made by Equatorial Guinea in the 10 years of implementation of the Horizon 2020 Plan. It will also address the portfolio of projects of interest to the Government that falls within the frame of the new development strategy of the country, in line with the conclusions of the third National Economic Conference.

What can delegates from across Africa and around the world expect when they come to Malabo in June?

I envy the people who have not yet been to Malabo – they have so much to look forward to and so much to find out! As President Adesina said in his last official visit to Equatorial Guinea in May 2019, "Equatorial Guinea is Africa's best-kept secret."

So delegates from across Africa and around the world can expect to find a dynamic country that is opening up to the outside world and its guests and tourists, with amazing young people and great hospitality, beautiful and sophisticated infrastructure, cities such as Sipopo and Malabo, and many other places yet to be discovered. We are ready and looking forward to welcoming the Annual Meetings in our country, as well as all the delegates invited to attend!

Equatorial Guinea has undergone a huge and extraordinary transformation, thanks to the bedrock foundation that its visionary and President, H.E. Obiang Nguema Mbasogo, has made with the implementation of the Horizon 2020 Plan.

Following the recent visit to Equatorial Guinea of Dr. Adesina, the organization of the Annual Meetings in the country, and the new approaches adopted to finance the post-Horizon 2020 Plan, the mobilisation of resources to finance the new strategy of the country is now particularly crucial.

Last year, we announced that this would be the Year of Energy for our country.

Our oil sector is being actively promoted, and important events are being planned, such as the 5th Summit of the Gas Exporting Countries Forum and the 2019 Economic and Trade Investment Summit.

We must not focus on, nor rely on, the oil and gas sector alone. As our President has stated, "Oil will not last forever." Its benefits can create a solid foundation for a sustainable African state.

Encouraging multinational investment is a varied process. In the field of public finances, we are carrying out reforms with support from the IMF that will allow us to collect more taxes with enhanced efficiency. The national accounts that we publish (with the support of the World Bank) show that Equatorial Guinea wants to improve tax collection, as without this the tax burden will continue to increase. We want to reduce tax evasion, fight corruption, broaden our tax base and, of course, stimulate private sector initiatives within this conducive environment, especially multinational investments into the country, taking advantage of neglected sectors such as maritime and tourism, and the potential and human capital of the African continent.

Sixteen of the 26 fastest-growing economies in the world are African. Our workforces are young; smartphone use has rapidly increased (in fact, Africa's digital market is a world leader). At a delicate time for economic globalisation due to growing protectionism, the African Continental Free Trade Area will turn Africa into the largest free trade area in the world.

The Horizon 2020 Plan has endowed Equatorial Guinea with modern infrastructure that, together with political stability and good geographical positioning, makes our country the perfect landing strip for multinationals entering the African continent. We are in the right place at the right time, and have the best conditions for business establishment.

The adoption of our positive reform package in many areas has been well marked and showcased in today's business climate.

Last year finished with a National Dialogue on Business Climate in which the government and the private sector openly and comprehensively debated how to strengthen our economic competitiveness quickly. This close participation with the private sector has been crucial to the mobilisation of resources for development and in realising the promise of Horizon 2020.

ETHIOPIA

AHMED SHIDE

Minister of Finance

Is regional integration an appropriate theme for the 2019 Annual Meetings of the Bank?

I think the choice of regional integration as the theme of the upcoming African Development Bank Annual Meetings is very important and timely, because regional integration is fundamental for the future of Africa. For Africa to unlock its potential we need to have integrated market development.

A fragmented continent with each country's market trading separately without fully unlocking the potential of trading freely with each other will be highly limiting for African growth. Therefore the endorsement of the African Continental Free Trade Area (AfCFTA) this year is very timely. It is a historic achievement for Africa which will release the potential of the future of Africa. There has been a lot of effort to integrate African economies by different regional RECs but the AfCFTA will provide a comprehensive framework to move Africa forward in terms of integrating the economies by allowing free movement of goods and people across Africa. It's a framework that will unite all African countries, that will unlock huge potential given Africa's economic dynamism.

Ethiopia has played a strong historic role in bringing Africa together. What is it doing today to fulfil that role?

Ethiopia has always been at the forefront of African integration and African unity. The Organisation of African Unity was spearheaded by African leaders including Ethiopia's former leadership. Ethiopia has significantly invested in infrastructure that has regional integration objectives such as railways, highways, and fibre optics, and we have invested in an aviation sector that has been serving the integration of Africa for several decades. Ethiopia has been instrumental in bringing Africa together historically, and recently also agreed peace with Eritrea that will unlock the potentials of peace building in the region.

Ethiopia is working on peace building in Somalia and South Sudan, and Ethiopia has one of the most populous and largest economies in the whole of Africa which also is neighbour to many countries. We have massively invested jointly with Djibouti in railway and highway infrastructure, as well as in electricity. With Kenya we are building highways that connect us, and we are cooperating on electricity generation. With Sudan we have road and energy connectivity, and with South Sudan we are working on enhanced road connectivity. With Somalia we have a few projects which we are developing. Now, with the potential of peace between Ethiopia and Eritrea, we are looking to work also with Eritrea in terms of infrastructure connectivity.

What can be done to enhance the Bank's financial capabilities?

It is important that the Bank's capability to finance development projects in Africa should be enhanced and that the limitations on this should be resolved. One way of doing that is a general capital increase which is instrumental in unlocking a bigger capacity for the Bank to lend more to member countries for various development projects. The Bank is the development arm of Africa and its healthy financial status will enable it to do more for our development. It is therefore a very commendable exercise.

ODILE RENAUD-BASSO

Director-General of the French Treasury

Bio

Odile Renaud-Basso has been Director-General of the French Treasury since June 2016. An auditor at the National Court of Accounts from 1990 to 1994, she joined the Treasury Department before being appointed director of the European Commission's Directorate-General ECFIN in 2005. She became Deputy Chief of Staff to the President of the European Council in 2010; then served as Deputy Chief of Staff to France's Prime Minister in 2012, before becoming the Deputy Director-General of the Caisse des Dépôts, Special Director for Savings Funds in 2013. Renaud-Basso is a Sciences-Po Paris and ENA graduate.

What is the African Development Bank's main strength?

The experience accumulated by the Bank in over 50 years of national and regional infrastructure projects in fragile countries and rural areas, in energy and in transport, is completely unique. This comparative advantage must be consolidated. It responds to the great need for quality infrastructure in Africa that population growth and urbanisation are accentuating. These regional infrastructure projects have a direct impact on development: cross-border roads and bridges, electrical interconnections, and so on. They are not necessarily technically complex or very costly, but experience shows that they can be challenging to implement. Given the Bank's history, it is best placed to work in partnership with multiple African national authorities.

Are the African Development Bank's actions in the fight against climate change up to your expectations?

The Bank is currently succeeding in its climate action plan to reach its target of 40% climate funding by 2020. As far as I'm concerned, funding coal-fired power stations is clearly no longer compatible with the Bank's mandate of ‚sustainable development and social progress' of African countries, as defined in the agreement establishing it. However, the Bank must invest in renewable energy, the energy of the future, and not in the technology of the past.

Ambitious announcements about electricity production have raised high expectations and hopes. The Desert to Power initiative tackles the lack of electricity, one of the biggest obstacles to growth and the fight against poverty. There has been a good start in Burkina Faso with the joint African Development Bank and French Agency for Development Yeleen project; now what is needed is to speed up implementation and to launch other projects in the Sahel to achieve the ambitious targets that have been set.

The Bank's projects must also help Africa and its many vulnerable countries to cope with the effects of climate change and make the necessary adaptations.

Many African countries are in fragile situations. How should the Bank respond to this reality?

The African Development Bank Group was one of the first institutions to take fragility issues on board. Today, this pioneering role needs to be retained by the Bank and the African Development Fund, which is being replenished this year.

Firstly, the allocation of aid needs to take countries' vulnerability to external factors better into account, whether they are climate related, economic or the result of the contagion of regional difficulties. Aid should not "reward" fragility created by poor economic governance, of course. Good governance is one of the keys to development, enabling a virtuous circle in which the battle against corruption, illicit financial flows, and debt transparency work together with support for good public finance management, domestic resource mobilisation, and providing quality public services.

Secondly, we can see this vulnerability changing very rapidly in some countries. A binary approach – declaring that a country is or is not fragile – is no longer an adequate response to the current situation. We need to work so that aid takes account of changing fragility on an ongoing basis.

Finally, the design of the Bank's projects must consider fragility. This may mean choosing projects that have a direct and visible public impact or that boost access to basic services in priority sectors. This is the logic behind the Sahel Alliance, which supports more than 600 projects with a combined value of €9 billion. Launched in July 2017 by France, Germany, the European Union, the World Bank, the African Development Bank and the United Nations Development Programme, the alliance was later joined by Italy, Spain, the United Kingdom, Luxembourg, Denmark and the Netherlands.

Funding coal-fired power stations is no longer compatible with the Bank's mandate of the 'sustainable development and social progress' of African countries. It must invest in renewable energy, the energy of the future."

The African Natural Resources Centre

A valuable knowledge resource to promote accountability and transparency

African nations are endowed with abundant natural resources that could significantly improve the social and economic development of the continent. Mindful of this potential, the African Development Bank set up the African Natural Resources Centre in 2014 as a valuable knowledge resource for African nations and for the Bank's own operations. Its goal is to support African countries with policy advice, technical assistance and knowledge development in natural resources management.

Today, the centre promotes accountability and transparency in how Africa manages its natural resources, helping governments harmonise governance frameworks for their extractive resources, paying particular attention to cross-boundary value chains and resource corridors. These efforts are helping to 'integrate Africa', one of the Bank's High 5 priorities, and the main theme of its annual meetings this year. The centre's work on the domestication of natural gas to deepen regional energy markets is also supporting efforts to 'Light up and power Africa', specifically to provide universal access to power by 2025. Its advisory services and knowledge building to improve land tenure systems and investment frameworks in land ownership help to sustain the Bank's 'Feed Africa' High 5, as does its work on sustainable fisheries management. Its work in oil, gas and mining in Africa is helping to 'industrialise Africa', and its advisory services to improve revenue management from natural resources are enabling the Bank to fulfil its commitment to "Improve the quality of life of Africans'. The centre thus offers a full service in the implementation of the High 5s of the African Development Bank.

Generating knowledge through sound research

Through the centre's research, African governments can access the African Development Bank's knowledge generation capability. In 2018, demand-driven work included country case studies on low carbon pathways for the extractive sector; a policy brief on climate change and extractives; an analytical report on the design of optimal petroleum fiscal regimes; and a policy brief on gender and women's empowerment in natural resource value chains.

A recent natural gas value chain study is also helping Africa's gas producers focus more on the domestication of natural gas. Work is under way to produce a compendium of other value chain analyses covering such minerals as diamonds, gold, iron ore and oil, in addition to other sectors such as fisheries and timber. The core message of these studies is the importance of adding value to these resources, especially in the downstream stages of production.

Internationally, the African Natural Resources Centre is an active global and regional advocate in many international development forums. The centre's experts frequently speak on African natural resource management issues and present research findings at regional and global events. In 2018, it hosted a West Africa Gas Competence Seminar in Abidjan, which highlighted the transformative potential of natural gas for established and new gas producers. The seminar informed decision makers

in the natural gas industry on the promotion of gas utilisation and value addition.

The centre was also part of a multi-disciplinary team of experts from the African Development Bank which took part in the 24th Session of the United Nations Framework Convention on Climate Change (COP 24) in Katowice, Poland, in December 2018. The centre led the Bank's theme day on policy and enabling environments, entitled Managing Carbon Risks and Raising Climate Ambition - New Policy Approaches for Countries with Fossil Fuels. In September 2019, the centre will be active at a UN climate change meeting hosted by the UN Secretary General in New York, in which African Development Bank President Akinwumi Adesina will participate. This meeting is expected to hasten the practical implementation of the Paris Agreement on Climate Change.

In February 2019, the African Natural Resources Centre played a prominent role at the Africa Mining Indaba in Cape Town, South Africa, the largest annual mining forum on the African continent. The Bank's key message was that African mineral-producing countries must derive maximum value from their natural resources, to enhance their social and economic development to improve the quality of life of their people.

The centre is increasingly working with civil society in its advocacy, inviting civil society organisations and think tanks to its expert group meetings, seminars and other events, and sharing information on its knowledge products directly with these groups.

Policy advisory work on specific country programmes

A large part of the African Natural Resources Centre's work entails providing technical support for specific country programmes. Its support for a natural capital programme in Mozambique is one of these. The Mozambican government has been able to draw on the centre's policy advice to identify key ecological infrastructure, and in establishing an inter-agency natural capital working group.

In the Republic of Congo, the centre supervised a forest governance project. In Madagascar, the authorities relied on background technical support from the centre for the design of an investment policy framework for the extractive sector. Several other country support programmes are under preparation, including assistance to Gabon and Cameroon to develop their natural capital programmes. The centre will also assist Nigeria with the design of a multi-stakeholder mining sector governance framework. Country support envisages more capacity building under the Bank's Transition Support Facility (TSF) financial modelling project in eight resource-rich fragile states.

The African Natural Resources Centre continues to increase its capacity to support African countries and contribute to the African Development Bank's High 5 priorities. Its work on various knowledge products and the technical assistance it provides can only result in Africa optimising its natural resource wealth for accelerated economic development. GD

The challenges of creating an integrated African market

JEAN-MARIE OGANDAGA

Minister of Economy, Planning and Development Programming

The idea of creating an integrated African market stems from the aspiration to build a more united and more prosperous Africa, as provided in Article 3 of the Constitutive Act adopted by the African Union, which sets out the goals of building greater unity and solidarity among African people.

Such a process, which incorporates economic priorities alongside political issues, demands certain changes in respect of the roles devolved to African institutions in order to ensure better management of economic and financial matters. Similarly, states are required to work towards strengthening the instruments that contribute to continent-wide economic governance.

What, then, can governments contribute to help bring about this new African political and economic order, and what role should African economic and financial institutions play?

Liberalising intra-African trade, which has been suppressed as a result of the continent's extreme fragmentation, requires African governments and institutions to make special efforts to overcome national egos and the many obstacles that impede the establishment of a continent-wide economic structure which would be beneficial to all in the medium term.

Indeed, national systems of standards and regulations, weak infrastructure development and weak industrial production, among others, have hindered the development of trade at the continental level. This situation, which marginalises Africa in global trade, is an absolute anomaly at a time when the African continent remains one of the largest exporters of raw materials in the world, and when Africa's immense domestic needs have yet to be met.

The creation of an integrated African market certainly seems to be vital, but this requires the prior achievement of regional processes that are currently under way. For example, if we consider the case of Central Africa and the Central African Economic and Monetary Community (CEMAC) in particular, which currently sees less than 5% volume of intra-community trade, we realise how important it is to take appropriate regional

strategies into account when planning for continental integration.

More generally, there is also a need to improve the complementarity of economies including, on an interim basis, making bilateral or multilateral trade agreements in order to facilitate business and trade when the use of foreign currency can be a significant obstacle.

Furthermore, the need for security in the broad sense to support the opening up of the continental area must be taken into account to ensure the buy-in of the African people and, most of all, this ambitious project's credibility.

Therefore, the establishment of innovative and appropriate instruments, by governments and institutions such as the African Development Bank, to support the governance of this economic integration would be most pertinent.

In any event, a continent-wide political dialogue led by the African Union Commission must be intensified to meet all these challenges, thus putting Agenda 2063 into practice and realising the economic transformation that Africans so desire, a transformation that is indispensable for achieving viable economic and political policy. GD

Bio

Jean-Marie Ogandaga became Minister of Economy, Forecasting and Development Programming with the responsibility of promoting public and private investment in May 2018. Before that, he was the public service minister from 2014 to 2018. From 2001 to 2014, he worked at the Department of Budget and Public Accounts as the General Inspector of Finance; from 2012 to 2014, he served as a ministerial adviser. Between 2009 and 2014, he conducted several audits of the public service. He played an active role in the Gabon Télécom privatization process and the liquidation of Gabon Poste from 2004 to 2007, as chair of the Expert Committee. He worked as adviser to the Director-General of the Budget and Permanent Secretary of the National Public Officials' Remuneration Committee from 2002 to 2009, after working as Director of Public Remuneration Services from 2000 to 2002.

THE GAMBIA

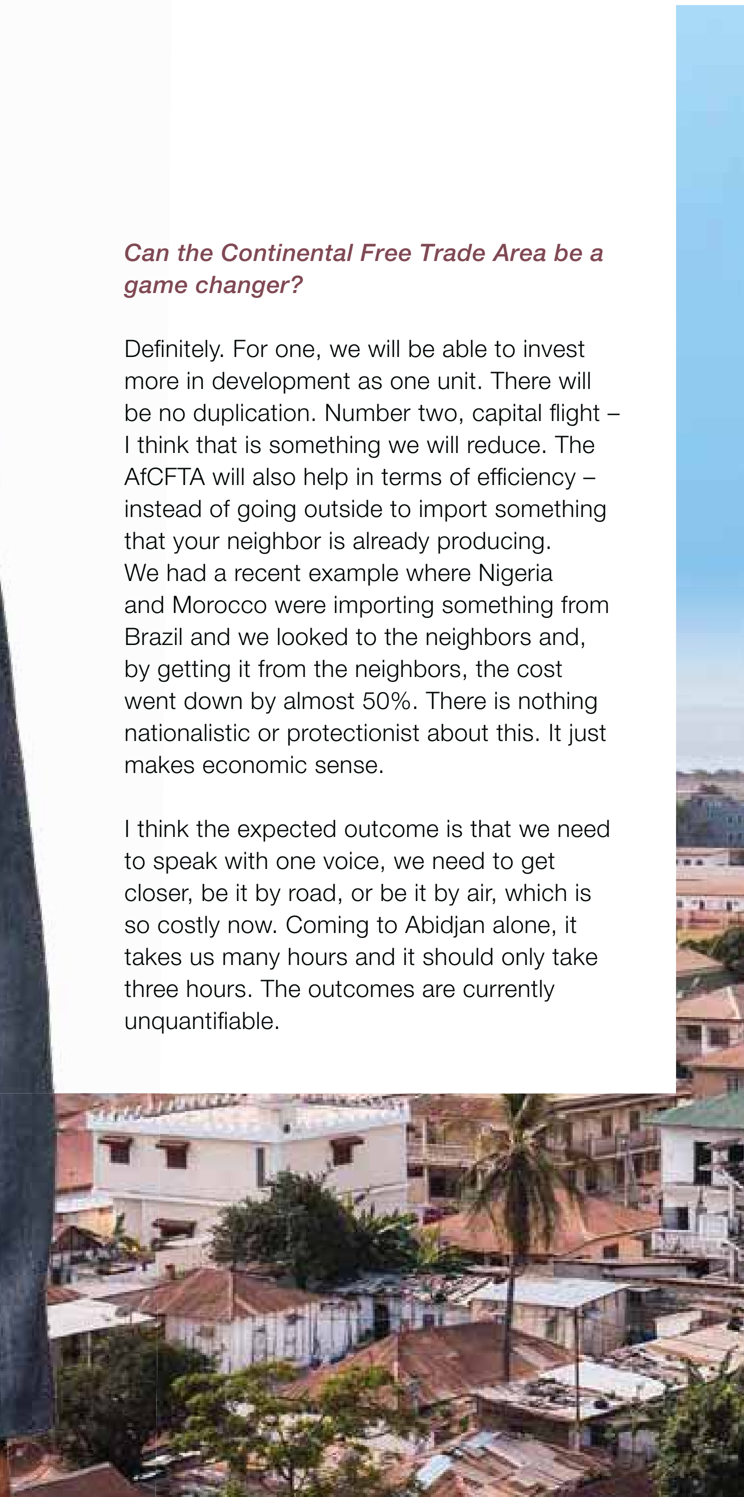
MAMBURY NJIE

Minister of Finance and Economic Affairs

Can the Continental Free Trade Area be a game changer?

Definitely. For one, we will be able to invest more in development as one unit. There will be no duplication. Number two, capital flight – I think that is something we will reduce. The AfCFTA will also help in terms of efficiency – instead of going outside to import something that your neighbor is already producing. We had a recent example where Nigeria and Morocco were importing something from Brazil and we looked to the neighbors and, by getting it from the neighbors, the cost went down by almost 50%. There is nothing nationalistic or protectionist about this. It just makes economic sense.

I think the expected outcome is that we need to speak with one voice, we need to get closer, be it by road, or be it by air, which is so costly now. Coming to Abidjan alone, it takes us many hours and it should only take three hours. The outcomes are currently unquantifiable.



How can regional integration support the Bank's other High 5 priorities in agriculture, energy, industry and improving the quality of life for the people of Africa?

What the High 5s have done is like a wake-up call, for all of us, to say that these are both enablers and triggers, in the sense that if you talk about growth, you won't talk about energy alone. You won't just talk about increasing productivity or industrialization.

I think the High 5s fit within our broader strategies. We have our National Development Plan but I suspect, whatever we are doing, we always try to link it to make sure the High 5s are really part of it. That kind of approach is similar to a highway, and the Bank's High 5s are the vehicle. It stops, picks up passengers and then goes. And this is the way, I believe, that it will start in Gambia, Senegal, Guinea Bissau, all the way to South Africa. This is how I believe the High 5s will really have an impact. I'm talking about impact that the whole continent and the common man will feel.

Importantly, the High 5s target the primary sector, reminding us that it's time to have greater confidence in ourselves. We have many talents in our continent, we have resources that we are not actually processing. We still export our raw materials and we import the finished products. We are not saying that we can't do that anymore, but we believe that the High 5s will empower us to be our own masters. We will no longer be followers but we will be leaders, as President Adesina said.

Can you give an example of a project that has the potential to drive regional integration?

The African Development Bank has been a key investor in our regional grid. It's called the OMVG, the Gambia River Basin Development, which connects energy from Conakry in Guinea to Senegal, Gambia and Guinea Bissau. This alone will not only increase our capacity in terms of megawatts, but it will also reduce the unit cost.
As a result, the common man, the poor people in the provincial rural areas, will be able to access electricity. What we have seen and what we've heard coming from the President, coming from the African Development Bank Group, it has an octopus effect – that's what I call it – and this octopus effect will really link the entire region as one.

2019 marks the Bank's 55th anniversary. Do you have any reflections on this special occasion?

With the Bank turning 55 this year, I would like to congratulate it for having a triple-A rating – this takes a lot of work, it takes a lot of innovation, and it takes a lot of audacity to achieve, in a very competitive environment. I would say that the Bank is still young – only 55 – compared to other banks. And what the bank has been able to achieve is really remarkable. I would like to say bravo to the Bank and I would like to say, you know what, this is just the beginning.

The Bank has been responsible for a seismic shift on the continent, which has been able to really move us from where we were. Lighting up Africa alone is a wake-up call. So, I congratulate the Bank, and forward we go courageously. This is the most committed team that I've seen. I find it very encouraging.

"It takes perseverance, but it is worth it."

Is integration essential for Africa's development? If so, why? In your opinion, what dimensions of regional integration will have the most relevant and powerful development impact?

Traditional trading routes existed long before the rise of nation states, having developed as a response to the basic economic logic of exchanging goods and services based on comparative advantage. In many instances, borders were a hindrance to the needs of economies and their populations, and resulted in negative aggregate results. This is most evident in the case of landlocked countries. In a sense, African efforts towards a continental free trade zone and regional economic zones form part of a strategy to overcome such historical divisions. At the same time, they also serve to reduce the dependency of individual African states on the model of export-oriented resource extraction, and allow the necessary diversification of domestic markets. And they will foster peaceful cooperation in regions of historical conflict. These are also cornerstones of the German Marshall Plan with Africa and the Compact with Africa initiatives.

Better-integrated regions can provide opportunities for businesses by increasing their access to markets, skilled labour and machinery. This is a key prerequisite for increasing local and regional value addition, as goods and services can be sourced, processed and sold within trading zones. Such regional value chains can foster industrialisation in critical sectors and create much-needed jobs. At the same time, citizens can benefit as consumers by having access to a wider array of products and services at reduced prices, and as labourers by enjoying mobility across borders to seek employment opportunities that match their skills. In this context, education and vocational training are crucial to enable workers to reap the benefits of integration and increase employment. Taking Germany's integrated on-the-job training system as a model, we stand ready to support African countries in equipping their populations with the necessary skill sets. Most importantly, regional integration has a positive impact whenever it allows unfettered goods, services and labour to challenge inefficient economic structures. Steps must therefore be taken to ensure that innovative start-ups and SMEs can reap the benefits of integration just as larger companies do, rather than being pushed aside by unfair competition.

How can regional integration support the Bank's other High 5 priorities in agriculture, energy, industry and improving the quality of life for the people of Africa?

Integration is obviously not an end in itself, but it can be an instrument to foster inclusive and sustainable growth. When promoting and designing regional integration, we should therefore always assess the extent to which reforms can contribute to the ultimate ends – such as the High 5s. Significant benefits of regional integration can be expected in the areas of energy generation and distribution. The African Development Bank's support for the Program for Infrastructure Development in Africa is a case in point, underlining the need for cross-border co-ordination. Linking regional markets for agricultural produce is another area where employment creation, productivity growth and food security can be considerably enhanced.

Beyond that, a special emphasis should be placed on promoting regional public goods – for instance via the joint management of natural resources, pandemic prevention or support for adaptation to climate change. The Bank has a comparative advantage in overcoming collective action problems that prevent collaborative efforts by engaging its clients politically and providing the necessary financial support. We are therefore advocating for the Bank to play a more prominent role in the upcoming replenishment of the African Development Fund and within the context of the 7th General Capital Increase. This will also require building up the necessary skills and knowledge within the institution.

What are the challenges of creating an African integrated market? And what must African governments and institutions do to address them? What lessons can Africa learn from Europe with regard to regional integration?

Regional integration is a political task. National governments, regional economic communities and the continent at large need to build and foster the institutions and regulations that form the basis for successful integration. This will require not only time, effort, and money but also political will. Above all, it will be necessary to clarify and articulate shared objectives and joint regional priorities.

We should be conscious of the fact that integration always produces winners and losers both in regard to individual firms and to the state itself. As long as customs duties play a dominant role in mobilising resources, governments seeking to reduce tariffs will face strong challenges. Hence, domestic reforms are, at times, prerequisites on the path to regional integration. We should be aware – as the Bank clearly was in its 2018 Regional Integration Strategic Framework – of the impacts on different players within the economy. Steps must be taken to ensure that integration promotes an inclusive and diversified economic structure rather than benefiting established players one-sidedly and potentially creating jobless growth while undermining the competitive spirit of a market economy.

My continent integrated as a result of the historical tragedy of two World Wars. Learning from Europe means accepting compromises. Integration involves constant progress and occasional setbacks. I would like to encourage you all to tackle the challenges with a vision of the future. The vision of an integrated, inclusive and prosperous continent as laid out in Agenda 2063 should empower policymakers today to pursue the African continent's own process, however cumbersome it may seem. From the perspective of the European experience, I can only say, 'It takes perseverance, but it is worth it!' GD

MARIA FLACHSBARTH

Parliamentary State Secretary to the Federal Minister for Economic Cooperation and Development

Bio

Maria Flachsbarth is Parliamentary State Secretary to the Federal Minister for Economic Cooperation and Development. Her political career started in 2002 as a member of the German parliament. Recently, she served as Parliamentary State Secretary to the Federal Minister of Food and Agriculture between December 2013 and March 2018. Flachsbarth completed combined doctoral and postgraduate studies at the University of Veterinary Medicine (TiHo) and was also awarded a PhD in Veterinary Medicine in 1990.

GHANA

“The real question is: ‘How can Africa integrate and not why!’”

KENNETH OFORI-ATTA

Minister of Finance

Bio

Ken Ofori-Atta has been Ghana’s Finance Minister since January 2017. Ofori-Atta was the first African to be honoured as a Donaldson Fellow at Yale University in 2010, and was named a John Jay Fellow at Columbia University in 2011, and a Henry Crown Fellow of the Aspen Institute in 2000. He is co-founder of the Aspen Africa Leadership Initiative.
Ofori-Atta was also the first African to testify before the Ways and Means Committee of the US Congress to support the African Growth and Opportunity Act (AGOA) in 1999. He was twice honoured by PricewaterhouseCoopers Ghana as one of the Top 5 Most Respected CEOs in Ghana. Ofori-Atta’s hallmark book, Leadership, Entrepreneurship and Values, has been much acclaimed by young entrepreneurs. In May 2018, Ofori-Atta was adjudged best African Finance Minister of the year by the leading magazine, The Banker. Ofori-Atta is currently Chair of the Development Committee of the World Bank, the Africa Caucus, the Africa Capacity Building Foundation (ACBF) and Vice-Chairman of the G-24.

Is there any strategic imperative for regional integration?

It seems to me our forebears responded well to this by setting in motion the “African Project”, which found concrete expression in the formation of the Organisation of African Unity, its evolution into the African Union, and quite recently the ratification of the African Continental Free Trade Area.

If anything, and with abundant evidence from elsewhere, the issue rather concerns why we have not yet optimised the potential of integration for the benefit of our people. Our ecology, demography, security, and even history conspire to demand regional integration. So I am clear in my mind that it is not only strategic but even more critical now. Why is it currently critical? Africa is the continent of the future. Our population will be approximately 1.7 billion by 2030, almost the combined population of USA and China today! Consumer spending on the continent will reach $2.5 trillion in 2030, up from $1.4 trillion in 2015. Having a youthful and skilled population as well as a rising middle class could make Africa both the dominant workshop and an important demand market of the world. I see an integrated Africa as a unique vehicle to prepare and optimise this potential for African transformation. Therefore, the real question we must ask is how, and not why, we must integrate Africa now to maximise the benefits of integration for our people and global prosperity.

For me, the framework afforded us through economic integration needs to be pursued until realised. We know the value of institutional, infrastructural and information networks for achieving this on a continental scale.

We have to reinvigorate on-going attempts at the sub-regional level, since they provide useful bedrocks for continental integration. We must equally promote intra-African trade. This is at the heart of moving Ghana and Africa Beyond Aid and must inspire further collective efforts. Here, the momentum for the African Continental Free Trade Area, where Africa's market will have a combined GDP of $3.4 trillion, making us the largest free trade zone in the world, cannot be allowed to falter. Harmonised policies must ease entry barriers and costs of doing business in a manner that enhances the prospects of indigenous-driven regional integration. Aside from this market potential and policy coherence, one strategic imperative for African integration is the increased possibility to improve the security and conflict situation on this continent. It is my view that the promise of African transformation finds its chief anchor in integrating the continent.

What are the implications of regional integration?

We should first consider the consequences of remaining as isolated economies. The status quo aptly reflects the real implications for failing to appropriately integrate Africa. In an inclusive sustainable development era where the threats of climate change are real, the implications of regional integration cannot be ignored. We are witnesses to the devastating effects of typhoons Idai and Kenneth and the impressive response by the IMF before most member states could react. Without enhanced integration, our ability to leverage resources, which are mostly abundant and scarce at the same time in Africa, including human capital, and command policy space in a globalised setting remain diminished. I think we have seen enough of this side.

We must sustain the craving to see what is on the other side too – a politically and economically united Africa as Nkrumah foresaw. The most obvious implication is that our success through this opportunity will not only change the usual narrative about our continent, but crucially improve the very lives of our people. Besides that, regional integration can strengthen both the voices of small nations and their low bargaining power, as well as reduce their high negotiation costs in doing business with the rest of the world. We are at the junction of sustained global prosperity or disaster. By 2050, Africa will have a quarter of the world's population and the largest youthful population of some 30% of the projected 620 million youth. Integrating, especially through the effective establishment of the African Continental Free Trade Area, should develop the skills for jobs for tomorrow: the African Development Bank must lead this effort. We must not miss this chance.

What should be the Bank's leadership role in integration?

The African Development Bank is uniquely positioned to co-lead the African transformation agenda through integration. It has the experience and it has an enviable convening power. It does not suffer from the burden of political distrust as national governments and other comparable institutions of transnational nature do. Moreover, it has what everyone here needs - financial capacity. In Ghana's view, the Bank is right in identifying regional integration as one of the "High 5s" and committing some $10 billion annually for regional integration efforts.

The successful pursuit of the "High 5" priorities and effective delivery of its "Africa50 Fund" will integrate and transform the continent. Can the Bank do more? Well, of course, yes. The Bank should strengthen efforts at leveraging technology that leads to digitalisation and digital connectivity among African countries. The scope of some projects is so costly that national balance sheets alone may not make them viable. The Bank should lead efforts with other multilateral agencies and tier-1 countries to create innovative risk-sharing schemes to cascade in significant flows of over $40 billion private capital from the rich countries for the much needed infrastructure requirements of over $100 billion per year. Institutionalising arrangements for policy learning on African integration would also be very helpful. Certainly, the Bank has a leadership role to play and expectations to fulfil in advancing African integration. This calls for increased resources and political support. I urge member countries to re-double their efforts to pay up and to strongly support the Bank, our own African Bank, in its current drive to increase its capital. I am committed as Chair of the World Bank Development Committee to putting the African Development Bank on the path to becoming the largest provider of capital on the continent. As has been said "to bend the arc of history, we must succeed in Africa". May the good Lord grant the Bank the strength and courage to fulfil its duty.

Why do you think regional integration is necessary for Africa's development?

We have somewhat fragmented economies, so Africa's development necessarily requires regional integration. Why regional integration? First we identify it in terms of economies of scale, for example with regard to the Bank's financing, we are also gaining market share. Take the example of a simple transport project linking two or three African countries: I'll take the example of West Africa where production areas are landlocked on the borders of each country. And the fact that there is this road financed by the African Development Bank which allows people to leave areas of production to market areas. The most visible aspect of regional integration is political, since it is discussed in the African Union. From my point of view, it is also an economic issue. It is fundamental that the African Development Bank takes the lead in this sector to implement projects that bring countries together for production and consumption.

Take the example of Ghana and Côte d'Ivoire for cocoa production. If these two countries agree to harmonize production and development strategies, they can affect the world economy and become a melting pot for this sector. This will promote development not just in these countries, but in the sub-region as well.

Is there a nexus between the Bank's High 5s and regional integration?

If you look at the High 5s, they are the set of areas where action is required to get Africa out of its current situation. We have made a lot of progress, but when he presented this strategy, President Adesina garnered the enthusiasm of all African countries: that is a great first. The strategies adopted for these five areas of Bank action bring together all the concerns of African countries to develop. Take "Light Up Africa," for example: the problem of energy is crucial for Africa, especially at a time when we have important challenges, such as the environment, to be able to industrialize. The solutions, investments and strategies will contribute to Africa's industrialisation and development. With regard to "Feed Africa": Africa has an agricultural production deficit, which means that there are still pockets of poverty in several if not all countries. When you take the major challenges around integration, you have political instability for example, which can affect an entire sub-region; you have security issues, which cannot be solved by a single country, and you have a situation in which the synergy from all the countries concerned can make a difference. My country, for example, has been through a complex situation related to the Ebola virus. You saw how the disease affected three countries in the sub-region. Without the surge of solidarity to solve this problem, it would have taken on dramatic proportions and everyone would have been affected. So by coming together, we strengthen our capacity to resist and be resilient.

To meet Africa's growing needs, what void needs to be filled?

To fill a void, we must have the means, and they can only come from an increase in the Bank's capital. The Bank should be able to provide the solution it has advocated in its strategy and to do so, it must be given the means. What are these means? It has to start with the capital increase. For me, it is no longer a question of whether to increase the Bank's capital, but rather how much to increase. We have seen the scenarios and the implications of the increase, and especially its impact on the High 5s, on the African Union's Agenda 2063, on Africa's sustainable development. So for me, there is no longer any question. But let us try to see to what extent we can position the Bank so that it not only strengthens itself on the continent but also contributes to its effective development, to the continent of the future. GD

KANNY DIALLO

Minister of Planning and Economic Development

Resilience and Fragility Assessment

An innovative and effective tool

Seven new indicators, including regional dimension and climate change, will help measure States' resilience and fragility.

A significant advance and remarkable step forward! The development community has welcomed a new tool developed by the African Development Bank that takes into account the various pressures on countries and their abilities to address them.

Approved by the Bank's Board of Governors in September 2018, the Country Resilience and Fragility Assessment tool, or CRFA, guages the resilience and fragility of individual countries using seven cumulative components: political inclusiveness; security; justice; economic and social inclusion; social cohesion; regional contagion; and climate change.

Drawing from experiences in Libya, the Sahel and the Horn of Africa, the new tool makes the regional dimension a fully-fledged factor in the assessment.

"On analysis, it became clear that it is not possible to properly analyse resilience and fragility if the country is considered in isolation. By adding regional contagion to the factors that are already being used, the CRFA brings greater rigour and efficiency to the exercise," said Riadh Ben Messaoud, head analyst in the Transition States Co-ordination Office.

A powerful lever for dialogue with Regional Member Countries

For the African Development Bank, the CRFA is not just a resilience and fragility assessment tool. It is also a powerful lever for dialogue with regional member countries (RMCs). Applying CRFA to key Bank documents such as country strategies, and regional integration strategies, provides an excellent opportunity for constructive discussions between the Bank and African countries.

Bank staff, including country managers and country economists who are key actors in the dialogues between the Bank and RMCs, were trained to use the new tool in Lomé in May 2018, Banjul in July 2018, Bamako in October 2018, and Maputo in March 2019.

The integrated and cross cutting approach of the CRFA also brings added value to the Bank's operations by enabling it to gain a better understanding of fragility, even at its most challenging.

"We have demonstrated the relevance of this new tool by examining how to use it to produce the Bank's main documents and by testing it on the fictional republic of Wakanda. The results were edifying and attest to the CRFA's reliability and effectiveness. As Hervé Lohouès, Chief Economist for Central Africa and CRFA trainer pointed out, "That is why we invited all our colleagues to take ownership of it, at the various training sessions."

Since 2008, the African Development Bank has worked to support its RMCs in transition, by creating a special unit now called the Transition States Co-ordination Office.

Thanks to this new approach for countries in transition, the Bank has been able to provide an immediate response to emergencies such as the 2015 Ebola outbreak in West Africa, the 2017 famine in the Horn of Africa and to the Sahel Alliance, of which it is a founder member.

The High 5 Transformational Priorities

1 Light up & power Africa
2 Feed Africa
3 Industrialise Africa
4 Integrate Africa
5 Improve the quality of life for the people of Africa

Five priority actions for the African Development Bank and for Africa – is the African Development Bank's channel for focusing and scaling up its 2013-2022 Ten Year Strategy, to bring about the social and economic transformation of Africa. The High 5s are designed to deliver the twin objectives of the Ten Year Strategy: inclusive growth that is shared by all; and the gradual transition to green growth. The High 5s are: Light up and power Africa; Feed Africa; Industrialise Africa; Integrate Africa; Improve the quality of life for the people of Africa.

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What key interventions do you think Africa requires?

I believe that we are unanimous in accepting that the development process is characterised by a succession of problems, whose degree of difficulty demands the interventions that sometimes endanger the ecosystem. For Africa, where the scourge of poverty is a cause for concern, interventions to promote development should be targeted at sectors whose effects positively impact the lives of the poorest fringe and preserve the environment.

Integration is therefore of immeasurable importance because Africa's growth and development also needs to be strengthened and harmonised, ie the creation and provision of infrastructure (roads, ports, energy), a predictable and attractive regulatory framework, as well as the modernisation of its institutions.

What dimensions of regional integration will have the most relevant and powerful development impact?

The free movement of persons, goods and the right of establishment are important dimensions and their impacts are immediate. Associated with these dimensions is the effective implementation of the trade liberalisation scheme between countries.

What will be a key regionally integrated market?

Taking into account that the adoption of rules governing the integration process very often fail to be applied, laws regulating this process are in an embryonic phase. Thus, upholding standards contributes positively to effective implementation by the communities, for which the media occupies a central place.

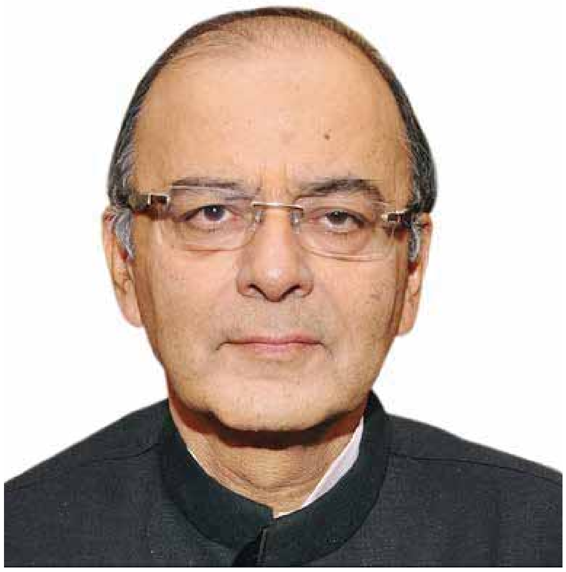
What should the overall impact of regional integration be based on?

The overall impact of integration should be based on strengthening the competitiveness of economic and financial activities within an open, competitive and harmonised legal environment.
At the same time it should allow for the establishment of a multilateral surveillance system to ensure the convergence of performance of key macroeconomic indicators and harmonisation of member countries' legislation. In particular the fiscal regime should ensure the proper functioning of the common market. GD

MUSSA SAMBI

General Director of Economics
Ministry of Finance and Economics

INDIA



ARUN JAITLEY

Minister of Finance and Corporate Affairs

Bio

Arun Jaitley is Union Minister of Finance and Corporate Affairs of Government of Republic of India. He is also Leader of House, Rajya Sabha (Upper House) in the Indian Parliament. As a Minister, he has pioneered the disinvestment programme in the country, helped usher in the new telecom policy, introduced biggest tax reform since independence i.e. Goods & Services Tax (GST) and brought about several legislative and judicial reforms. Mr. Jaitley has been Union Defence Minister twice, from May-November, 2014 & from March-September, 2017. As Defence Minister of the Union, he increased the potential of India's Armed Forces through technological and ammunition upgrades. He steered the landmark strategic partnership policy in Defence and approved measures for enhanced combat ability of Indian forces. He also steered the Indian negotiations at the WTO during the challenging days in the run-up to the crucial ministerial meeting at Cancun in 2003.

At a time when the world is facing pressure to retreat from globalisation, regional integration for development becomes an essential driver for overcoming barriers and harnessing complementarities across countries. It enables the sharing of resources and assets among economies, while it expands markets and opportunities. Regional integration is truly multi-dimensional, encompassing regional infrastructure, trade integration, productive integration, financial and macroeconomic integration, and the mobility of people, amongst many others. These dimensions, while being individual features of regional integration, also reinforce each other.

Importance in Africa

African countries span a diversity of economic and social configurations, and hence, regional integration is of particular relevance. It becomes even more relevant as the continent is not only home to some of the fastest growing economies in the world, but also to 34 of the 48 least developed countries in the world.

Africa is also home to several regional economic communities (RECs), which differ not only in composition, but also in their degree of integration. The East African Community (EAC) has made the most progress overall according to the Africa Regional Integration Index, largely due to its achievements in regional trade and the free movement of people. The Economic Community of West African States (ECOWAS) has similarly made good progress but has developed more in terms of financial and macroeconomic integration, given that eight of the 15 members of ECOWAS have a similar currency.

The small size, landlocked nature and fragile state of several African economies, in fact, creates a bigger case for regional integration, aimed at facilitating shared prosperity in a region characterised by heterogeneity and substantial disparity. The role of governments as well as the private sector is, therefore, essential in achieving this.

Perennial challenges

Amid all this, there are perennial challenges which need to be overcome. Most of Africa's countries have low per capita income levels and small populations, which result in small markets. Not only are most sub-Saharan Africa economies small and poor, but 15 are also landlocked – an important contributory factor to high trade transaction costs, and more generally, to the high costs of doing business in Africa.

Intra-African exports are far too low, accounting for about 14% of its total exports. In contrast, intra-NAFTA exports account for 50% of North America's total exports, while in the European Union the level is 59%. This also calls for the strengthening of regional value chains.

In addition to border controls, the transaction costs of trade remain high due to low per capita densities of rail and road. Furthermore, cost inefficiencies, and the lack of competition in air transport because of regulatory policies, result in high costs of air transport and travel.

Paradigm shift

However, there has been a paradigm shift in recent years. Africa's contribution to global exports has increased from 1.9% in 2001 to 2.4% in 2017. Today, Africa has positioned itself as an attractive destination for foreign investments, accounting for around 3% of the world's FDI flows. With a GDP of over $2 trillion, and a population of over one billion, Africa offers great market potential.

The African Continental Free Trade Agreement (AfCFTA) spanning 44 economies across the continent is a path-breaking initiative which could resolve many of the issues plaguing Africa. When implemented, the AfCFTA is projected to increase intra-African trade by 52.3% by 2022 from 2010 levels. The Agreement provides an exceptional opportunity for Africa to harmonise its continental trade environment and boost intra-African trade. The success of it, however, hinges on working on non-tariff barriers, rules of origin, investment and cross-border movement of persons, trade remedies, and facilitating services, among others. The spillovers of economic recovery, in the process, will be reflected in the welfare of the region.

There is no doubt that an integrated, prosperous Africa is a cherished dream for many, including India, which has been partnering with this vast continent with all sincerity and dedication across socio-economic projects over many years. Bilateral trade between Africa and India has increased from around $7 billion in 2001 to about $60 billion in 2017. According to the joint study conducted by the Exim Bank of India and the African Export-Import Bank, the value of bilateral trade potential between India and Africa is in excess of $42 billion.

To deepen the economic and political ties, a number of strategic initiatives, most notably "Focus Africa" was launched by the Government of India in 2002 to boost trade and investment between Africa and India, and the India-Africa Forum Summit (IAFS) was initiated in 2008. Other key drivers include the Government of India's Duty-Free Tariffs Preference Scheme for Least Developed Countries, launched in 2008, which has benefited 33 African countries. At the behest of the government, Exim Bank of India has also been extending credit lines to sovereign governments, including regional development banks, as development assistance. Some of these projects have benefited more than two countries, most notably the various power projects linking Côte d'Ivoire and Mali. The Government of India has also committed $10 billion for the continent and expects African nations to come forward to utilise the available lines of credit for regional projects.

In conclusion, I would like to reaffirm India's commitment to support and encourage African economies in pursuing their development objectives in the years to come and to grow together. GD

"There is no doubt that an integrated, prosperous Africa is a cherished dream for many, including India, which has been partnering with this vast continent with all sincerity and dedication across socio-economic projects over many years."

ITALY

GIOVANNI TRIA

Minister of the Economy and Finance

Bio

Giovanni Tria is the Italian Minister of Economy and Finance. An economist, he has been Dean of the Faculty of Economics, University of Rome "Tor Vergata", since 2017. He was President of the Italian National School of Public Administration, a director of the International Labour Office, member of the OECD Innovation Strategy Expert Advisory Group, and vice-chair of the Committee for Information, Computer and Communication Policy (ICCP). Giovanni Tria has a law degree from the University of Rome "La Sapienza", and is full professor of Political Economy, Faculty of Economics, in the University of Rome.

African countries have enjoyed significant economic growth in the past twenty years. However, real GDP, which rose by an average of 4.9% a year from 2000 through 2008, fell below the 3% mark in the more recent years of the global financial crisis and has only recently rebounded. In spite of larger forecasts of total growth, projections for the future show an annual growth rate of GDP per capita short of 1.5% per year, not enough to avoid a widening gap with the rest of the world economies. While telecommunications, banking, and retailing are flourishing, and construction is booming, much larger private investment inflows are needed to compensate for the rising levels of public debt, which might jeopardise debt sustainability in some countries. Leapfrogging with the new technologies offers new hopes for accelerating development. In order to improve the quality of life and reduce widespread poverty, however, Africa needs to cope successfully with the problem of providing good jobs in order to keep pace with the number of entrants in the labour force. In this respect, with the continent holding 65%of the world's remaining arable uncultivated land, agriculture appears to offer the best opportunities to expand productive employment. At the same time, the key challenge for development remains to support and skill Africa's young people, a population that will reach 1 billion by 2050.

The African Development Bank is a leading development partner and finance institution in Africa and can effectively support its regional member countries in addressing those challenges. However, the Bank should be selective and realistic about what it can and cannot do, and operate in effective co-ordination with the other multilateral institutions, as well as bilateral cooperation programs. Structural economic transformation and job creation represent top priorities, as well as addressing fragility and creating a more secure environment by strengthening institutions that provide essential public goods, which are key for private investment. Within this broad context, the Bank has a solid track record in building national, as well as regional infrastructure, in particular energy and transport. The Bank has also shown it can effectively address the special requirements of countries most in need, and intervene in fragile situations. The Bank has a role in fostering economic transformation and job creation, devoting more attention to the informal sector, small business and value chain productivity. In particular, the Bank can play an important role in upgrading the agro-industry value chain and processing, by supporting well designed projects and programs. This could be a formidable source of growth and employment.

In Africa, resilience to climate variability and change is vital to the region's ability to overcome poverty and protect the hard-earned development progress made in recent decades. Climate drivers are involved in most of the shocks that keep or push African households into poverty. At the same time, Africa needs rapidly to improve its access to modern energy, tapping as much as possible its vast repository of low-carbon sources. Africa's development, climate and environmental agendas are closely connected. Current patterns of development in the continent are often drawing down natural capital (e.g. land, forests, marine resources). This is not only making local communities more vulnerable to future climate change, but also jeopardising their present well-being and income opportunities. The funding needs to address climate change and improve environmental management are high in the region, and will increase as the impacts of climate change become more apparent in the coming years.

While economic development represents a common goal for the region, large differences exist in the performance and prospects of many African countries. Regional imbalances mainly depend on differences in demographic trends, natural resource endowments and political and cultural histories. In spite of the difficulties that they may create to weaker countries, they are also an opportunity to exploit complementarities and regional synergies, by pursuing institutional and economic integration. This policy is necessary to ensure a sustainable pattern of growth, an equitable distribution of the fruits of development and a full achievement of the gains from dynamic comparative advantage, capital and labour movement, innovation and trade. Integration is also necessary to achieve a higher level of political stability, by sharing institutions and pursuing common goals of socially inclusive and environmentally virtuous growth.

Even though millions of African residents face the challenge of daily survival, environmental issues cannot be considered a luxury. International capital flows are needed into the region for a variety of development goals, with a major objective being to fill the continent climate financing gap. Investment by the African Development Bank should be better co-ordinated with other IFIs as well as bilateral donors, and should be directed to priority areas, through programs and projects aimed at boosting the resilience the continent's assets, including its natural and its physical capital, as well as its human and social capital. Opportunities for scaling up low-carbon energy sources should be sought and exploited and adequate resources allocated to provide data, information, and decision-making tools for promoting climate-resilient development across sectors. GD

HENRY ROTICH

Cabinet Secretary of the National Treasury and Minister of Planning

Bio

Mr. Henry K. Rotich has been Cabinet Secretary for the National Treasury and Planning in Kenya since May 2013. He is also the Vice Chair of the Cabinet Committee for co-ordination and implementation of national government development programmes and projects. Mr. Rotich was previously the Head of Macroeconomics at the Ministry of Finance. Mr. Rotich holds a Master's Degree in Public Administration (MPA) from the Harvard Kennedy School, Harvard University, USA, and a Master's Degree in Economics and a Bachelor's Degree in Economics, from University of Nairobi, Kenya.

From Kenya's perspective, is integration essential for Africa's development? If so, why?

Integration is essential for Africa's development because it creates larger markets that benefit from economies of scale, benefiting countries directly through trade instead of relying on aid for development. However, we have a responsibility to be acutely aware of environmental issues. This is especially so for our region and the Horn of Africa, which has experienced severe droughts and other climate-change related challenges such as insecurity and attendant grinding poverty. In process of exploiting resources to create wealth and development, we must take environmental issues very seriously. The Bank continues to play an important role in supporting regional member countries to overcome a number of environmental challenges through the provision of knowledge, expertise and financial resources.

A sustainable environment can only be achieved through the joint management of trans-boundary natural resources such as forests, water bodies (oceans, rivers and lakes) and monitoring of adverse climatic events. Additionally, all development projects being pursued should continue to be strictly compliant with global environmental safeguards systems and other best practices.

How can green growth play a role in Africa's socio-economic transformation?

Green growth plays an important role in Africa socio-economic transformation by enabling the use of renewable resources for the benefit of transforming economies while exerting minimal adverse impacts on the environment across generations. I am proud that Kenya is a leader in the development of renewable energy, mainly in the forms of geothermal, wind and hydro, which cumulatively account for about 80% of the country's energy mix. I am glad that the development of these resources was in partnership with the African Development

Bank and we look forward to accomplishing even more together.

What dimensions of regional integration will have the most relevant and powerful development impact?

The creation of regional hard infrastructure such as roads, railways, regional power pools, telecommunications and financial services among others that make the increased movement across borders of goods, services and people possible. The hard infrastructure should be accompanied by appropriate trade and economic protocols such as customs union arrangements. This is why our country supports the progress of the protocols under the regional economic communities as well as the AfCFTA to realise this dream. I am glad that the Bank has invested heavily in hard infrastructure in our region and we are now seeing much more progress in regional integration and trade by road, for instance between Kenya and Ethiopia.

The main challenge is the poor infrastructure which limits the movement of goods, services and people. There are other challenges to overcome, such as mistrust among partners. The asymmetric levels of development among countries that are integrating also poses another challenge which requires political good will. Overall, countries should be allowed to transition at their own pace during integration.

Negotiation and creation of mutual trust are also key in realising the integration goals.

What can Africa learn from Europe's regional integration experience?

One key lesson that African countries can learn from EU integration is the creation of large markets for goods and services. African countries should endeavour to trade amongst themselves before initiating trade with other regions. The continental Open Visa index is a feasible endeavour which we fully support under the auspices of the African Union's continental free trade area for the free movement of people, which is critical for trade.

What role should communication play in the successful implementation of Africa's integration strategy and policy?

Communication is a vital tool that helps to make regional integration easier through popular awareness of the implementation stages. Without effective communication, the strategy and policy will be challenged during implementation. For instance, most trade protocols are well articulated on paper but these must be communicated to every customs official at the border to ensure that disruptive non-trade barriers are not imposed. We urge the Bank to continue supporting the development of one stop border posts while building capacity among the officials operating them.

We need development partners to support capacity building and the financing of infrastructure that enables Africa to realise the long elusive dream of integration to uplift the lives of our people.

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LIBERIA

SAMUEL D. TWEAH JR

Minister of Finance and Development Planning

Has the focus on regional integration been strong enough?

African integration has to have stronger co-ordination and be a bigger focus for countries. I think the Heads of State have achieved a lot and we can do a little bit more, either at the regional or at the continental level. At the African Union level, some good progress has been made. Most of the countries have already ratified the Continental Free Trade Area. In ECOWAS, substantial progress has been made on the currency front. On the common external tariff front, liberalization is also taking place. Substantial progress is happening. I think we just need a little bit more of a push at the political level to achieve this.

Other regions have had challenges with integration. Are there lessons to take away?

Yes! That's the reason why African integration can work and should work because Europe – the Eurozone area – has copious lessons for all of us. We've already seen the benefits in the euro. But we've also seen the challenges. We will not have to replicate the failures. All we need to do is copy the successes and tailor them to an African context.

Regional integration is the way Africa needs to go because through trade we can achieve development. So this requires integration of infrastructure, integration of trade, and an optimal currency area. We already know the benefits of a combined currency, in the form of low inflation. We see that in the CFA zone. I think that integration is Africa's future and we are very proud that the African Development Bank is championing regional integration.

Concerns have been raised about the cost of clean energy for resource-challenged countries. What potential impacts can regional integration have on bringing down costs?

That's a good question. The fact is, on multiple levels, if countries are integrated, the costs of business go down, barriers to trade are eliminated, environmental safeguards are strengthened, and the opportunities to work better together, are enhanced through integration. We already know of studies that show that regional integration is much better for trade and for economic development, and private sector development. We can achieve this better when countries work together regionally.

Do you think that green growth can play a role in Africa's socio-economic transformation?

Green growth is indispensable to Africa's economies. For example, we can leverage green climate funds to leapfrog in a lot of ways. Many African countries are struggling with infrastructure financing and we can tap into the whole green growth opportunity to close the infrastructure gap, to achieve private sector growth. I think this is where Africa has to go. For agriculture we have seen some shocks quite recently in Africa. Green growth is the future of Africa and I'm glad the Bank is supporting this.

Canada recently provided the African Development Bank with $1.1 billion in temporary callable capital. Why was this important?

I think the announcement by Canada of $1.1 billion in temporary callable capital is wonderful. It's good news for the Bank's AAA-rating. It's also going to give the momentum needed during discussions on the Bank's General Capital Increase, which Africa needs in order to make a bigger impact on development and the lives of the people of Africa. Without a General Capital Increase, the Bank's presence and development impact, given the needs, will be marginal.

How would you assess the work of the African Development Bank? What can the African Development Bank do better in order to serve your country?

The African Development Bank needs more resources, definitely, to serve countries better. But there can also be some improvements in the ability to deliver infrastructure, agriculture, and human capital development. Countries now are trying to leapfrog, to use the digital frontier. The African Development Bank can pay attention to the digital economy, where there have been tremendous possibilities. So the Bank is doing well across the continent, but with more resources, we can do more. We need to deliver more effectively and efficiently across countries. GD

LUXEMBOURG

PIERRE GRAMEGNA

Minister of Finance

Bio

Pierre Gramegna became Minister of Finance on December 4, 2013 and initiated major reforms to balance the national budget and to align Luxembourg's tax rules with international transparency standards. In 2015, he became the Chair of the ECOFIN Council of the European Union during the Luxembourg Presidency. In 2003, he was the Director-General of the Chamber of Commerce. In 1983, Gramegna joined the Ministry of Foreign Affairs. From 1996 to 2002, he served as Luxembourg's ambassador to Japan and South Korea and was subsequently responsible for the Directorate of International Economic Relations at the Ministry of Foreign Affairs. Prior to joining the government, he was also a member of the executive board of several companies, including Cargolux Airlines International and the Luxembourg Stock Exchange. Gramegna studied law and economics at the Université Panthéon-Assas in Paris, and also earned a postgraduate diploma of advanced studies in European Union law.

This year, the Annual Meetings of the African Development Bank Group will focus on regional integration. It comes at a defining moment, amid growing calls for national priorities and protectionism.

Representing a small country embedded in the heart of Europe, I can attest to the great benefits of international cooperation. Luxembourg has benefited from increasingly close European integration at many levels: political, economic, social and even cultural. As a founding member in 1957 of the organisation now known as the European Union, Luxembourg has seen its open economy flourish, thanks to the opportunities provided by a much larger market, allowing the free movement of goods, services, capital and labour. Luxembourg exports more than 85% of its production, of which 87% currently goes to other EU countries. From an initial currency union with Belgium, Luxembourg is now part of the 19-member euro zone, yielding benefits in economic and monetary power. For the first time in its history, Luxembourg now has its own central bank as part of the European Central Bank system. The abolition of internal borders in a 26-country area named after Schengen, a small village in Luxembourg, has made travel for European citizens and visitors alike much easier. Being part of a larger regulatory space also gives each member state greater leverage on global standards for environmental protection, food safety regulations, and digital rights to privacy, to name but a few.

It is not surprising that Luxembourg is a strong proponent of closer regional integration. I am convinced that better integration of the African continent will also yield substantial benefits. I wholeheartedly support regional integration

as one of the High 5s set by President Adesina for the Bank's work, and welcome the growing number of projects financed by the Bank to advance this agenda.

When it comes to physical connectivity, the recent inauguration of the new bridge over the Gambia River between Senegal and The Gambia, and the progress on the new road corridor between Ouagadougou and the port of Lomé, are excellent examples. As our European experience has shown, physical connectivity (the 'hardware') is only part of the solution 'Software' is also needed to complement it, e.g. streamlining customs procedures, cutting red tape, and harmonising standards, among others. It is here that efforts by regional economic organisations such as the Economic Communities of West African States and Central African States have an important role to play, both for trade facilitation and cross-border markets development. Here again, I welcome the Bank's strong commitment to working with these and other regional organisations across the continent.

The monetary and fiscal space is one area of regional integration that is close to my heart as Finance Minister. I follow with great interest the existing regional monetary unions, such as the Common Monetary Area in Southern Africa, or Western Africa and Central Africa CFA area initiatives. At the same time, the drive towards greater financial integration goes beyond degrees of monetary union. It is also important to deepen capital markets as a reliable source of financing for the real economy, coupled with cross-border economic and regulatory harmonisation. I applaud the Bank's work to develop local currency bonds, and to help create efficient equity markets to supplement bank lending. Understanding that the availability of concessional funding is one of the constraints in this area, Luxembourg made a contribution to the Bank's proposed Capital Markets Development Multi-Donor Trust Fund back in 2016. Unfortunately, it has taken a long time for this trust fund to become operational, and we therefore appeal to the Bank to make a better case for further donor support in this crucial aspect of financial sector development.

Another area where I think that further integration holds great promise for African countries is the collaboration between stock exchanges. Foreign investors often point to small national stock markets, deficiencies in underlying regulatory systems and the absence of liquidity as major impediments to investment in the region. One solution is to regroup these smaller national exchanges in regional exchanges; another is to link with stock exchanges beyond the continent. In the case of Luxembourg, such linking would be especially pertinent since in 2016 the Luxembourg Stock Exchange launched a dedicated platform for green, social and sustainable securities that currently lists over half of the world's green bonds. In addition to national governments and multilateral development banks such as the African Development Bank, increasing numbers of private investors list on the Luxembourg Stock Exchange to finance mitigation and adaptation measures, and develop renewable energy infrastructure, etc. Co-listing would, for example, mean that a wider pool of capital would be available for African investors to tackle climate change, the great challenge of the future.

In conclusion, I emphasise the need for the African Development Bank to push further for regional integration on the continent in order to reap the demonstrable benefits that have accrued to countries in other regions that have followed a similar path. GD

Special agro-industrial processing zones: turning African countries into net exporters of food

Africa possesses two thirds of the world's arable land. More than 60% of the population works in agriculture. Yet the agricultural sector accounts for only 16.5% of Africa's GDP, due to insufficient modernisation and low productivity. The continent spent $64.5 billion on food imports in 2017.

However, the situation is not irreversible. The African Development Bank has taken the initiative of creating special agro-industrial processing zones (SAPZs), intended to turn underserved rural areas into economic zones of prosperity, lay the foundations for agro-industrialisation, help African countries become net exporters of processed foods, and lift millions of Africans out of poverty.

The SAPZs will create new markets for farmers' produce and raw materials, which will become centres for processed and finished value-added products. The SAPZs also include agricultural transformation centres, which are aggregation

points closer to surrounding villages and which will reduce post-harvest losses and integrate agricultural value chains with supportive logistics, such as warehousing and cold chains.

The Bank is investing to develop the SAPZs in several African countries: Togo will receive $28 million through the Togo Agro-Food Processing Zone Project (PTA-Togo); in Ethiopia, the Bank with other partners (Korea Exim Bank, the EU, and Big Win Philanthropy) are supporting four integrated agro-industrial parks with an estimated sum of $100 million.

Plans are also under way to develop the SAPZs in 15 countries in the next 5 years, including Ethiopia, Botswana, Tanzania, Uganda, Zambia, Guinea, Burkina Faso, Madagascar, Cote d'Ivoire, Senegal, Togo, Nigeria and Mozambique. Africa must create enough jobs for the over 800 million young people projected to be looking for jobs in the continent by 2040 – processing what Africa produces through SAPZs will be one means of job creation.

The development of agribusiness, one of the priorities in the African Development Bank's "Feed Africa" strategy, will respond to the many challenges in job creation, nutrition, rural development, market access and competitiveness.

Bank President Adesina has explained, "I am convinced that SAPZs will help create new economic zones in rural areas, which will help hundreds of millions of people out of poverty through agriculture transformed into a viable, profitable business.

"These zones will be operated separately and managed with the goal of supplying the agro-food industry and other agriculture-related sectors. They will have the right policies and infrastructure, such as roads, railways, systems to manage waste, ports, energy, irrigation and ICT. This will reduce the costs of doing business for enterprises. These zones could even receive public subsidies."

Prior to the initiative, the African Development Bank organised a seminar in 2018 in Tunis, "Enhancing Knowledge on the Challenges and Opportunities of Developing and Implementing Staple Crop Processing Zones in Africa." This seminar aimed to explore the contribution of SAPZs to socio-economic development objectives in Africa, particularly through the development of African agribusiness.

The seminar had four priorities: develop national master plans for the agribusiness sector; facilitate the conclusion of South-South cooperation agreements with a view to using knowledge by exporting and adapting best practices; establish innovative, context-appropriate public-private partnerships, and stimulate the formation of job-creating agribusinesses that promote strong and inclusive growth in Africa. GD

Technologies for African Agricultural Transformation

Breaking down boundaries

Africa's agricultural sector accounts for more than 60% of employment in Africa, but the continent remains a net importer of food. The African Development Bank's Technologies for African Agricultural Transformation initiative - also known as TAAT - aims to modernise the business of agriculture across Africa. We asked Dr. Martin Fregene, Bank Director for agriculture and agro-Industry, what makes TAAT tick.

Why is TAAT needed?

Today, approximately 160 million African adults don't get enough food to eat and 40 percent of African children are stunted or too short for their height and are underweight. The Technologies for African Agricultural Transformation (TAAT) program sets out to correct this problem of not producing enough food at the right price for rural and urban populations. TAAT approaches the need for agricultural transformation in Africa in four ways:

One approach is technology. Technology improves seeds, fertiliser or the agro-chemicals that help farmers make a decent return on their investments.

The second is policies. Seeds, for example, have to be approved for use in a certain way and be certified for them to sold to farmers. Seed laws are meant to punish people who cut corners, but they can prevent technology from being easily shared across national borders, becoming an impediment to the free flow of food production technologies. Seed laws for a hybrid rice released for use in Senegal may not be available in Nigeria due to the lack of harmonisation of national seed laws with existing regional laws. TAAT works with regional organisations to harmonise seed varieties' release and technology registration so these agricultural technologies can be shared and benefit more lives.

The third is to fund the production of early generations of seeds– known as pre-basic and basic seed, for any new varieties, such as drought-tolerant maize, high-yield rice, heat-tolerant wheat, etc and then to give these to seed companies or community seed producers to generate enough seeds to reach millions of farmers.

The fourth is the development of supply chains, identifying the seed companies or the technology producers, and the wholesalers and agro-dealers, the last links of the chain to the farmers, who need to be trained in using the technologies.

Tell us about a TAAT initiative of which you are particularly proud.

I will choose the drought tolerant maize. All across Africa, the El Nino phenomenon has had a severe impact on agriculture and food security, causing huge yield losses for small farmers who can't afford irrigation. Drought-resistant seeds are available but not all farmers can get access to them.

With TAAT, we worked with the African Agricultural Technology Foundation, which has a long history of licensing technology from outside Africa to seed companies in Africa. The Bank's agreement with AATF resulted in licensing 30 drought-tolerant maize varieties to more than a dozen national and smaller seed companies. Next, those seed companies were able to produce 20,000 tons of seeds that were distributed to African farmers in about ten countries. We are looking at three million African farmers getting seeds in a single season. That, to me, is a real achievement.

At the individual farmer level, there is a personal story of how TAAT is affecting the livelihoods of smallholder rice farmers in Mali. Madame Ouattara, a widow and member of an association of 57 farmers in Mali, has used the Urea Deep Placement technology deployed by the Soil Fertility Compact of TAAT to triple her yield of rice on her one acre plot, changing her life and that of her family from food insufficiency to having a surplus to sell. The factors for success in Madame Outtara's case highlights what TAAT is about: supply of high quality certified seeds of a market-preferred improved rice variety from outgrowers trained by Africa Rice, unadulterated fertiliser from an IFDC-certified agro-dealer, training provided by IFDC on the deep placement technology working through the local government extension office to provide continuous advice. TAAT is about building supply chains of top quality inputs, training of farmers, market access and improved livelihoods of rural farmers

How will TAAT help to feed Africa?

TAAT technological assistance can double agricultural production, therefore doubling the amount of food on the market. The increase in supply meeting demand makes food more

affordable. Productivity is a driver of profitability in the value chain. If I am a farmer and I produce more rice, I can put more rice on the market. TAAT aims to progress quickly and ensure that suppliers get a fair price.

TAAT doubles production by bringing in experts, such as seed companies using proven technologies, whose business it is to deliver that technology to farmers. Those who deliver have to know and understand the farmers, as well as to work with governments. TAAT will help to feed Africa by addressing the policy differences that are restraining the use of technologies across borders.

What's the impact of TAAT beyond Africa?

Africa used to be net exporter of food in the 1960s because we produced more food than we ate. We used to export grains, groundnuts, palm oil and many other food crops. Now, Africa's population is growing much faster and we are importing more food than we produce. But if we produce enough for ourselves, we can then cultivate global markets, and produce livestock and grains. China has an insatiable appetite and demand for meat – they need soybeans and maize to feed these animals. So there is a huge market potential for African grain production.

Additionally, many seed companies are always looking for new markets. When European and other companies realise what the Bank's TAAT initiative is achieving and what it could still achieve, their interest will be intense. "These African farmers are going to be using all these technologies? We want to be part of it," they say. So the seed companies want to come to Africa, set up shop on Africa's agricultural land to grow new varieties of seeds - and then sell the seeds to Africa and to the rest of the world. GD

Dr. Martin Fregene

Technologies for African Agricultural Transformation

What aspects of regional integration will have the most potent impact on Madagascar's development?

The facilitation of regional trade and infrastructure development are the most relevant and powerful factors enabling the development of Africa. The facilitation of regional trade increases a country's export market share, even though this requires improvements in productivity and competitiveness in order to increase production and exports by investing in sectors with more comparative advantages. The most obvious of these for Madagascar are agribusiness and the textiles industry. In addition, investment in strategic projects, roads, ports and airports contributes to the flow of goods and the free flow of trade. Thinking about COMESA, for example, investments could be made through partnerships with countries that have strong economies such as Egypt or Mauritius. These different aspects of investment can lead to job creation and economic growth. Funding from financial backers, such as the African Development Bank, is indispensable for such investments.

Integration is therefore, without a doubt, essential for the development of Africa: it makes it possible to improve the continent's competitiveness thanks to the quality of institutions, infrastructure, macroeconomic policies, education and the adoption of technology, among other things.
It also makes it possible to facilitate inter-African and global trade by simplifying and streamlining import/export procedures, making them more transparent, using ICT technologies and improved infrastructure. Integration improves foreign trade by increasing exports and new markets, building appropriate and effective infrastructure that leads to greater productivity in manufacturing goods and providing services, and improved health and education for a more equitable distribution of national wealth. Finally, integration drives investment in centres of economic growth by promoting investments and encouraging the transfer of skills and new technologies among African countries.

What challenges are posed by the creation of an integrated African market? What should African institutions and governments do to meet them?

The creation of an integrated African market will help the continent to grow its productive capacity and competitiveness, diversify its economic base, and create jobs, all of which will help reduce unemployment and poverty. Institutions and governments need to strengthen the quality of infrastructure,

macroeconomic and structural policies, and the institutions themselves. They also need to facilitate trade between states while specialising in the production of goods with a high comparative advantage and, finally, develop better infrastructure, particularly in transport and communications.

What must regional integration pay heed to most and what lessons do other regions provide?

The European experience is based on three main points: the support of its citizens, engagement with political will and leadership and, lastly, the identification of strategic choices and policies to implement. For the EU, regional integration is a political process (opening up markets, common trade policy, common currency, and joint foreign policies) for which national sovereignty sometimes has to be shared. Come what may, integration has to promote the general good and not juxtapose national interests.

Regional integration constructed on the basis of common institutional and financial policies is not sufficient. It is essential to secure the support of the public, because citizens have to be convinced by the process and the technical aspects, which then keep the pace: communications networks, roads, trade, etc.

Is the Bank's 10-year strategy and its High 5 priorities working for Africa?

The African Development Bank's Ten-Year Strategy has two central objectives: inclusive growth and the transition to green growth. In this regard, the Bank's five operational priorities (the High 5s) to improve the quality of growth in Africa have to do with the development of infrastructure, regional economic integration, the development of the private sector, governance and accountability, as well as skills and technologies. The Bank has an important role in regional integration because it can act as a financial catalyst, transfer knowledge and be an experienced adviser and partner. Thereby, it can contribute to financing investment and social projects that promote inclusive growth and economic integration. GD

RICHARD J. RANDRIAMANDRATO

Minister of the Economy and Finance

Bio

A specialist in international politics and regional and continental integration, Richard J. Randriamandrato holds degrees in political science and international relations from the Institute of Political Studies of Aix-en-Provence and the Free University of Brussels. He has over 25 years of experience in project management and development programming, including working in expert or co-ordinator roles at UNDP, the International Labour Organization, the World Bank and UNCTAD. In 1998, he was appointed Chief of Staff at the Foreign Ministry before joining COMESA as Director of Strategic Planning and Research, from 2001 to 2009. Before his appointment to the government in 2019, Randriamandrato was a special adviser to the Prime Minister.

MOROCCO

"We have signed 1,000 partnership conventions."

MOHAMED BENCHAABOUN

Minister of the Economy and Finance

Bio

Mohamed Benchaaboun was appointed Minister of Economy and Finance in August 2018. A graduate of the École Nationale Supérieure des Télécommunications (Télécom ParisTech) in Paris, Benchaaboun became Director of the Administration des Douanes et Impôts Indirects (customs office) in 1996, coordinating cross-cutting projects. Three years later, he took on the role of deputy CEO at the Banque Centrale Populaire. In September 2003, King Mohammed VI appointed Benchaaboun to the post of Director-General of the Agence Nationale de Réglementation des Télécommunications (national telecommunications regulatory body). In 2008, he became the CEO of the Banque Centrale Populaire. Benchaaboun has also held a number of high-level positions in the private sector, including at the telecommunications company, Alcatel Alsthom in Morocco. An active member of associations and institutional groups, he was President of the Confédération internationale des banques populaires from 2012 until 2015, and President of the Réseau Francophone de régulation des télécommunications (network of French-speaking telecomm regulators) from 2005 until 2006.

The second edition of the Governors' Digest, on the theme of "African integration," presents an opportunity to highlight the exemplary partnership between Morocco and the Bank. Our aim is to inform readers of the efforts of Morocco towards achieving one of the five major priorities of the Bank: Integrate Africa.

The Kingdom of Morocco, under the visionary leadership of King Mohammed VI, has made African integration one of its central priorities, approaching it as a strategic choice for the country and the continent.

The African integration of Morocco draws inspiration from the principles of South-South cooperation in all spheres, including economic, cultural, social and historical. It is part of the Kingdom's broader vision to promote human development and establish equitable, just, fair and sustainable economic relations with the friendly and fraternal countries of Africa.

The people of Africa are not reaping the full benefit of Africa's vast potential, and intra-African trade remains low (under 15% compared to 59% for the EU). In that context, the Kingdom of Morocco sees regional integration as the main avenue for supporting conditions favourable to an economic resurgence in Africa. The goal is to substantially improve the living standards of African citizens, in particular young people and women, thus enabling them to enjoy the wealth and opportunities that the continent has to offer.

With regard to foreign direct investment, Africa receives just 3% of investments from the rest of the world and accounts for a modest 3.4% of global exports.

The creation and implementation of an intercontinental free trade area is one of the principal challenges for African countries to tackle in the coming years. Establishing the free trade area would provide African companies with much needed room for growth and usher in shared prosperity, enabling them to be progressively integrated into global value chains.

In addition, regional trade integration could promote considerable opportunities for investment in the continent.

Morocco has successfully put in place a wide range of protocols and conventions to help lay the foundations of South-South cooperation, prioritising shared human prosperity above all else.

The purpose of this broad and diverse legal framework is to lay the groundwork to attract investment and to boost joint development projects in multiple sectors, in particular energy, agriculture, manufacturing and financial services.

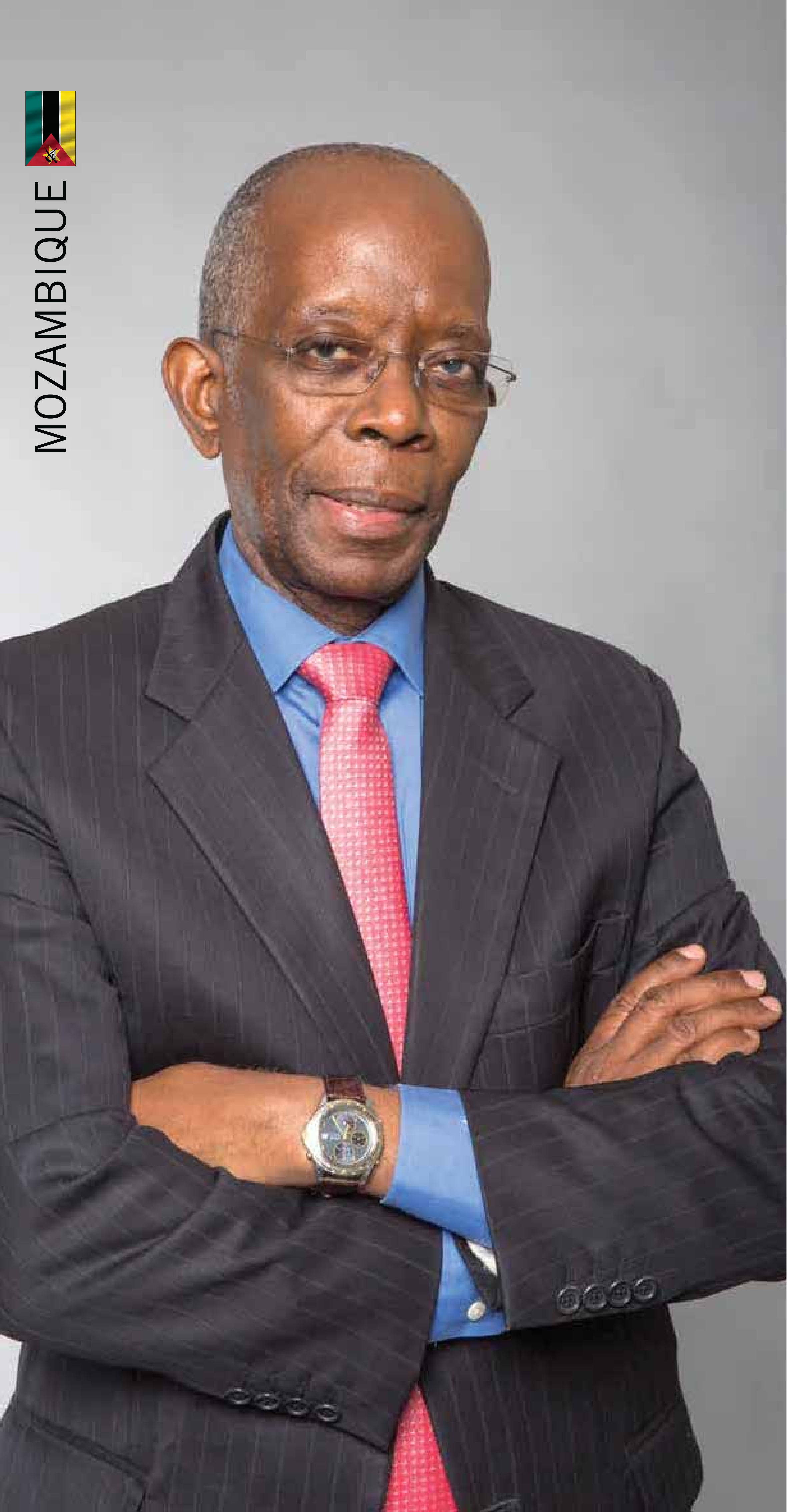
Quantitative and qualitative improvements in trade and investment with other African countries will position Morocco as a driver of economic development in the form of win-win partnerships across the continent.

Morocco has signed over 1,000 partnership conventions with multiple African countries, including 25 agreements relating to investment protections and 18 agreements to end double taxation. A number of additional agreements in a variety of spheres of cooperation are intended to establish a legal and institutional framework for the promotion of economic relations and to equip African companies with the tools and protections they require in order to act as a vehicle for regional development.

The win-win nature of Morocco's partnerships with other African countries is also discernible in the growing number of Moroccan companies operating in a range of sectors across Africa; in Morocco's position as the second-largest African investor in Africa (about $3 billion in the past 10 years); in its strong exports to other African countries; and in the Casablanca Finance City (CFC) initiative to create a regional hub for attracting foreign investors and financial institutions, such as the Africa50 Fund, headquartered in Casablanca.

The emerging African economy continues to depend on economic integration, including through harnessing intraregional synergies and existing instances of complementarity in key areas, and through taking advantage of development opportunities created by new technologies and the green economy.
To that end, Morocco invites African countries to work together in fulfilment of their shared commitments to building an African future characterd by an improved quality of life for its populations.

The support of our pan-African institution for African integration remains fundamental if all African countries are to take ownership of a process likely to increase intra-African trade, create a more attractive environment for investment and establish a new African development dynamic driven by green and inclusive growth and capable of creating jobs, in particular for our young people. GD



ADRIANO AFONSO MALEIANE

Minister of Finance, Budget and Development Planning

What is Mozambique doing to advance Africa's regional integration agenda?

Mozambique is committed to serving those countries that do not have access to the sea. We develop corridors to look after our neighbors, and that is precisely why all our investments have to consider the economic development of the countries we serve. At the moment, we have two development corridors, one in the south near Maputo, and another in the center around Beira. We are developing the northern corridor, which links cities in one of our most important agricultural provinces. Then we are building roads and railways to link the entire north and we are sure that, after we finish that, we will link to Malawi and, after that, as far as Tanzania in the north.

Only 20 percent of African trade is internal. What must Africa do to expand that?

We have a lot to do, beginning with certain products. For example, in the field of agriculture, where we can produce at scale. The economy of scale is important in making us relevant in the world. If we join forces and invest to increase quantity, we will make a difference in international trade.

How can the Bank ensure that it expands its programmes?

The Bank is in a position to do a lot. I can already see a big change in the way it operates. There has been a huge drive for the inclusion of members of the Bank. For example, the Bank is making efforts to work more closely with Portuguese-speaking countries. The Bank took the initiative to create a pact for the Community of Portuguese Language Countries. This is a very important step.

We all support the goal of transforming Africa, one of the High 5 priorities, which requires substantial investment. That is why we are supporting calls for a general capital increase for the Bank.

Quais esforços estão sendo feitos pelo seu governo para avançar na agenda de integração regional da África?

Nós somos um ... Moçambique, em particular, é um país que, por vocação, tem que servir os países que estão sem acesso ao mar. Então, nós desenvolvemos corredores mais a olhar para os nossos vizinhos, e é por isso mesmo que todos os investimentos que nós fazemos temos que também olhar para o desenvolvimento econômico dos países que nós servimos. E é esse o trabalho que nós estamos a desenvolver. Neste momento, nós temos dois projetos, dois corredores de desenvolvimento que é Sul, Maputo, depois no centro, na Beira. Estamos a desenvolver o corredor do Norte, que pega um dos ...uma das províncias mais importantes em termos de extensão e capacidade potencial para agricultura, que não estavam ligados. Então, estamos a fazer estradas, linhas férreas... que é para ligar todo o Norte e estamos seguros que, depois de concluir, estaremos a ligar Maláui e depois até Tanzânia no Norte.

Apenas 20% do comércio Africano é interno. O que a África deve fazer para ampliar o comércio interno?

É... muito, e aproveitando essa integração, mas nós temos que começar a selecionar alguns produtos, por exemplo, na área de agricultura, que possamos produzir em escala. Portanto, a economia de escala conta muito para sermos relevantes no mundo. E, por exemplo, nós temos citrinos, que é muito importante, o algodão... Tudo isso se nós, dentro da integração, conseguirmos fazer uma espécie de associação de países para esses produtos, nós podemos fazer a diferença no mundo. E é isso que temos que fazer. Cada país sozinho é irrelevante em um comércio internacional, mas se começarmos a fazer uma junção de forças e investir para aumento de quantidade, isso já faz alguma diferença no comércio internacional. Portanto, temos a possibilidade de fazer essa diferença e depois estamos a sempre a anunciar investimento para emissão de produtos primários.

Quão significativo é aumento de capital geral para o Banco em um momento de aumento de demanda? O que o Banco deve fazer para garantir que tenha capacidade de efetivamente utilizar recursos adicionais?

Bom, é... O Banco está a fazer muito. Eu noto uma grande mudança. Há todo um esforço muito grande de inclusão no Banco, dos membros. Eu, por exemplo, eu sou de países falantes da língua Portuguesa. Até aqui nós não tínhamos um programa específico. O Banco tomou a iniciativa de criar um compacto para a CPLP. E isso é um ponto muito importante. Depois, toda essa questão de reforma na gestão de recursos humanos. Mas o que eu queria dizer é que este Banco tem estado sistematicamente na ... classificado com nível AAA que é o top. E isso não se consegue de qualquer forma. Depois como uma coisa interessante, que essa classificação é quase de quatro empresas que classificam. Então o banco é bom. E a esta high-5, que nós concordamos todos, que precisa de muito dinheiro, muito dinheiro... Para fazer transformar a África vai ser preciso bastante. Então, esse aumento de capital é por isso que nós apoiamos.

THE NETHERLANDS

SIGRID KAAG

Minister for Foreign Trade and Development Cooperation

Bio

Sigrid Kaag started her career with Shell International in London and the UN Political Affairs Section of the Ministry of Foreign Affairs. She subsequently held a series of international positions: Programme Manager and Head of Donor Relations at the United Nations Relief and Works Agency in Jerusalem, International Organization for Migration in Geneva. Mrs Kaag also served as senior UN adviser in Khartoum and Nairobi. She continued her career at UNICEF, where she held various positions in New York and Amman. Mrs Kaag then served as Assistant Secretary-General for the UN Development Programme in New York. Mrs Kaag, as UN Under-Secretary-General, led the mission to eliminate chemical weapons in Syria. She then became Under-Secretary-General in Lebanon with responsibility for all UN activities in the country, specifically the implementation of UN Security Council Resolution 1701. In 2015 she received an honorary doctorate from the University of Exeter. She was awarded the Carnegie Wateler Peace Prize in 2016 in recognition of her efforts and the results of her work in the Middle East.

Turning Africa's youth bulge into a demographic dividend

Unleashing the potential of Africa's young population is one of the most important development challenges of our time. The continent's youth deserves the prospect of a future with work, education and safety. They deserve access to vocational training, healthcare and technology. Africa has the potential to turn its youth bulge into a demographic dividend but needs also to create jobs at a much faster rate. Regional and infrastructural integration are essential but focusing on the integration of young women and men will make the real difference and speed up these processes.

We must facilitate labor mobility and invest in human capital among young people by improving education. Education is central and needs to benefit both girls and boys. Too often access to education is not available for girls, and too often their potential is not sufficiently recognised. Ensuring education for all, especially girls, is also in line with the Global Agenda for 2030 - the UN's Sustainable Development Goals (SDGs).

Fortunately, the number of African boys and girls receiving education is increasing, and we must ensure that by the time they leave school their skills match the demands of the labour market. Alongside the hard skills of literacy and numeracy, we are realising more and more that the market needs soft skills and transferrable skills, such as the flexibility to adapt to the changing nature of work, entrepreneurial skills to enable success in the big informal markets, and ICT skills.

Africa is rightly regarded as a continent of immense natural resources. Integration is key to tapping into another, equally valuable resource: human capital. Regional integration allows Africans to study and work abroad and return with the skills their home countries need. The continent's increasing population poses development challenges but also represents enormous market potential, as growing urbanisation contributes to growing consumption by households and businesses. One way to stimulate the business climate is to facilitate trade in developing countries. Despite this significant opportunity, the potential of regional integration remains largely unharnessed. Although increasing, intra-African trade currently only accounts for between 14 and 18% of total African trade, which is very low compared to the substantially higher levels in Europe (69%), Asia (59%) and North America (31%).

Boosting intra-African trade is key as it is expected to make the domestic market more competitive. Being connected with markets across national borders creates better quality, more variety and reduces the cost of goods and services. It can also be a driver for growth, with regional integration potentially reducing dependency on export revenues from raw commodities. Creating more developed, specialised and competitive markets is imperative. It is also essential to invest in the skills required for these new markets to make sure that the workforce matches market needs.

Integration, however, goes beyond trade. It also allows young Africans to cross national borders in the pursuit of better jobs, skills development and entrepreneurship. Boosting youth employment means improving both the demand side (jobs) and the supply side (skills), as well as strengthening the linkages between these two aspects in the labour market (matching). In the past, we have focused on creating either demand or supply. If we want to give young people good employment prospects for the future, we need to be more creative, more innovative and more demanding. We all have a role to play here. Governments (for instance, with infrastructure), civil society, but above all, the private sector. It is estimated that 20 million new jobs need to be created in Africa each year, and that is no small task.

As one of the six founding members of the EU, the world's largest internal market, the Netherlands has always been a strong proponent of integration. We support the African Development Bank in its important efforts within the "Integrate Africa" High 5 priority area. It is the Bank of and for Africa –able to help the continent capitalise on the energy of its youth by bringing about a social and economic transformation that can propel the young people of Africa towards a vibrant and prosperous future. GD

The continent's youth deserves the prospect of a future with work, education and safety.

Creating pathways to international investors

The African Development Bank innovates in balance sheet optimization.

How can multilateral development institutions help deliver global development goals, reduce poverty, whilst using their existing scarce capital resources as efficiently as possible?

One way, recently pioneered by the African Development Bank, is through credit risk transfer instruments, which can be used to optimize the Bank's balance sheet, and crowd-in resources from private sector investors for development purposes. The result of these innovative, Balance Sheet Optimization (BSO) transactions has opened doors for more lending to support Africa's ambitious development goals through the Bank's own High 5s operational priorities, which have significant complementarity.

These credit risk transfer instruments have ushered in a new approach to development lending which the Bank has dubbed "Room to Run" – enabling the Bank, with the help of private sector investors, to stretch its own balance sheet in order to deliver more lending to development projects across the continent.

The Bank's very first BSO transaction, a US $1 billion synthetic securitization, was announced in September 2018, and reflected the transfer of a portion of the credit risk (the mezzanine tranche) on a portfolio of 45 loans selected from among the Bank's non-sovereign lending book. This portfolio comprises loans to the power, transportation industry and financial sectors.

This landmark transaction was swiftly followed by a second deal, a US$500 million credit insurance transaction, signed in October 2018 between the Bank and African Trade Insurance Agency (ATI). While ATI will be the direct insurer facing the African Development Bank, the transaction actually involves the participation of a number of Lloyd's & Company private reinsurers who will share the risk on African financial institutions. This transaction will enable many insurance companies operating outside Africa to participate in the financing of development in Africa for the first time.

'The Bank's first private sector led balance sheet optimization transaction has been the product of innovative thinking within the Bank and its successful implementation has created great excitement in the wider multilateral development banks' community," said Swazi

Tshabalala, Vice President & Chief Finance Officer of the Bank, in relation to the synthetic securitization deal, which was the first ever between a Multilateral Development Bank and private sector investors.

This pioneering use of securitization and credit risk transfer technology to a new and previously unexplored segment of the financial markets, has exciting potential for the future.

The deals have positioned the Bank as an innovative leader in impact investment and it is already using the freed-up capital for renewable energy projects in Sub-Saharan Africa, including projects in low-income and fragile countries.

Room to Run to have ripple effect benefits

While answering the call of the G20 for private sector participants to step in and facilitate development finance, Room2Run has already sparked interest among other MDBs. The initiative is also expected to have a ripple effect on financial markets in Africa.

The ATI transaction, for example, is already strengthening the development of credit insurance markets in Africa, as insurers are increasingly willing to lengthen terms and lower insurance and financing costs, leading to more trade and investment in, and amongst, the private sector and the African region.

These new instruments will serve as a model for other lenders, offering other multilateral development banks and investors a roadmap for innovative financing and new ways to explore the release of much-needed capital in developing markets in areas such as power, transport, finance and manufacturing.

The African Development Bank has strong credentials in delivering financial innovations at scale.

The African Development Bank is a key player in furthering global development and through its growing operations it is delivering strong development results and changing the lives of millions of Africans for the better.

Room to Run and the ATI transaction consolidates the Bank's position as an innovative leader, crowding-in and catalyzing private sector resources to further the global development agenda and achieving some of its most critical objectives.

"These (two) transactions have attracted tremendous interest from institutional investors across the World, and this opens new pathways for the Bank and other MDBs to further explore the possibility of freeing up and recycling their scarce capital resources by unlocking a pool of financing from investors that have previously not considered African risk," Tshabalala said.

Five key take-aways from the 2018 Africa Investment Forum

First of a kind

In November 2018, the African Development Bank embarked on a historic journey to mobilise global investments to help close Africa's infrastructure gaps. With its convening power, the Bank rallied several strategic partners, investors, project sponsors and Heads of State to the first edition of the Africa Investment Forum between 6 and 9 November in Johannesburg, South Africa.

In just 72 hours, the Forum secured investment interest for projects worth US$38.7 billion for 49 deals. The event positioned the Bank globally as the driver for investments in Africa. In one year, the Forum has gained recognition as the leading platform for mobilising global investments to Africa.

Through the Africa Investment Forum, the Bank and its partners intend to leverage US$300 billion of investments to Africa in the next 8 years.

Lead partners

- African Development Bank
- Gauteng Province
- Africa 50
- Africa Export-Import Bank
- European Investment Bank
- Africa Finance Corporation
- Development Bank of South Africa
- Trade and Development Bank
- Islamic Development Bank

What African leaders and investors said:

"We have never seen a quality crowd like this ever."

Aliko Dangote
President & CEO of the Dangote Group

"The Africa Investment Forum is fundamental to changing the narrative on Africa."

H.E. Sahle-Work Zewde,
President of Ethiopia

A LOOK AT SOME OF THE TRANSFORMATIVE BOARDROOM DEALS

US$2.6 BILLION
agreement between Ghana and South Africa, led by **H.E. Nana Akufo-Addo**, President of Ghana, to develop and finance the Accra Skytrain.

US$400 MILLION
Cooperation Agreement between Africa50 and the Government of Rwanda to develop and finance the Kigali Innovation City

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KEY FIGURES

1,943 participants, including pension funds, sovereign wealth funds, private investors, policy makers, private equity firms

400 investors from **52** countries

87 countries represented

8 Heads of State/Government

45 Ministers

169 official bilateral meetings

"This is an excellent initiative by the President of the Bank, Dr. Akinwumi Adesina. I am happy that I was part of this inaugural session…The Forum will enable Heads of State and Government to engage with the investor community and explore potential investments and financing."

H.E. Nana Akufo-Addo
President of Ghana

"The Africa Investment Forum is a significant milestone in our quest to reshape the fortunes of the African continent."

H.E. Cyril Ramaphosa
President of the Republic of South Africa

"Do not change a thing... [The Africa Investment Forum] is doing exactly what it's supposed to do… I have been doing conferences from San Francisco to Tokyo, and I can tell you, I have not seen anything like this."

Basil El-Baz
Chairman of Carbon holdings

800 MILLION
ment to finance
first road-rail
e project linking
Kinshasa
d Brazzaville.

Notable Deals That Secured Investor Interest:

US$3.7 BILLION railway expansion and development project in South Africa

US$3 BILLION investment in the Brass Fertilizer & Petrochemical Project

The good thing about this conference is that it is an implementation forum. We are actually signing deals here, which is a marked difference between this conference and any that has been held anywhere else in the world, as a matter of fact.

H.E. Yemi Osinbajo
Vice President of Nigeria

277 DFI DELEGATES

US$46.9 BILLION: the value of the boardroom deals discussed

Investment interest secured across **49** deals valued at **US$38.7 BILLION**

NIGER

Changing climates, changing lives

AICHATOU BOULAMA KANÉ

Minister of Planning

Bio

Minister of Planning since 2016, Aïchatou Boulama Kané champions women's emancipation and the promotion of democracy. After studying economics in France, Kané joined the Ministry of Industrial Development and was then appointed Secretary of State for Planning in the first democratically elected government. She participated in the negotiations with the Tuareg rebellion that led to the 1995 peace accords. She later joined the European Union and LuxDev, where she managed development projects. As the first woman regional governor in Niger, and first woman chief of staff to the Prime Minister, Kané became Minister of Foreign Affairs in 2015, conducting active diplomacy missions related to regional peace and development. Active in the promotion and defense of women's rights in Niger, Kané was one of the founding members of the Democratic Rally of Women in Niger in the late 1990s.

How would you define regional integration?

Integration paves the way for a continent in which people, capital, goods and services can move freely. This in turn leads to unprecedented levels of trade and investment among countries that will consolidate Africa's place in world trade. This is why Niger is continuing to work for the implementation of all integration decisions taken by institutions at regional and continental levels, and to support all initiatives that contribute to this.

This commitment is best illustrated by the way in which His Excellency President Issoufou Mahamadou championed the design and implementation of the African Continental Free Trade Area. Together with the other plans and programs of the African Union, the free trade area forms a coherent whole for strengthening our continent's integration and achieving the objectives of Agenda 2063. In Niger, we strongly believe that integration is a genuine window of development opportunity.

How can green growth contribute to the socio-economic transformation of Africa?

The issue of green growth relates to how the response to climate change creates the conditions for sustainable socio-economic transformation in Africa. It is also deeply intertwined with the capacity of the international community to come to a robust agreement on the measures and strategies to be implemented to reduce greenhouse gas emissions.

The Paris Climate Agreement brings great hope in this respect. It remains vital that these commitments be kept. Indeed, the implementation of the Paris Agreement is all the more crucial for our sub-region, the Sahel, since the effects of climate change are taking their terrible toll on our ecosystems and the living conditions of the population. There is a strong correlation between climate change and poverty in the Sahel. The Paris Agreement will help to tackle these challenges.

Our continent remains aware of its responsibilities under the Paris Agreement. For this reason, we should welcome the initiative taken at COP22 in Marrakesh to create three committees, including one dedicated to the Sahel region that is chaired by His Excellency, the President of the Republic of Niger. This initiative illustrates the commitment of African countries to contribute to the global effort to fight climate change by working collectively and in a spirit of solidarity for a greener Africa that is more resilient to climate change, and by promoting innovative and sustainable approaches. This is the only way that green growth can be part of the socio-economic transformation of Africa, with incomes and jobs generated by investments that reduce CO_2 emissions and pollution, improve resource performance and efficiency, and prevent the loss of biodiversity and ecosystem services.

What is your advice for boosting intra-African trade?

Implementing the program for the African Continental Free Trade Area (AfCFTA) provides hope and solutions in this area. The eventual complete elimination of all tariff and non-tariff barriers among the continent's 55 states will in fact help to create a continental single market. AfCFTA will thus be an enormous opportunity for African countries and businesses, foreign investors, financial markets as well as for non-African countries. Africa has abundant raw materials of all kinds and agricultural potential. Removing barriers will help create investment opportunities in industry, with the operation of cross-border value chains to develop trade within the continent and with the rest of the world.

What are your thoughts on the Bank, its role, its impact on development and its future in a world where multilateralism continues to face opposition and skepticism?

The Bank's actions have an undeniable impact on the development of its member countries and on its own future. The figures back up this claim. Thinking about the challenges and issues related to the development of the African continent – and taking account of African countries' ever-increasing needs for finance at continental, regional and national levels – the African Development Bank, whose clear vision addresses the real challenges of development, must have significant resources through the ADF and the general capital increase. This will improve the effectiveness of its operations, its governance and its financing capacity. GD

"There is a strong correlation in the Sahel between climate change and poverty."

ZAINAB SHAMSUNA AHMED

Minister of Finance

Bio

Zainab Ahmed was appointed Nigeria's Minister of Finance in September 2018. Before this, she was Minister of State for Budget and National Planning responsible for budget implementation, monitoring and evaluation, and donor co-ordination as well as managing the National Social Investment Programme.
Zainab Ahmed is a member of the international board of the Extractive Industries Transparency Initiative (EITI), and a Co-Chair of the Open Governance Partnership (OGP).
Mrs. Ahmed graduated with B.Sc. Accounting in the Ahmadu Bello University Zaria, Nigeria and did her MBA at the Ogun State University, Ago Woye. Nigeria.

Africa is disproportionately affected by climate change. It contributes the least to global warming, yet it is affected the most. On whose shoulders should the burden lie?

Daily, Africa suffers from rising temperatures, prolonged droughts, flooding, and numerous other problems associated with climate change. Unless addressed, climate change could result in declining African agriculture, lower incomes for farmers, migration and conflict. We must develop our capability to adapt to climate change and mitigate its adverse impact. The burden of this adjustment should, however, not unduly rest on the shoulders of African countries, which contribute minimally to the cause of climate change.

How can green growth play a role in Africa's socio-economic transformation?

Green growth has the potential to help African countries prosper, without destroying the environment. In the area of energy, which is vital for growth, African countries will need the financing required to tap their abundant hydropower, wind and solar resources, using blended finance and other innovative financing instruments. The objective of green growth should, however, not stand in the way of African development. Countries that are rich in fossil fuels should be enabled to tap their natural endowments, while minimizing its adverse impact, taking cognizance of Africa's minimal contribution to global greenhouse gas emissions.

What are some of the concerns you have about regional integration?

Regional integration potentially offers us the biggest chance of achieving success in trade. In this respect, initiatives such as the African Continental Free Trade Area (AfCFTA) will be critical. However, we must get it right. For example, we must be cognizant of the need to avoid the dumping of goods, which could undermine its good intentions.

What are the challenges around creating an integrated market? And what must African governments and institutions do to address them?

"Hard" infrastructure bottlenecks, such as inadequate road, rail and air linkages continue to stand in the way of regional integration. As governments, we must address this challenge by making it more attractive for private sector partners to make investments in vital regional transport corridors. We must also work towards addressing other "soft" bottlenecks that stand in the way of integration. These include protective measures imposed by policy makers, in contravention of agreed conventions, and the non-implementation of measures meant to ease the flow of goods and services.

Regional integration goes hand in hand with visa openness. Yet Africans need visas to travel to 55% of other African countries, according to the third edition of the Bank's Africa Visa Openness Index. Is a continent-wide visa openness policy feasible?

Visa openness has the potential to increase the volume of goods, services and human movement among African countries. Countries that have implemented visa openness policies have shown that, with political will, risks associated with visa openness (primarily security) can be adequately managed. A continental visa openness policy is possible within an agreed framework, but this would require resources, including financing and technology, to implement the policy.

How many 'revolutions' will it take for Africa to be transformed into a prosperous continent? Is Africa in need of a new development model? If so, why and what should it look like?

The African Union's Agenda 2063 is 'the revolution' that all 54 African countries have signed on to. Through it, we seek to end poverty on the continent, promote peace and turn Africa's youth bulge into a demographic asset. Agenda 2063 is complemented by the African Development Bank's High 5s. Nigeria is a strong proponent of both initiatives, which have the potential to turn the 21st century into the African century. I must emphasize, however, that beyond any development model, is implementation. We must therefore push for implementation.

Does the African Development Bank have the capacity to manage a new General Capital Increase?

From its level of interventions in the last four years and the results we have seen, the Bank has shown that it has the capacity to manage a capital increase. It has made progress in implementing reforms in the key areas of decentralization, human resources, policies and business processes. However, there is no room for complacency. Going forward, the Bank must be much more nimble in processing loan applications and continuously reviewing the time it takes from project preparation to effectiveness. The Bank should also build upon the gains already made in order to ensure maximum development impact.

A General Capital Increase will certainly ensure that the African Development Bank lives up to the expectations of its founders when it was established in 1964 to help fight poverty and underdevelopment of the continent. It will further ensure that the gains achieved by the Bank with respect to the High 5s are sustained.

Without a doubt, a vibrant African Development Bank at the center of Africa's transformation is in line with the recent report by the G20 Eminent Persons Group, which called for regional multilateral development banks such as ours to play a leading role. The Bank is close to its clients and is a trusted partner – so its relevance is not in question, even with rising skepticism about multilateralism. Accelerating and sustaining its ongoing reforms and continued emphasis on good outcomes and impact would further underscore its relevance.

The African Development Bank's role in Africa is critical, especially in light of current projections that Africa will be the last frontier where the bulk of the world's poor will reside by 2030. This is challenging for member countries and the Bank, especially in the face of rising costs of borrowing. As a Bank, we will therefore need to recalibrate our interventions to assist African countries to fight the scourges of poverty by deploying all available tools in our arsenal, including resources, expertise and convening authority.

RWANDA

UZZIEL NDAGIJIMANA

Minister of Finance and Economic Planning

Regional integration is gaining momentum and receiving high-level attention, including at this year's Annual Meetings. What is your take?

First of all, this theme is timely. It's very important because Africa has adopted a Continental Free Trade Area. At between 14 and 18%, intra-African trade is the lowest compared to other continents and regions of the world. It means that we don't trade enough among ourselves. Our external trade is between each individual country in Africa and the rest of the world but not within the region or within the continent. There are many reasons for this. We have trade barriers, like tariffs, and we also have a lack of infrastructure – roads, railways, ports and airlines – so it is very difficult to move goods from one country to another. And even where it is possible, it is very expensive. So integration is a must because if we trade amongst ourselves, we will promote investment and jobs, but we will also reduce the trading risks of international markets. We have seen that when international commodity prices are not favourable, many African countries are damaged. We have seen that happen with oil but also in minerals, or when demand is down in the major export markets for Africa, many countries are affected. So it is important that we create conditions in the continent that will promote intra-African trade.

Your government has embraced regional integration wholeheartedly. Why has your country made this process such a priority?

Rwanda is a member of various regional economic communities, such as the East African Community, COMESA, and others, and we always advocate for greater integration. Rwanda was also among the first countries to ratify the African Continental Free Trade Area. We are convinced that this will create opportunities for more investment, more trade, more revenues and more poverty reduction in Africa. It can even attract foreign investment to Africa because our markets will be bigger and more attractive.

How can regional integration support the Bank's other High 5 priorities in agriculture, energy, industry and improving the quality of life for the people of Africa?

The Bank has made the critical choice by really focusing on those High 5s. This is in line with the African Union's Agenda 2063 but also with the long-term vision of different countries and regions because these are the prerequisites for development. Energy is a must. Industry is very important. So, all the High 5s are of equal priority, not only for the Bank but also for the member countries.

How significant is a General Capital Increase for the Bank at a time of increased demand? What must the Bank do to ensure it has the capacity to effectively utilize additional resources?

The African Development Bank has played a crucial role in African development. Currently, the continent as a whole has more ambitious targets in the framework of Africa 2063, the commitment to SDGs, Africa 2030, and other national priorities. All this requires a lot of resources. The Bank needs to be


financially strengthened to respond adequately to the growing demand from African countries.

On the occasion of the Bank's 55th anniversary in 2019, any final words?

I would like to congratulate the Bank. These have been a very productive 55 years. Many lessons have been learned. Progress made over this period has been huge. The Bank has invested in various priority sectors. Now it is focusing on the High 5s. As we celebrate achievement, of course, we need to continue to work hard for the future. We need to work for the future capacity of the Bank, for more mobilisation of resources for African development. African countries need more investment in infrastructure and in job creation, sectors that have contributed the quality of life of African people. So I wish the Bank well. But if it is time to celebrate its achievements, it is also time to look to the future because we need much more from the Bank in the years to come.

SAUDI ARABIA

YOUSEF I. ALBASSAM

Vice Chairman and Managing Director of the Saudi Fund for Development

Bio

Yousef Albassam has been Governor for the Kingdom of Saudi Arabia at the African Development Bank since August 1995. He earned his bachelor's degree in civil engineering from King Saud University and a master's degree in civil engineering from the University of Michigan. He has headed various boards of development finance institutions for several years, including as Chairman of the Board of Directors of the Arab Bank for Economic Development in Africa, and Chairman of the Board of Directors of the Saudi Industrial Development Fund. From 2009, he was the representative of Saudi Arabia and Chairman of the GCC Cooperative Committee for Gaza Reconstruction, and representative of Saudi Arabia and Chairman of the Board of Directors of the Arab Investment Company.Other positions include the Open Arab University Board of Trustees, and Vice Chairman and Managing Director of the Saudi Fund for Development.

The degree to which integration works among states in general, and its impact on development, in particular, will be an indicator of success. Its aim is to benefit the societies engaging in such activities. Integration requires collaboration in order to achieve rapid and efficient results on issues such as drought and its impact on the environment.

All relevant parties and development institutions should pay attention to issues related to sustainable environmental management on the African continent. The African Development Bank Group plays an active role in co-ordinating and supporting efforts, along with different development agencies in the field of development to promote this vital sector.

It is worth highlighting the importance of integrating green growth and its impact on economic growth in local communities. Integration plays a role in the positive transformation of economic growth on the continent. This is achieved through revising and redesigning policies that encourage changes to the investment pattern in rural development to alleviate poverty, increase the utilisation of resources, invest in productive sustainable economic sectors, develop low-carbon strategies for industrial development and adopt cleaner production technology.

The impact of regional integration in Africa depends on promoting intra-African trade opportunities, investments and job creation. In general, the success of the regional integration process requires that more attention be paid to the least developed states and regions by implementing large-scale development projects whose positive impact will reflect both on these regions and on other states taking part in the integration process.

Major challenges related to establishing an integrated market in Africa include customs and non-customs barriers and poor transportation infrastructures. In this context, governments must strengthen their trade relations and achieve economic integration by removing customs and non-customs barriers among all countries. This can be done by promoting multiparty conventions and activating customs agreements signed by different states, including the Common Market for Eastern and Southern Africa and the African Continental Free Trade Area. This is an essential step towards an integrated market in Africa.

As for supporting policies to co-ordinate integration among the Bank's member states, inter-African trade requires strengthening the policies of state institutions, consolidating inter-state procedures, and facilitating trade in strengthening economies. The indicators of intra-African trade established by the African Trade Report 2018 show that African countries have the lowest rate of all regions of the world. African free trade areas therefore need to strengthen trade among different states and regions in Africa. This must be complemented by measures and political choices developed to ensure successful implementation, strengthen the negotiating power of African entities in international trade negotiations, eliminate non-customs barriers among the various states, and increase resources allocated for intra-African trade finance.

In Europe, building and integrating capacities in economic, scientific, social and political fields has led to developing and advancing these communities. Therefore, African states can adopt and replicate the European experience in terms of cooperation and integration, even if is a partial adoption (each state according to its needs). This will lead to strengthening the capabilities of African states at all economic, social and political levels to guarantee stronger cooperation and integration and ultimately contribute to economic growth.

Openness of regions to each other is another vital element to achieve development in Africa. However, priorities of national issues should be taken into consideration and each state should be given the right to adapt and design its development programs according to its local development plans, which should be consistent with national priorities and strategies that are designed according to the respective needs and conditions of each state.

Innovation in development will also support the process of reform in vital development sectors and the efforts of development institutions. The flagship programs implemented by the Bank to implement the High 5s is a good example. This requires additional support by African governments that will lead to achieving remarkable and promising outcomes.

The efforts of the African Development Bank Group, given its present financial resources, are sufficient to achieve highly efficient results. A capital increase may also contribute to extending its activities to support new sectors in African states, particularly by conducting a comprehensive stocktaking of basic needs in all African regions.

"Innovation in development will support the process of reform in vital development sectors. This requires additional support by African governments that will lead to achieving remarkable and promising outcomes."

What role does regional integration play in the overall stability of the continent?

Yes, integration is essential to development in Africa. Indeed, regional integration contributes to strengthening intraregional trade, encourages macroeconomic convergence among member countries and creates an internal growth trend that is more resistant to external shock. It is thus a significant factor for diversifying and increasing production and developing regional value chains to create greater wealth and more jobs and to reduce poverty. In addition, regional integration remains a factor for political stability and security in an Africa beset by political and social challenges.

Is sustainable development feasible in Africa, where millions of people are reliant on a subsistence livelihood?

Climate change is already affecting African economies, as evidenced by the recent flooding in Mozambique, decreased cocoa production in Ghana and Côte d'Ivoire, rising sea levels in Senegal, decreased rainfall and increasingly frequent droughts. All these factors serve as a reminder that environmental concerns remain a top priority in Africa. The challenge lies in identifying and implementing the appropriate policies to enable African populations whose livelihoods depend mainly on the exploitation of natural resources to exploit those resources in a rational and sustainable manner in order to make a living.

In your opinion, which aspects of regional integration will have the greatest impact on, and be most relevant to, development?

There are a number of aspects of regional integration with strong potential to affect development in Africa:

- The efficient exchange of electricity to optimise energy resources through the installation of large power plants;
- The development of cross-border infrastructure to make travel easier and more fluid;
- The free movement of people, goods and capital through the establishment of a common African market;
- The harmonisation of sectoral policies, in particular in the areas of agriculture, environment, mining and energy;
- The creation of major regional research and development centres to promote innovation;
- The establishment of a regional defence force for stability and peacekeeping, etc.

What are the challenges arising from an integrated African market? What can African institutions and governments do to address them?

The establishment of an integrated African market poses a number of challenges, including the implementation of existing agreements, the considerable disparities among African economies, the significant deficit in cross-border infrastructure, the lack of financial wherewithal to absorb adjustment costs related to revenue and earnings loss, the scale of the informal sector, the inadequate industrial fabric in most African countries, the weakness of African financial sectors and their lack of integration, and the proliferation of trade agreements with Western partners.

To address these challenges, institutions and governments should emphasise the following:

- Implementation of agreements already signed;
- Harmonisation of regulatory frameworks;
- Financing of infrastructures using innovative instruments (mixed financing, PPPs, capital development, risk mitigation strategies, etc.) and new financing institutions;
- Strengthened administrative capacity to prepare, develop, assemble and structure innovative, equitable financing;
- Removal of non-tariff barriers through trade facilitation measures;
- Training of quality human capital to address the skilled labour deficit, and promotion of research and development and technological innovation;
- Easing mobility for travellers by eliminating restrictive visa requirements or making visas available on arrival.

What lessons can Africa draw from the European experience in regional integration?

Integration enabled Europe to speak with a single voice and become a formidable and respected actor in international negotiations. Europe was also able to expand and unify its internal market and become a massive consumer and producer in the process. Intra-European trade is among the highest in the world (70 % compared to 14-18% in Africa). European integration also created a system of solidarity, which helped lift countries such as Portugal, Greece and Spain out of their less developed state through support and aid mechanisms such as the Community's structural funds. It also created an area of free movement of people (the Schengen area), stability and democracy.

Regional integration has laid the foundation for Africa's prosperity. What other building blocks must be put in place for a new economic trajectory?

To achieve prosperity, Africa must first undergo an energy revolution by providing households and businesses with more affordable access to energy. The continent must also complete its industrial revolution. Capitalising on its vast agricultural, mining and energy potential will allow Africa to create added value and take full advantage of trade. Africa must also pursue its green revolution; it is extremely vulnerable to already-discernible changes in the climate and it lacks the resilience of other continents. Emphasis should therefore be placed on promoting green economic growth that is environmentally friendly and efficient in its consumption of resources. Such economic growth should also encourage the use of green technology. Finally, Africa must undergo a digital revolution; the rapid expansion of the digital economy today constitutes a substantial boon for economic and social development in Africa, in that it forges access to hitherto inaccessible global markets, increases productive capacity, decreases businesses costs and stimulates creativity and innovation.

Bio

Amadou Hott was appointed Minister of Economy, Planning and Cooperation in 2019, having previously been Vice-President, Power, Energy, Climate and Green Growth at the African Development Bank. He holds a Master's Degree in Banking and Finance from the Paris-Sorbonne University. He worked in the private sector for twenty years, including as an assistant director in the Energy and Resources department of ABN AMRO Group in London, as Chief Executive Officer of the investment bank United Bank for Africa in Lagos, and as an investment banker at Société Générale in New York. He was also the chairman of AIBD SA, the new international airport project in Senegal. At the Millennium Finance Corporation for Africa, he was responsible for project finance transactions in the energy, mining, ICT and banking services sectors in Africa and the Middle East.

AMADOU HOTT

Minister of the Economy, Planning and Cooperation

"The environment is an asset, not a luxury."

MAURICE LOUSTAU-LALANNE

Minister of Finance, Trade, Investment and Economic Planning

Bio

Mr Loustau-Lalanne has thereafter held the position of Principal Secretary in the Ministry of Tourism and Transport for a period of ten years (1988 – 1998), followed by 5 years as Principal Secretary in the Ministry of Environment (1998 – 2003) and 2 years in the Ministry of Health (2004 – 2006). He held the post of Chairman and Chief Executive Officer of the Seychelles Tourism Board (STB) from 23rd January, 2006 to 30th June, 2010. He was seconded to Air Seychelles as the Executive Chairman on a temporary basis from March to September, 2011. Mr Loustau-Lalanne occupied the post of Ambassador/Principal Secretary for Foreign Affairs in the Ministry of Foreign Affairs and Transport of the Republic of Seychelles from 1st July 2010 to 31st May, 2016. He was seconded to the Health Care Agency on a temporary basis from April, 2016. He was appointed Secretary of State for Health from 1st June, 2016 to December, 2016 and Minister for Tourism, Civil Aviation, Ports and Marine on the 30th December, 2016 to 26th April, 2018.

What are your expectations around regional integration?

Integration is essential to ensure that African countries benefit from enhanced trade in larger markets, cooperation to ensure peace, and the fruitful exchange of culture and ideas. Trade integration will provide an opportunity for Seychelles to develop and create competitiveness in niche markets, as well as in the key pillars of the economy, namely fisheries, tourism, the blue economy and financial services.

How does one achieve development objectives without sacrificing environmental imperatives?

Addressing environmental issues and sustainability should be seen as an asset rather than a luxury, as is the case in Seychelles. Seychelles differentiates itself in the global tourism market by being a leader in environmental protection.

A similar approach can be used in other African countries. Furthermore, sustainability itself is important as it ensures that present economic development does not come at the expense of future development. This is in line with the UN's Sustainable Development Goals, designed to transform people's lives without harming the environment. The African Union's Agenda 2063 also emphasises sustainable development. Environmental issues need to also be considered in terms of resilience to natural disasters, since many natural disasters are exacerbated or even precipitated by the destruction of the environment.

With regard to Africa's integration, how can sustainable management of the environment be accomplished?

Sustainable management of Africa's environment can be accomplished by governments making sustainability a priority in their national development plans and their other national policies. Multilaterally, collaboration with other countries can help to address environmental issues that are regional or continent-wide, such as climate change. Again, this aligns with efforts already being made to accomplish the SDGs and the aspirations of Agenda 2063.

How can green growth play a role in Africa's socio-economic transformation?

Not only has green growth ensured that Seychelles possesses a healthy climate for its population, it has also resulted in a pristine environment that attracts increasingly environmentally aware consumers of our exports – be it from tourism or fisheries. Furthermore, biological resources from our forests and oceans have been protected and can therefore be sustainably exploited for many purposes, including pharmaceutical products.

In your opinion, what dimensions of regional integration will have the most relevant and powerful development impact?

All dimensions of regional integration work together to bring meaningful socio-economic developments and inclusive growth for all citizens. For example, while we can have trade agreements that increase the private sector's presence in new markets, without a healthy, skilled and educated workforce, they will not be able to fully take advantage of these markets. This shows that while market access is important and valuable, so are the improvements in health, education, and other quality of life factors that will create and contribute to the strength of the markets.

What are the challenges of creating an African integrated market? And what must African governments and institutions do to address them?

The main challenge for an African integrated market is the diversity that exists within different African countries. This includes incomes, topography, infrastructure, and especially, the activities that drive different economies: some countries are services-based, while others rely on commodity production and exports. Thus, their interests differ; they have different end goals. Additionally, the lack of policy and regulatory coherence on the continent makes it difficult to establish harmonised conditions and rules for trade to ensure that it is predictable and consistent. To address these issues, African countries need to identify common areas of interest, and to ensure that these reflect each member country's level of development. Above all, these need to result in a win-win situation for everyone.

In addition, Seychelles is visa-free for all countries and has one of the most generous visa policies in the world. Visa openness facilitates transactions and encourages integration. Africa should therefore aspire for a comprehensive visa openness policy. There is also scope for co-ordination with the AU, which is rolling out the "African passport", removing the need for national passports.

Successful regional integration is based on communal institutional policies and finance, is this enough?

Success will to a large extent depend upon the willingness and commitment of independent sovereign states to share their sovereignty. It will also depend on shared values and common interests. There are certain key principles such as governance and separation of powers which enable effective participation by all in the integration process. However, we should not measure the success of regional integration against common standards as countries vary in their practices. We may have all the relevant institutions and financing available but be unable to effectively and efficiently implement policies due to capacity constraints.

How significant is a general capital increase for the Bank at a time of increased demand? What must the Bank do to ensure it has the capacity to effectively utilise additional resources?

A general capital increase is important if the Bank is to remain relevant as a partner in financing development. As Africa's bank, the African Development Bank must be in a position to finance Africa's needs in the face of increasing demands.

Final words about the Bank's development role and impact, and its future in a world where multilateralism continues to face opposition and skepticism?

The bank will continue to be a catalyst in Africa's development, supporting development initiatives and providing expertise to member states. The 2030 and 2063 agendas of the UN and AU have paved the way for greater collaboration, co-ordination, and commitment and a multilateral system that offers a unique platform to tackle global and local challenges. GD

Benin cottons on to growth

In north-west Benin, a 210-kilometre road forms the backbone of the cotton-road network. In addition to supporting the country's mainstay cotton sector, its modernisation will bring positive impacts for all the people of the small west African country wedged between Nigeria and Togo.

This road connects the towns of Djougou, Péhunco, Kérou and Banikoara and is used by large vehicles that move cotton from the fields to the 18 ginning mills. The cotton industry, a major employer, plays a key role in the Benin economy, accounting for 45% of fiscal revenues outside customs duties, 13% of national GDP and 80% of official export earnings. Some 60% of Benin's industry is cotton-related. The cotton road, therefore, is significant to the country's economic and social development. In addition, the

towns and villages it brings together produce maize, sorghum, millet and rice, yam, sweet potato, cassava and legumes such as soybeans, cowpeas, goussi and groundnuts. The cultivation of cashew nuts, locust beans and shea also provides income for the region's people.

Improving the Djougou-Péhunco-Kérou-Banikoara road will alleviate transport difficulties during the rainy season when most rural roads and bridges are submerged, raising the cost of moving goods with fewer vehicles in operation. Motorcycle taxis become the dominant mode of transport, considerably increasing travel costs, especially on non-market days.

"All the cars that normally use this track are withdrawn after a while," said local resident Péhunco during public consultations on the road project. "Their drivers say that the risk of damage to their vehicles is too high. The condition of this track is making us poorer."

Promising outcomes for residents and trade

In 2018, the African Development Bank approved funding for a project to refurbish 210 kilometres of the roads that make up the 900-kilometre cotton road, to include four kilometres of single carriageway and 152 kilometres of improved rural roads. The project's contribution amounts to $140 million, or more than 60% of its total cost. Its goal is to reduce poverty in the region by developing basic socio-economic infrastructure. The reduction in transport costs on the road will lead to lower costs for the production and export of cotton and a consequent improvement in the country's competitiveness. In 2018, the average road haulage time for cotton was 10 hours. The improvements to the road and bridges will reduce the journey time down to four hours by 2022.

The modernisation and asphalting of the road will lead to increased traffic and trade, lower transport costs and improved quality of life for those living along the route. By 2022, 30% of the population will be within two kilometres of a motorable road, against 20% before the project. The walking distance to bridges will be reduced and access to the internet will be improved as the road opens up the prospect of laying fibre optic cable.

The project will also have a positive impact on the economic activity of the population, particularly by increasing the employability of women and young people. Priority will be given to rural activities practised by women, such as crop production, processing and marketing. These actions will be supported by training in agricultural product processing, in developing projects likely to attract funding, and in accessing finance to diversify household incomes.

SIERRA LEONE

JUSU SAFFA

Minister of Finance

What are your expectations for this year's Annual Meetings in Malabo?

Well, my expectation is that we are going to talk practical integration this time around. This is not the first forum discussing integration issues.

Several organizations in Africa, including the African Union itself, the UN Economic Commission for Africa, and others, have discussed a wide range of issues and many studies have been done on integration. Regrettably, intra-Africa trade is still low.

Despite the fact that Mali and Niger produce onions, Sierra Leone still imports onions from Holland. Why do we not trade among ourselves? Well, the starting point for us, is to obtain the necessary statistics to measure trade directions. How much of our imports are coming from Conakry? How much of our exports are going to Conakry?

We need to factor in and understand these things. First, what can be used to measure the impact of possible interventions? Having done this, we need to focus on practical things related to border management and infrastructure. It cannot simply be integration for integration's sake.

The African Development Bank must become the proud promoter of African integration. It is the development arm of the African Union, which is at the forefront of the African Continental Free Trade Area. Therefore, it must play a leading role.

There are other practical considerations. We need to work out multi-country, regional and sub-regional programs that create regional corridors. We also

need to look at the tariff and non-tariff barriers, and establish more customs and immigration border posts that facilitate movement.
I think it's important that we be pragmatic about integration.

Closely linked to integration is the currency issue itself, which is something that we cannot shy away from. Talking about an economic monetary zone is challenging, particularly in West Africa. I think that it will be challenging, but we have to face it.

What policies and programs is Sierra Leone putting in place to facilitate regional integration?

We've done quite a lot, especially in terms of tax harmonization policies. We have adhered to all protocols. We have ratified quite a number of agreements also.
We've done this at a great cost but, then again, that's part of it. We probably need to take a much deeper look. What I will say is that we have to do a lot more to link infrastructure between countries. It's key.

The reason African integration is challenging is because we are not connected. I think it is important that we look at a West African railway system and sub-regional railway links.

With regard to our support, we've made contributions and fulfilled our financial commitments. We have also adhered to protocols and ratified agreements.
That's the spirit and we are prepared to do more in the interest of promoting regional integration.

How do current trends in global trade affect Africa?

We would not be too worried about trade tensions between the United States and China if we were trading among ourselves.
The reason there is so much concern among regional economies is because we don't trade among ourselves. Why should we be selling imported onions when there are countries that already produce that product on our doorstep, and they can easily sell to us? Why should we import toothpaste when there are an abundance of African companies who produce it? Yet, we are still importing from China, Japan, the USA, and Europe? Let's learn to trade among ourselves. I think that's important.

Through the High 5s, the Bank has helped millions of Africans access water, electricity, sanitation and better infrastructure. How can the Bank maintain these standards and continue delivering much-needed development to the continent and its people?

I think that member countries themselves should increase their subscriptions. Poor as we are, we need to scale up our subscriptions. I'm dissatisfied with my country's subscription figures. This is something I am going to be taking a look at. But, generally, I think the Bank needs to sensitize countries as to what it means for them to increase their shareholding in the Bank itself. It is important that regional member countries see their contributions as an investment.

The Bank also needs to be a little bit more attractive to maintain its AAA-rating.

We need to be more efficient in the way that we do business, we need to look at our delivery models. We need to direct resources where they are most needed.

We need to support the private sector and consider how we use domestic capital markets. There are big economies like Kenya, South Africa and Nigeria with fairly advanced capital markets and they may be prepared to bring funds into the Bank operation. It could be helpful.

I'm encouraged by the fact that there is a desire and a push for this. While I am not sure it is an option, it's still an imperative because many of our countries are still challenged, the Bank is challenged, and the region simply needs more resources. The Bank is the answer to African development.

I am glad to note that the Bank is talking about strengthening and transforming the African Development Institute. We want to see home-grown economists from Africa … people who study on the continent and better understand the applicability of economic theories, and not necessarily Sierra Leoneans who go to the Kennedy School of Government and come back to start telling us what to do. We need pan-African economists to look at African realities and provide home-grown solutions.

For me, the Bank is the answer and it should continue to position itself as such. We should not be timid. We should be proactive, and take our position on the world stage as far as African development is concerned.

SOUTH SUDAN

SALVATORE GARANG MABIORDIT

Minister of Finance and Planning

In a region where millions face the challenge of daily survival, are environmental issues and discussions a luxury?

No, environmental issues are addressed in an early warning system with appropriate mitigation measures.

With regard to Africa's integration, how can sustainable management of the environment be accomplished?

It could be accomplished through a creation of an environmental safeguard system. In any integrated project, we must ensure wildlife protection and conservation zones, especially at the belt-road and railways whilst not damaging the eco-system.

How can green growth play a role in Africa's socio-economic transformation?

It will help in improving social stability and economic activities.

In your opinion, what dimensions of regional integration will have the most relevant and powerful development impact?

Investments in road integration that will also boost trade, and a unified customs program.

What are the challenges of creating an African integrated market? And what must African governments and institutions do to address them?

We have a continent that is fragmented and divided. We have an Africa that looks outward, rather than inward on the continent. These challenges could be addressed by believing in ourselves (Africa) and strengthening regional bodies' policies and regulations.

What lessons can Africa learn from Europe with regard to regional integration?

Integration is broad (economic, political and social), and the key lesson is to learn from their mistakes to avoid any rush in designing projects or signing agreements without an appropriate analysis.

On average, Africans need visas to travel to 55% of other African countries. What do you think the impact of a visa openness policy will be? Is a continent-wide visa openness policy feasible? If not, why?

It is not feasible because of poor communication, coupled with a fear of insecurity at the border and its control process.

What role must communication play in the successful implementation of Africa's integration strategy and policy?

- To give people confidence and assurance on the benefits of the integration in the free movement.
- Disseminate throughout the continent the policy and its benefits to each country.

Successful regional integration is based on communal institutional policies and finance. Is this enough?

I agree, but we can also add the political will of the heads of state and social awareness through media.

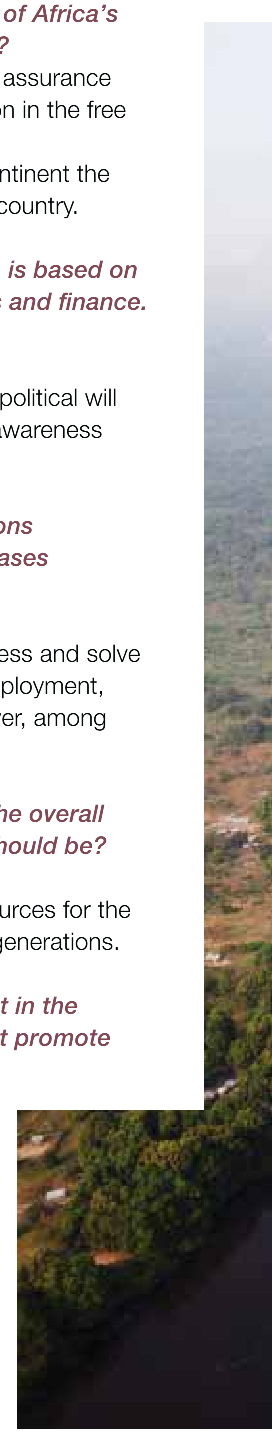
Is it necessary to open up regions when national issues in most cases remain a priority?

Sometimes opening up can address and solve some national issues such as employment, market size, and purchasing power, among others.

Ultimately, what do you think the overall impact of African integration should be?

Maximum use of our natural resources for the benefit of our people and future generations.

Intra-African trade is the lowest in the world. What mechanisms might promote



intra-African trade and investment in the short to medium term?

Free market and trans-border access to facilitate small processing of our raw materials.

How can Africa create larger markets and provide competitive advantages globally?

Through the promotion and facilitation of domestic investments in the industry and infrastructure, including ICT sectors. This could be enhanced by upgrading our banking sector.

How many 'revolutions' will it take for Africa to be transformed into a prosperous continent?

Let me say that we are almost there. Nonetheless, it needs a few generations with much effort in education and a policy of leaving no one behind.

Is Africa in need of a new development model? If so, why and what should it look like?

Investments in technology and human/financial capital are key for development.This could be done through youth empowerment.

How can regional integration support the Bank's other High 5s in agriculture, energy, industry and improving the quality of life for the people of Africa?

Through market expansion, with transport helping to reduce the cost of other High 5s.

How significant is a general capital increase for the Bank at a time of increased demand? What must the Bank do to ensure it has the capacity to effectively utilise additional resources?

Very significant. The Bank should upgrade the size of its lending to the Transition Support Facility for bigger projects, because the bigger the project, the higher the return, and efficiency is key in resource distribution between the member countries to leave no one behind.

Final words about the Bank's development role and impact and its future in a world where multilateralism continues to face opposition and scepticism?

The Bank is our Bank and any scepticism or opposition represents key opportunities for correction and adjustment since there is no 100% perfect institution. We will be there to advise the Bank to improve efficiency.

SPAIN

ANA DE LA CUEVA FERNÁNDEZ

Secretary of State for Economic & Business Affairs, Ministry of Economy and Business

Bio

Ana de la Cueva Fernández is Spain's Secretary of State for Economic and Business Affairs, and holds specific responsibilities within the Ministry of Economy and Business for the shaping and implementation of the government's economic policy, including financial policy, public debt management, private insurance and reinsurance, capitalisation, pension funds and the prevention of money-laundering policies. She is also responsible for the co-ordination of other government policies in different economic sectors.
She is Spain's alternate governor in the World Bank Group, the Inter-American Development Bank, the Central American Bank for Economic Integration, the Asian Development Bank, the Asian Infrastructure Investment Bank, the African Development Bank and the European Bank for Reconstruction and Development.
She is also the secretary of the government delegate commission for economic affairs, and president of the commission for the prevention of money laundering and of the advisory commission for investments of the social security reserve fund.
She graduated in economics at the Universidad Autónoma de Madrid.

Africa is the future… and the present

Experts unanimously agree that after years of slow development, Africa is now undergoing rapid and more robust growth. Nowadays, many predict that Africa will become a key player in the global economy due to its natural resources, geostrategic position, vast arable land and booming population growth. This transformation may be still some years away but it is certainly coming.

In this sense, regional integration of Africa has been regarded as a significant stepping stone towards the social and economic development of the continent and, currently, in the context of increasing globalisation organized in regional blocs. This need is therefore more urgent than ever.

The design of African integration schemes around inward-looking industrialisation meant that the economic costs of participation for member countries are often immediate and concrete in the form of lower tariff revenues and greater competition, while the economic benefits are long term, uncertain and often unevenly distributed among member countries. That is why the new regionalism must address issues such as new policy instruments to deal with the fears of economic polarisation, the involvement of the private sector in the integration process and the development of dispute settlement mechanisms to ensure policy credibility.

Certainly, deeper integration would contribute not only to the achievement of sustained and robust economic growth, but also to poverty alleviation and social inclusion. Therefore, regional integration in support of broad-based economic and human development has been part of the Bank's mandate since its creation and constitutes a longstanding priority for Spain.

By strengthening African economies through the liberalisation of trade and the lowering of trading costs, regional integration could have a decisive human development impact. While it is a fact that intra-African trade is a powerful driver of African growth, encouraging the industrialisation of the region and the creation of high quality employment, intra-African trade is still the lowest among all global regions, accounting for only between 14% and 18% of trade volume and reflecting the potential impact that commercial trade within the continent can still generate.

However, regional integration is much broader than liberalising trade and promoting intra-African trade. It requires investing in adequate infrastructures, promoting the harmonisation of standards and regulations among African countries, fostering a safe business environment, enhancing labour mobility and adapting the training of young people to meet the needs of changing and challenging new markets. In this regard, the Bank can play a decisive role by providing knowledge and promoting policy reforms that are necessary to improve the business environment and the proper conditions for dynamic and sustainable economic activity on the continent.

There is no doubt that, so far, the European Union has been the most developed model of regional integration. Spain has been part of this project since 1986 and we know well that it has not been an easy path. We still face difficulties and scepticism every day. In the end, the success of the project is the result of a combination of visionary politicians in the beginning, leadership generated by certain countries, the political will to share sovereignty and build strong, legally based, common institutions to oversee the integration and a consensus approach with solidarity and tolerance.

Spain believes that regional integration must remain a top priority for the African Development Bank. Aiming at increasing its share of regional projects and, more specifically, encouraging financial and regulatory mechanisms to attract private financing, the Bank should remain a major player in the process of African regional integration and, consequently, in securing a better future for the continent.

To sum up, Africa is facing big challenges but that means even bigger opportunities. When we deal with Africa, we have either Afro-optimists or Afro-pessimists and I strongly support the former. In this context, the African Development Bank has a key role to play and Spain would like to contribute to both the present and the future of this amazing continent.

SWITZERLAND

RAYMUND FURRER

Head of Economic Cooperation and Development, State Secretariat for Economic Affairs

What makes strategies tick?

Bio

Since 1 October 2015, Ambassador Raymund Furrer has headed the Economic Cooperation and Development Division at the Swiss State Secretariat for Economic Affairs (SECO). Before he was head of the Swiss Business Hub in the Gulf Countries and represented Switzerland as Consul General in Dubai. In previous assignments, Furrer has held several management positions at SECO's Foreign Economic Affairs Directorate, both in Bern and abroad.

Africa has seen much progress over the last 20 years. Emergent economic dynamism has advanced development in several regions of the African continent.

Yet inadequate infrastructure connectivity, trade barriers and weak institutions divide many countries and therefore impede the formation of regional value chains with high added value for production and consumption. Moving away from a reliance on raw material exports with low diversification requires further investments in regional infrastructures, strong and focused framework conditions, and the facilitation of trade to enable the private sector to invest, grow and create jobs – especially for women and young people. The emergence of larger domestic markets holds great potential for development in many African countries and attracts more private and public investment. Moreover, landlocked countries can link up to global markets and intra-African trade is expected to grow strongly. Regional approaches are needed to provide public goods to meet the climate challenge and to address fragility on a transnational level. The regional economic communities help to harmonise countries' priorities in order to deliver the necessary conditions that foster regional integration.

As an African development finance institution, the African Development Bank Group can strongly support Africa's regional integration in today's globalised world. It has recently adopted its new Regional Integration Strategic Framework, 2018–2025. Switzerland reiterates its support for a solid, clear and focused strategy with priorities that are fit for purpose. Some of the Bank's activities in financing regional integration are as follows:

Financial integration: Connected, stable and liquid financial markets provide much-needed finance for trade and supply chains across borders. They mobilise domestic resources, and therefore foster financial integration and development. For example, Africa is the world leader in mobile money-transfer services. Fast-rising internet coverage has enabled broad-based access to financial services for the wider population and businesses, including stakeholders who had previously been largely excluded from formal banking systems. Regional payment systems can potentially deepen the performance of mobile money. The African Development Bank supports payment platforms that work across borders. At the same time, it contributes to the development of African information and communication technology and finances the upgrade and expansion of cross-border broadband infrastructure.

Free movement of goods and people: Borders are increasingly opening up in Africa and visa requirements have been relaxed, supporting positive trends in trade, investment, and tourism across borders. Switzerland welcomes the African Development Bank's ongoing support for the rules that govern the free movement of goods and people, in particular its contribution to knowledge sharing, eg with the Africa Visa Openness Index.

Infrastructure connections: The African Development Bank provides the necessary financing for regional infrastructure development, such as the West African Power Pool (WAPP). Created as a specialised agency of the Economic Community of West African States, the WAPP is an example of Africa's success in regional integration over the last two decades. In Africa, access to electricity remains a major challenge for the population and for businesses. The integration of national power grids into regional power pools provides more stable electricity at a lower cost. Switzerland highly appreciates such efficiency gains in public service delivery. This key development outcome must, however, not be done at the expense of the environment and the climate. Tapping into the potential of renewable energy resources should be a priority.

In conclusion, Switzerland attaches high importance to the realisation of a regionally integrated Africa. We are convinced that a stronger and more prosperous Africa also leads to robust social and environmental gains on the continent. Switzerland recognises the continuous efforts of the Bank to scale projects and to ensure their long-term sustainability. In particular, we appreciate new collaborations with the private sector and academia, where Switzerland can facilitate connections. Switzerland emphasises that the Bank's operations are efficient, effective and complementary to other MDBs, as demonstrated in the foregoing examples. The effort to work jointly with bilateral partners, civil society and other stakeholders should also be continued. Switzerland is an active and dedicated member of the Bank and reaffirms its support to African development and to the crucial role that the African Development Bank Group plays therein. Against increasingly strong headwinds, we remain firmly committed to multilateralism and to international cooperation.

Lineman on a conductor bundle of the AfDB-financed Ethiopia—Kenya 500 kV HVDC Interconnector under construction. Ethiopia, before 18 May 2018.

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How will this year's Annual Meetings contribute to the dialogue on regional integration?

The African Development Bank should be commended for the excellent work that it has been doing to accelerate economic development on the continent as a whole, and in the East African region, in particular. The investments made by the Bank have facilitated strong growth and a significant reduction in poverty from around 28.2% to 26.4% of the population. My own country, Tanzania, is one of the fastest-growing economies in our region and it's no small achievement given the route that we have taken. Tanzanians are involved in several economic activities but notably agriculture: two-thirds of our people work in agriculture but there are challenges. In good years farmers have produced surpluses they can't sell within the borders of our own country, so it is critical for regional integration, not only to offer markets where the produce of our people can be sold, but also to provide an opportunity for African countries to exchange experiences. The Rwandese, for example, are doing well in certain areas and we should be able to exchange information and thereby fast-track development in other parts of our region. So when an industry hinges on technological developments, it also hinges on the markets for the various products that we produce. If you visit some of our borders, Tanzania and Burundi, for example, you see people carrying mattresses, you see people carrying corrugated iron sheets. So, a single market will help these people. Otherwise we will see our people using what we call 'mice routes' so why not give them a good road on which they can move their goods, so that they can also go and meet their relatives across the border, why not?

Tanzania is a bread basket for our region. We produce a lot of maize, but there is a limit to what we can sell internally so if we are to feed our people in the region. Integration will give our people in Tanzania a market for the grain that we produce. Integration will fast-track value addition because you cannot add value to goods unless and until you have a ready market for the goods. So integration is the way to go. In any case, these borders often don't make

much sense. They were created by our former rulers, the colonialists, and invariably you find families split by borders. So we must break down these barriers. My real hope is that pragmatic governments will learn from the demands of the people: don't impose barriers, open up the barriers so that people can move across them. It is clear that where people can move across borders, so can capital, goods and investment.

The big trading blocs used to be a collection of fragmented states and now they are powerful, with all the advantages of being together, for example NAFTA and the EU. It's not just the market, it is the technology, and being able to tap the creativity of people around the set of countries that have come together. I want to underline the theme of regional integration for Africa, for East Africa. I don't think we have a better choice: continued fragmentation will be a disaster.

We have seen over the years, a lot of fragmentation and strife in neighbouring countries — Burundi, eastern DRC, Rwanda and others. If these countries had been integrated economically and politically, many of these problems might not have occurred. You cannot have real economic or social development in an area without peace or stability. What we are really pushing for is comprehensive regional integration. For me, this is critical for the development of our continent. This is therefore a well-chosen theme for the Annual Meetings of the African Development Bank.

PHILIP MPANGO

Minister of Finance and Planning

TOGO

Togo: A gateway to West Africa

Integration is an everyday reality in Togo. Its deep-water port, which has been extensively modernised over the past several years, makes Lomé a natural entry and exit point for hinterland countries. The port has made regional exchanges easier and helped the integration process encouraged by the African Development Bank.

The new terminal at the Gnassingbé-Eyadema International Airport, which can serve 2 million passengers and 50,000 tonnes of freight yearly, is an open door to the world and a primary lever of integration.

Togolese authorities are working to make Lomé a top logistics hub for international commerce to strengthen integration. This goal is the first pillar of the ambitious National Development Plan (PND) 2018-2022, recently launched by His Excellency Faure Essozimna Gnassingbé, president of the Republic of Togo. The PND is the new reference point for development policy.

This imperative to integrate is not limited to the port and the airport. Togo has invested extensively in modernising its roadway network, particularly the main roads to Benin, Burkina Faso and Ghana, thus strengthening these corridors. The Abidjan-Lagos route, which has already received technical and financial support from the African Development Bank, is one of the investment projects. Checkpoints have been installed and customs services have been computerised, facilitating trade flows.

The pan-African airline Asky, based in Togo, with 23 destinations in west and central Africa, plays an important role in integration and in building cultural and economic connections between countries.

Integration means mobilising all resources to create an attractive business environment through infrastructure, energy, financial systems and the promotion of entrepreneurship and public-private partnerships. These efforts will improve standards of living and ensure that sustainable development goals are achieved.

West Africa is a vibrant model of economic integration due to two large institutions: The Economic Community of West African States (ECOWAS) and the West African Monetary Union (WAMU).

ECOWAS, one of the major institutions in sub-regional integration, is a vast market place comprised of at least 230 million consumers living and working in an area of more than 6 million km^2. The Togolese government has made every effort to make this integration a reality.

Togo is also working to establish the African Continental Free Trade Area (AfCFTA), which will stimulate intra-African trade, help strengthen Africa's position in world trade, and lead to significant advances in development.

Finally, Togo is at the forefront in the sensitive effort to implement the Single African Air Transport Market (SAATM), which will allow the continent to manage its own airspace.

All of these initiatives are worthy of support and show that Togo is at the centre of the vision and plan for west Africa's integration and Africa's economic development.

SANI YAYA

Minister of the Economy and Finance

Bio

Sani Yaya, Minister of the Economy and Finance since 2016, previously directed the Budget Ministry for one year and has worked in the banking and financial sector. He has used his knowledge and skills in large institutions such as the Central Bank of West African States, the Banking Commission of the West African Monetary Union and the Ecobank Group (ETI Executive Committee) after having worked with the Togo National Investment Company. As a specialist in insurance, Sani Yaya has also used his expertise on behalf of the Nouvelle société interafricaine d'assurance. He has over 29 years' experience in senior management positions. Sani Yaya is one of the authors of the Togolese Revenue Office's success. He designed the debt reduction strategy and signed an international extended credit facility agreement with the International Monetary Fund. His goal is also to ensure the success of the ambitious National Development Plan 2018-2022, which is the reference point for Togo's development policy.

9 trillion reasons why women should win more State contracts

The global public procurement market is estimated at $9.5 trillion, yet women entrepreneurs access only 1% of this money. With such significant amounts, public procurement can be a powerful and strategic policy tool to achieve socio-economic objectives, including women's empowerment. How can the public sector leverage its position and procurement mechanisms to foster women's economic participation and empowerment? And what role can multilateral development banks play?

Women-owned businesses face disproportionate challenges that prevent them from participating fully and benefiting from the public procurement market. The challenges include limited eligibility for goods and services, difficulty breaking into the corporate supply chain, lack of access to information about procurement processes and opportunities, slow payment of invoices, lack of financing and lack of access to infrastructure. Through affirmative procurement, the public sector - typically the largest purchaser in most countries - is in a unique position to impact the markets and encourage the participation of women and other marginalised groups to access business opportunities and grow their enterprises, resulting in job creation, economic growth and gender equality.

International commitments related to gender equality recognise the potential of mainstreaming gender in public procurement. The Beijing Declaration and Platform for Action was adopted at the Fourth World Conference on Women organised by the United Nations in 1995, and ratified by most African countries. This historical milestone for gender equality includes clear recommendations relevant to public procurement, which were reiterated in the Beijing+10 and Beijing+20 reviews, respectively in 2005 and 2015.

There are positive examples of African countries promoting affirmative procurement for women. For instance, Botswana, Kenya, Liberia, Namibia, South Africa and Zambia have explicit clauses in their procurement codes that set minimum target percentages for women's and other marginalised groups' participation in public procurement. These best practices may be used as guidelines to be developed further to ensure the comprehensive participation of women in public procurement.

Similar to governments, multilateral development banks spend large amounts of money on procurement and recognize the opportunity to empower women through this channel, through "walking the talk" and incorporating gender-related conditions in Bank project procurement. Development banks also have a key role to play to strengthen the capacity of member countries to implement affirmative procurement frameworks, and to provide technical assistance for legislative reform.

The African Development Bank is exploring how to strengthen gender-inclusive public procurement through these different vehicles. For instance, the African Development Bank-financed Chinsali-Nakonde Road rehabilitation project in Zambia included an intervention to train women contractors in routine road maintenance. This capacity-building component ensured their participation in road construction programs.

The Bank also organised a technical workshop on affirmative procurement in March 2019 in South Africa, bringing together policymakers, and business and civil society representatives who shared good practices and lessons learnt from affirmative procurement measures. Workshop participants agreed on an action plan for the achievement of gender equality in Africa's procurement sector and in the delivery of vital goods and services. The action plan includes recommendations for regional member countries to better integrate gender into public procurement, starting from conducting training needs assessments to identify and bridge knowledge gaps among women-owned enterprises and procuring entities. Among other agreed actions, the African Development Bank will work with regional member countries to develop procurement manuals for simplified methods and procedures to be used while contracting women-owned enterprises, and launch dialogue with countries about the importance of mainstreaming gender into public procurement.

The workshop and action plan form part of the Bank's contribution and commitment to the Multilateral Development Bank Working Group on Gender, which strives to include more women in procurement. GD

Fashionomics Africa

Leveraging Africa's diverse culture and creativity to hoist the continent's textile, and accessories value chain

Africa's fashion industry is booming. Africa's role as consumer and producer of fashion is on the rise – and the fashion industry sector can create economic benefits as well as become a vehicle to promote African regional integration and cultural identity.

The value of the global textile and fashion industry is expected to double in the next 10 years, generating up to $5 trillion annually. The combined apparel and footwear market in sub-Saharan Africa alone is estimated to be worth $31 billion. While exports from the continent as a whole are currently at low levels, more production hubs are coming on stream, with Mauritius, Ethiopia and Ghana leading the way.

The fashion industry is dominated by micro, small and medium enterprises (MSMEs) and holds the potential to create decent jobs for millions of Africans, especially women and youth across the continent. New Information and Communication Technologies, such as e-commerce, will be key to supporting this growth and helping businesses tap into global and regional value chains.

In this context, the African Development Bank launched the Fashionomics Africa initiative in 2015 to support the growth of MSMEs owned or led by women and youth in the African fashion industry. The Fashionomics Africa online interactive market place (www.fashionomicsafrica.org) is a platform to connect and strengthen each link in the value chain, from cotton farms to retail stores. The initiative also encourages African textile and fashion entrepreneurs and small businesses to source and produce locally, using African artisans.

In 2017, the Bank launched the Fashionomics Africa Masterclasses in Ethiopia, Nigeria and South Africa, in collaboration with partners Google Africa, Tony Elumelu Foundation, Parsons School of Fashion, Nesta, Hub of Africa, Lagos Fashion and Design Week, Africa Fashion International and the Ministries of trade and industry in the respective countries. The Masterclasses provided a better grasp of establishing and building a fashion brand, as well as fostering market linkages and sharing best practices and international standards. Over 500 textile/fashion entrepreneurs attended, 64% of them women.

In 2018, the Bank made a first investment of $1 million with the support of the Fund for African Private Sector Assistance to move from prototype to full-scale platform by including e-commerce functionalities. The platform aims to increase access to markets and market intelligence, facilitate access to finance, provide mentorship and networking opportunities as well as develop skills and qualifications for African fashion entrepreneurs.

The Bank, through Fashionomics Africa, is also working with the African Union Commission of Trade and Industry to roll out the recently launched Pan-African Fashion Initiative in the context of the African Free Trade Continental Agreement (AfCFTA), whose signatories include key garment-producing countries. In April 2019, 22 countries had ratified the AfCFTA, meaning that the minimum threshold for the agreement to come into force has been achieved. Once in force, the AfCFTA will require member countries to eliminate tariffs for 90% of goods traded between them, including clothing. The Bank is a player in this historical milestone and is putting together a $5 million package to the African Union to support AfCFTA's implementation.

The Bank is also investing in centers of excellence as new skills are needed to reap the benefits of the 4th industrial revolution, in all the industries from agribusiness to manufacturing and services, including fashion. Diversifying African economies and furthering regional integration are essential parts of the Bank's ambition too. Over the next 10 years, the Bank will support the creation of 35 special economic zones and facilitate cumulative investments of $56 billion through industrialization programs.

The time is ripe for the African fashion industry and the "Made in Africa" brand to scale up and fully contribute to inclusive and sustainable growth. In addition to value and job creation, the Bank sees this sector as a great vehicle to further African regional integration and identity for a more resilient continent.

TURKEY

BULENT AKSU

Deputy Minister for Treasury and Finance

Bio

Bulent Aksu has served as the Deputy Minister for Treasury and Finance of Turkey since 3 August, 2018. Prior to this position, Aksu spent more than two decades of managerial experience in accounting, finance and administration across various industries including energy, media, textile, petrochemical, financial services and audit. From 2016 to 2018, Aksu served as the Chief Financial Officer for Turkcell – the leading mobile operator in Turkey – where he simultaneously served as its Executive Vice President of Finance during the same period. Mr. Aksu began his professional career as an inspector on the Inspection Board at Kuveyt Türk, a Turkish commercial bank. In 2016, he was named among the 50 Most Efficient CFOs by Fortune Turkey Magazine. He graduated from the department of Business Administration at Istanbul University in 1996.

Creating a common future

There are growing calls for "African Integration" more energetically than ever before. With its abundant and diverse natural and human resources, Africa has the potential to lead the way. Success of the African integration agenda can secure the way to better mobilize its potential to deliver significant socio-economic gains in the continent.

The experience of the East African Community Customs Union, covering a market of 150 million people, shows what regional cooperation can indeed deliver. Also, as a recent development in 2018, the Continental Free Trade Agreement helped create a single market of 1.2 billion people with over $3 trillion GDP on the continent. These developments demonstrate why trade and investment are to be liberalized to increase competition and productivity. The added value resulting from these reforms, especially when they are coupled with more nurtured skills in the labor market, can reduce extreme poverty on the continent.

Definitely, integration requires solid connectivity through holistic transport, energy and ICT linkages. African Development Bank's engagement in the region towards this end is invaluable. As the continent's premier financial institution, the Bank has to further lead a co-ordinated multilateral approach on the continent to developing infrastructure projects, especially in transport, energy and ICT sectors. The Regional Integration Policy and Strategy for 2014–2023 was a significant stride. I encourage the Bank to sharpen its focus on integration, by facilitating the member countries to work on eradicating barriers to doing business in Africa.

Recognizing the integration process of the continent, Turkey is selective in terms of its engagement in Africa. Turkey's bilateral involvements, as well as its investments on the continent display her commitment to the success of the economic integration agenda. As far as Turkey is concerned, it is worth highlighting the following:

First, we are honored that in 2018 the UN Least Developed Countries Technology Bank was established in Gebze, Istanbul to support technology and knowledge transfer to Africa.

Secondly, Turk Eximbank has been successfully financing key infrastructure projects in Africa, including a railway project in Ethiopia ($300 million), a truck station project in Senegal ($89 million), a water project in Ghana ($133 million), and bridges, water supply and treatment projects in Sudan. The Ethiopia-Djibouti railway project in Ethiopia greatly contributed to the connectivity of East Africa by linking Port Djibouti to Ethiopia and the countries in its hinterland. The truck station project in Senegal, as well as bridges and water projects in Sudan and Ghana, have helped the improvement of infrastructure in these countries (see pictures).

Third, in bilateral development cooperation, Africa is Turkey's priority region. In the last decade, over $2 billion of official development assistance was disbursed to Africa by Turkey. Currently the Turkish Cooperation and Co-ordination Agency (TIKA) operates in 23 offices on the continent.

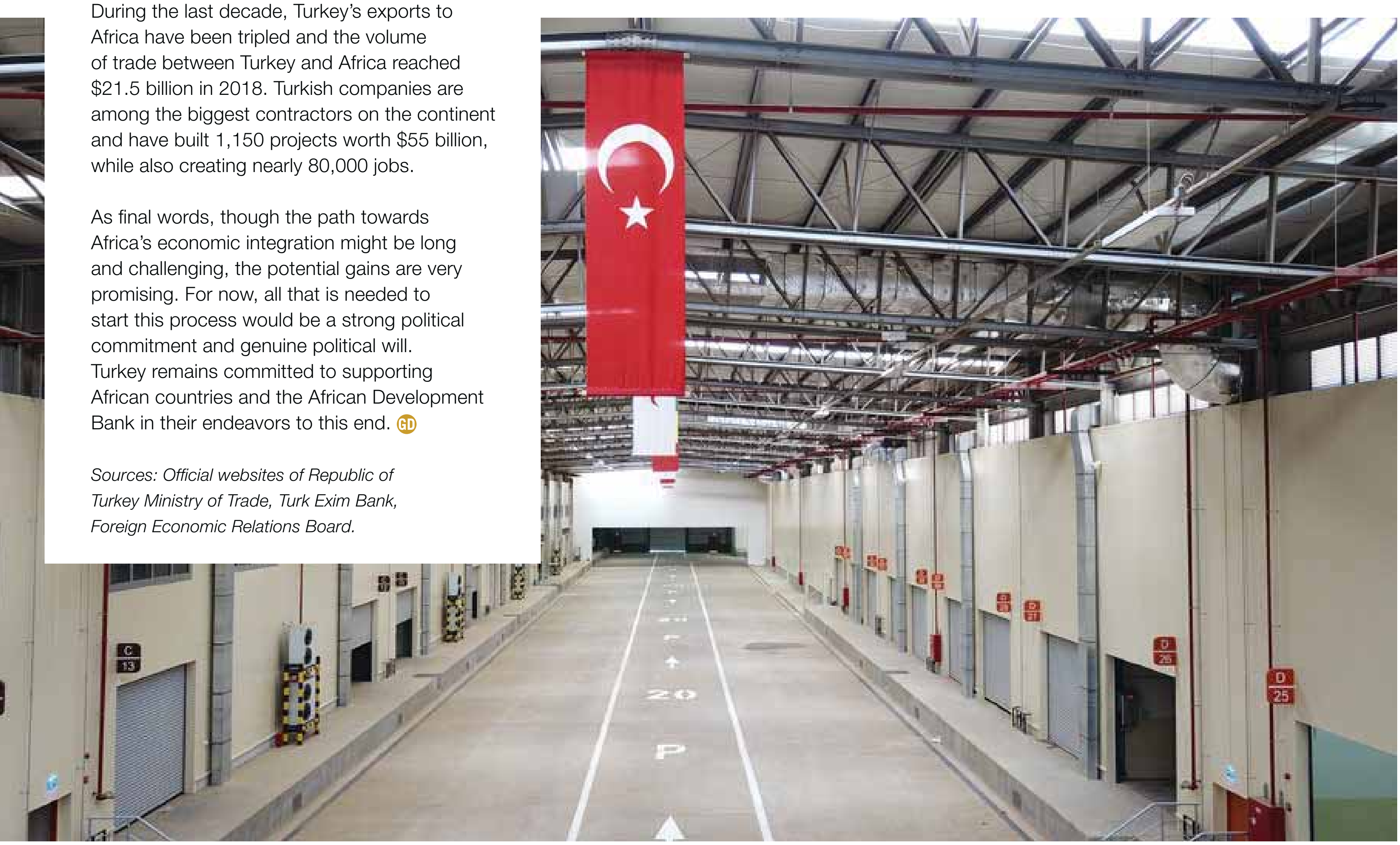
Fourth, we believe that there is scope for infrastructure projects to be supported by public-private partnerships (PPP), which could offer additional opportunities for

Africa. With its extensive experience in design and implementation of PPP models in various sectors, Turkey is ready to cooperate with African economies and develop partnerships to help enhance institutional capacity-building efforts.

Last but not least, Turkey continues to enhance its ties to Africa through its 41 embassies, and Turkish Airlines flying to 52 destinations. During the last decade, Turkey's exports to Africa have been tripled and the volume of trade between Turkey and Africa reached $21.5 billion in 2018. Turkish companies are among the biggest contractors on the continent and have built 1,150 projects worth $55 billion, while also creating nearly 80,000 jobs.

As final words, though the path towards Africa's economic integration might be long and challenging, the potential gains are very promising. For now, all that is needed to start this process would be a strong political commitment and genuine political will. Turkey remains committed to supporting African countries and the African Development Bank in their endeavors to this end. GD

Sources: Official websites of Republic of Turkey Ministry of Trade, Turk Exim Bank, Foreign Economic Relations Board.



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UGANDA

MATIA KASAIJA

Minister of Finance, Planning and Economic Development

Bio

Mr Matia Kasaija is Minister of Finance, Planning and Economic Development of Uganda. Before that, he was Minister of State for Finance and in charge of Planning. Between 2006 and 2010, he served as Minister of State for Internal Affairs. His political career started in 1981 when he became a member of the parliament, and since then, he worked as Deputy Director, Mass Mobilization at the National Resistance Movement Secretariat, Executive Director of the Departed Asians Property Custodian Board, and Political Mobiliser at the National Resistance Movement Secretariat. He has also worked in Shell and BP (U) Ltd as a Distribution Manager. Mr Kasaija has also served as Govenor at the World Bank Group, International Monetary Fund, the African Development Bank and the Trade Development Bank. formerly PTA Bank.

How does one ensure that all countries, including those with smaller economies, benefit from integration?

Africa is the second fastest-growing region in the world. There has been sustained growth across the continent in various sectors, including agriculture, tourism, transport, telecommunications, trade, mining, and oil and gas. Each African country is too small on its own to spur growth without the support of other countries to reduce the cost of doing business and to promote efficiency.

Africa's future lies in its ability to increase its production base and to trade with itself; unless Africa integrates economically, it will not achieve the prosperity it so desperately needs. This fact is strongly echoed in the African Union charter recognising integration as the foundation for the continent's unity, growth and development.

Africa is also home to the world's second fastest-growing population, a substantial percentage of which is unemployed youth. It is a continent of 55 countries, of which 16 are landlocked and where many states experience fragility and insecurity. It is a continent dependent on the primary production and export of raw materials. The movement of people and goods within Africa is more difficult and expensive than on other continents.

While the list of challenges is long, the promise of integration is apparent. When countries connect with each other, there will be more trade opportunities and fewer tensions over limited resources. Smaller countries will be more motivated to enhance their productivity once they are assured of larger markets. An integrated market will enable Africa to credibly negotiate with other big markets, and increased intra-African trade will spur industrialisation and lead to job creation.

How does one balance integration and the sustainable management of the environment?

Many of the natural resources that African countries depend on for livelihoods and economic activity are trans-boundary in nature: sea zones, inland lakes and rivers, forestry resources and protected areas, among others. As regional integration ushers in liberalised markets, enhances trade, opens up borders for the free movement of people, and attracts large regional infrastructure to boost trade, the unsustainable exploitation of the environment and of natural resources is likely to increase. This could lead to declines in water quality, loss of biodiversity, drought, poor waste management, climate change, food insecurity and floods.

Therefore, it is important that regional integration efforts be inclusive, sustainable, and friendly to the environment and to communities. To achieve this, environmental safeguards should be built into all integration efforts, and regional policies and frameworks should articulate the sustainable utilisation and management of trans-boundary resources.

For integration to be meaningful, emphasis must be put on the following:

Integration efforts should pay greater attention to equity and inclusive growth across member countries. The benefits of regional integration must be seen and felt in each member state, albeit with varying proportions. Therefore, in designing and managing regional integration policies and strategies, we must ensure that outcomes accruing from integration are not disproportionate; all countries and their populations should benefit proportionately.

Market and trade integration are perhaps the most viable starting point and the critical elements of any integration effort. Therefore, countries should enact the right policy framework and put in place requisite and appropriate enabling institutional arrangements. The policy framework should aim at removing non-tariff barriers and unifying the tariff code across the area of integration.

Continental and regional infrastructure – which ranges from hard infrastructure (roads, railway lines, energy, airports, ports) to soft infrastructure (ICT centres and tools at border posts) – is vital in ensuring the effective and efficient movement of goods and people across borders and in connecting areas of surplus to areas of demand. This infrastructure is crucial in providing an enabling environment for private sector development, which is the engine of growth for all our countries on the continent.

There must be political will and technical capacity to implement regional integration initiatives because adopting and enacting regional agreements and protocols is not enough if they are not implemented. The capacity of regional economic blocs to implement and manage regional initiatives must be enhanced with the requisite technical capacity.

Finally, countries should focus on fostering regional peace and security for economic and political integration to take root because the continent is full of conflicts and wars that consume most of the resources that would otherwise be used to promote growth and development. GD

“Integration efforts should pay greater attention to equity and inclusive growth across member countries. The benefits of regional integration must be seen and felt in each member state, albeit with varying proportions.”

How will integration unfold on the ground, in your view?

Africa's integration is critical to support transformation and to address the challenges of the continent, including: infrastructure gaps, high youth unemployment, small national markets and limited intra-African trade. These are critical for inclusive growth and sustainable development, as well as for improving the living standards of the African people. Through integration, countries within the continent will benefit from the following:

- Abundant, resources, like those in Zambia, through enhanced connectivity in transport, energy and telecommunication, among others;
- Bigger markets that will allow a better exploitation of economies of scale;
- The mobility of human capital across borders that will provide access to expertise within the continent;
- The harmonisation of policies supporting faster and sustained economic growth and greater welfare for the African people;
- Economic opportunities for individual countries through trade and investment that create jobs for the increasing number of young people in our countries, regions and continent at large;
- The facilitation of conflict resolution mechanisms on both the economic and political frontiers.

All of these will amplify our voice in promoting the African agenda in international fora.

In a region where millions face the challenge of daily survival, are environmental issues and discussions a luxury?

Africa's current environmental issues include, among other things, deforestation, pollution (air, water) and loss of biodiversity; these are harmful not only to the African continent but to the whole world. The planet's ecological balance has been affected by deforestation. Africa is also losing its biodiversity. Economic development, driven by technological advances, has yielded positive and negative effects such as air and water pollution from industries through uncontrolled solid waste disposal. This is a calamity that requires serious and concerted attention in order to save our continent and its people from the effects that, in recent years, have become more noticeable.

Zambia, like other countries across the continent, is already experiencing the adverse effects of climate change. Droughts and floods are destroying our arable land for agriculture production, thereby raising concerns of hunger, poor nutrition and health among our people.

Economies are also threatened by energy constraints due to persistent drought, especially for countries like Zambia that are dependent on hydropower.

Environmental issues, if not dealt with decisively, are a cost to our growing economies.The impacts of these challenges will continue to pose greater risks to our natural ecosystems, food security, economic development and even global security. We need to act decisively now because the consequences will be grave in the future if not addressed. As a continent, we also have shared responsibilities and obligations for enhancing environmental governance and need to emphasise the balance between economic development and the use of greener technologies. Policies that include environmental issues should be emphasised.

However, the realisation of this policy will largely depend on how well we address security concerns related to human mobility.

Is it necessary to open up regions when national issues in most cases remain a priority?

Regional integration is essential for accelerating economic growth and diversification through trade and investment. However, it is important that individual countries achieve certain minimum levels of development before they can be fully integrated. Therefore, it is necessary to open up regions in order to maximise countries' specific competitive and comparative advantages Notwithstanding the benefits of opening up regions, the resolution of national issues remains critical to the success of regional integration. There is a need to strike a balance between integration and addressing national issues such as skills development, building industrial capacity, investing in science, technology and engineering, and business reforms. Therefore, we need to align national programs to regional integration programs.

How can Africa create a larger market and provide a competitive advantage globally?

We as African countries can create larger markets and provide competitive advantages globally by:

- Adding value to raw materials by investing in technology that may contribute to the production of quality products that can compete in international markets;
- Creating alliances among African companies to take advantage of the foreign market;
- Product and service differentiation: African firms ought to look for one or more marketable attributes that can set them apart from other competitors. This could be product quality, pricing strategies and free shipping, among other things, and
- Using information and communication technologies: African companies can utilise e-commerce business to provide online markets and digital payment platforms in an efficient and effective manner.

How can the Bank ensure that it continues to meet the continent's development finance needs?

Africa's needs for development finance have increased over time and the African Development Bank has played a significant role in financing Africa's development agenda. However, with its current levels of capitalisation, the Bank is not able to adequately address all the financing needs of its member states. Therefore, a general capital increase will assist the Bank to raise more financial resources and narrow the financing gap. Nonetheless, caution needs to be exercised on how to best achieve the General Capital Increase in view of fiscal challenges being faced by many member states. We are hopeful that the recent restructuring of the Bank will contribute to its effective use of resources. Further, it is our expectation that the Bank's engagement with member states will be strengthened with a view to enhancing the absorption of resources at the country level. The absorption capacities in many member states have remained low. Therefore, close collaboration between the Bank's country offices and the project implementing agencies needs to be sustained. The Bank, in working with respective governments, should ensure that projects are closely monitored and address the challenges that may hamper speedy project implementation.

What are your views on the Bank's future in a world where multi-lateralism continues to face opposition and scepticism?

From its inception, the Bank's contribution to the African development agenda and individual countries' development agenda has been significant. Member countries have acquired financial resources at highly concessional terms that capital markets cannot provide. Further, the Bank continues to provide or administer grants on behalf of other international cooperating partners that are aimed at addressing various development challenges. In addition, I am confident that the Bank will continue to play a significant role in providing both technical and legal advisory services to respective member countries. I implore the Bank to continue to champion economic transformation for Africa and support for integration. GD

MARGARET MWANAKATWE

Minister of Finance

Bio

Margaret Mwanakatwe currently serves as the Zambian Minister of Finance, a position she has held since February 2018. In 2015, she was appointed Minister of Commerce, Trade and Industry. Prior to her ministerial assignments, Mwanakatwe spent more than 10 years in directorate roles at prominent commercial and investment banks, including Barclays and United Bank for Africa. Mwanakatwe began her career as a financial analyst in the United Kingdom, where she also earned a degree in Business Administration. To date, she has served as adviser and board member to more than one dozen banking institutions, health coalitions and capital/private equity funds. Mwanakatwe prides herself on her ability to effectively establish and maintain strategic alliances with key players in the private and public sector, government and international organizations.

Africa's Challenges

Learning from the past

To achieve inclusive development across the continent of Africa, the African Development Bank has identified five priority areas (High 5s) that guide the implementation of its Ten-Year Strategy (2013-2022): Light up and power Africa; Feed Africa; Industrialise Africa; Integrate Africa; and Improve the quality of life for the people of Africa. With regard to regional integration, the Bank's focus is on building a stable, integrated and prosperous Africa comprised of competitive, diversified and sustainable economies that are fully active in global trade and investment circles.

Furthermore, fostering regional integration has been a fundamental priority of the African Development Bank since 1964. Indeed, Article 2 of the Agreement Establishing the African Development Bank recommends paying special attention to the selection of suitable Multinational Operations (MOs), defined as projects covering at least two countries. In line with this recommendation, the Bank has in recent years reinforced its strategic and operational assistance to projects and initiatives fostering regional integration in Africa. In this context, it first approved a continent-wide Regional Integration Strategy in 2009, followed by regional integration strategy papers for four of its five regions — Eastern, Central, Western and Southern Africa — in 2011 and a regional integration policy and strategy for the period 2014-2023.

Independent Development Evaluation at the African Development Bank (IDEV)2 contributes to the Bank's work in this area by assessing its policies, strategies and operations to support greater regional integration. Between 2012 and 2018, IDEV undertook four evaluations in this area:

Independent Development Evaluation at the African Development Bank (IDEV) contributes to the Bank's work in this area by assessing the Bank's policies, strategies and operations to support greater regional integration. Between 2012 and 2018 it undertook four evaluations in this area:

1. Addressing Regional Integration Challenges in Central Africa: Evaluation of the Regional Integration Strategy and Operations of the African Development Bank, 2018

2. Independent Evaluation of the African Development Bank's Regional Integration Strategy Paper for Eastern Africa, 2017

3. Independent Evaluation of the Quality at Entry of Country and Regional Integration Strategies, 2014

4. Fostering Regional Integration in Africa: An Evaluation of the Bank's Multinational Operations, 2012

These evaluations offer an opportunity for the Bank to learn from past experience and provide a number of issues for consideration, of which the most important are the following:

Policy Relevance and Adequacy

The Bank has developed an increasingly coherent strategic and operational framework to guide its operations supporting regional integration. The framework has been particularly useful in strengthening the Bank's strategic vision and its capacity to be selective when financing MOs through the African Development Fund. These evaluations find that the Bank could further focus its efforts on financing regional infrastructure and on building the capacity of regional economic communities. Improved physical connectivity and trade-related infrastructure are necessary for trade to expand and to contribute to economic growth and poverty reduction. However, investing in this type of infrastructure does not guarantee that trade opportunities will materialise: other binding constraints (such as legal and illegal trade barriers) also need to be addressed.

The importance of the private sector and civil society has been repeatedly highlighted in the Bank's regional integration strategies and operations. However, more efforts are needed to truly involve non-state actors in them. In addition, the incentive structure and modalities for engaging with non-state actors can be improved.

Performance of Operations Supporting Regional Integration

The evaluations find that the performance of the Bank's infrastructure operations in support of regional integration tends to be satisfactory whereas the performance of capacity building interventions shows room for improvement. They show that it is possible to assess the performance of infrastructure operations in terms of outputs such as kilometers of road constructed or rehabilitated, or of fibre-optic cable laid, the number of megawatts of electricity produced or transported, etc. In contrast, there is often a lack of documentation and statistics that measure MOs' effectiveness in terms of outcomes such as the volume of intraregional trade, access to electricity and telecommunication networks, and economic growth.

[1] The strategy for North Africa had not been developed due to the Arab Spring at the time.
[2] Independent Development Evaluation at the African Development Bank carries out independent evaluations of Bank operations, policies and strategies, working across projects, sectors, themes, regions, and countries. By conducting independent evaluations and proactively sharing best practice, IDEV ensures that the Bank and its stakeholders learn from past experience and plan and deliver development activities to the highest possible standards.

Where MOs were underperforming, the evaluations find that this is mainly due to factors such as weak design, limited country ownership, weak human capacity (skills and staffing) in regional organisations and other implementing agencies, and inadequate Bank responsiveness to the requests from project implementation units. Another challenge concerns the sustainability of outputs and outcomes: project proposals often lack estimates of future costs and do not plan for future phases of the operations which, by their nature, respond to long term issues.

Capacity Building and Ownership

The Bank mainly supports regional integration through regional economic communities (RECs). However, African RECs are challenged by structural weaknesses that undermine their capacity to effectively foster regional integration. They also face financial sustainability issues, as some African countries fail to pay the community tax to RECs on time. Finally, some RECs suffer from weak project implementation capacity. Therefore, the evaluations recommend that the Bank assists RECs in establishing specialised project implementation units staffed with experienced personnel to manage project implementation, which could be focal points for all donors implementing regional operations through RECs; and helps to establish monitoring and evaluation units within RECs for collecting data on regional project outcomes and for continuously monitoring the regional integration progress.

Policy Dialogue and Co-ordination

The evaluations find that the contribution of MOs to regional integration and ultimately to the economic transformation of Africa is more likely to be sustainable if governments adopt accompanying measures and policy reforms at the country level. In addition, high-level dialogues and advocacy programs by the Bank are required to champion and strengthen regional integration.

At the country level, the evaluations find that donors are increasingly working together on developing and implementing sectoral programs (e.g. energy, transport, water), but there are often no formal platforms for regional donor co-ordination: there is thus an opportunity for improvement.

Through financing of national and multinational infrastructure and capacity-building projects, the Bank aims not only for increased cross-border trade in goods and services but also for improved mobility of people and investment across the African continent. The Bank can draw on its rich history of supporting regional integration, independent evaluations, research and other analytical work for lessons about what has worked, what has not, and why, to inform its future interventions. Addressing the identified issues and challenges will be key for the successful implementation of the Bank's regional integration strategies.

Karen Rot-Munstermann

Acting Evaluator General,
African Development Bank

2018 Lookback: **Eminent Speakers**

Twenty-three eminent persons have delivered lectures at the African Development Institute's Eminent Speakers' Lecture Series, which was renamed the Kofi A. Annan Eminent Speakers' Lecture Series last year, in honour of the late Ghanaian-born Secretary General of the United Nations. The list of speakers includes former heads of state, Nobel laureates, distinguished academics and professionals. Four lectures were delivered in 2018.

Ouided Bouchamaoui

Businesswoman and former president, Tunisian Confederation of Industry, Trade and Handicrafts

African cooperation: dream or reality?

January 2018

For championing the case for socially responsible business practices and the plight of the poor, Ouided Bouchamaoui was voted Best Business Woman of the Arab World in 2013 and was Nobel Peace Prize co-laureate as president of the Tunisian Confederation of Industry, Trade and Handicrafts, one of the four institutions of the Tunisian National Dialogue Quartet in 2015.

Making a spirited call for African cooperation, Bouchamaoui called for increased levels of trade between African nations, and greater integration through university exchanges, professional training, technology and scientific research. "It is not aid that will make Africa develop…By 2025, Africa's population is expected to soar to 2.5 billion inhabitants, of which half will be less than 25 years old. All this speaks in favour of cooperation."

"It is not aid that will make Africa develop"

His Royal Highness Muhammadu Sanusi II

Emir of Kano, Nigeria

Perspective on Development in Africa

October 2018

The renowned banker and former governor of the Central Bank of Nigeria, His Royal Highness, Muhammadu Sanusi II, the 14th Emir of Kano in Nigeria, was the 21st eminent speaker at the Bank. Emir Sanusi called for increased investment in "soft infrastructure" whilst applauding the Bank's current investments in hard infrastructure such as roads, ports, railways and power.

"Africans must learn to think for themselves…We must learn to do development in ways that meet each country and each community at their levels of development. We must build roads that link poor farmers to the markets. We must integrate development within the socio-cultural and political realities of Africa."

"Put education and the poor at the centre of development"

Dame Graça Machel

Chair, Graça Machel Trust

Educating the Girl Child, Empowering Women, and Enhancing Female Entrepreneurship in Africa

November 2018

As the 22nd eminent speaker at the Bank, Dame Graça Machel, one of Africa's foremost advocates for the rights of women and children, called upon African women and policy makers to challenge gender inequality and inadequate female representation in the continent's business and economic, political and policy leadership. The former freedom fighter, who was also Mozambique's first Education and Culture Minister, following the country's independence in 1975, advocated for increased investments in education, especially girl child education, agriculture and nutrition.

Machel said: "African women need to be in the driving seat of national discourse…women need to be at the centre of our economies. They must also pro-actively seek to correct the status quo."

"Women must redesign the table, and not just expect to be at the table"

Leymah Roberta Gbowee

2011 Nobel Peace Prize co-laureate

Grassroots Women Activists: The Underrated Power

December 2018

The Bank's 23rd eminent speaker and 2011 Nobel Peace Prize co-laureate, the Liberian activist Leymah Gbowee made a strong and passionate appeal to women and girls, urging them not to "undervalue themselves". Gbowee recounted how her journey towards women activism started with a group of like-minded women, $10, commitment and tenacity. Her initiative led to the launch of the NGO, Women of Liberia Mass Action for Peace.

"In Africa there is this myth that women are just doing simple grassroots work. What you fail to realise is that this is powerful work that is keeping the fabric of communities together. There is no sustainable development in the absence of peace. Africa must ensure that conflict and post-conflict interventions are part of development."

"I believe the future of Africa is female"

BOARD OF DIRECTORS

Executive Directors of the African Development Bank Group guide strategy, help to develop policy, and provide advise on operational implementation. Their role in ensuring inclusiveness and sustainability in Africa's economic transformation is invaluable.

From left to right

- **Standing:**

Vincent O. Nmehielle (Secretary Generral), Rene Obam Nlong, Steven Dowd, Moussa Dosso, Kwabena Boadu Oku-Afari, David Stevenson, Yano Takuji, Heinrich Gaomab, Tariq Al Tushani, Nyamajeje Calleb Weggoro

- **Seated:**

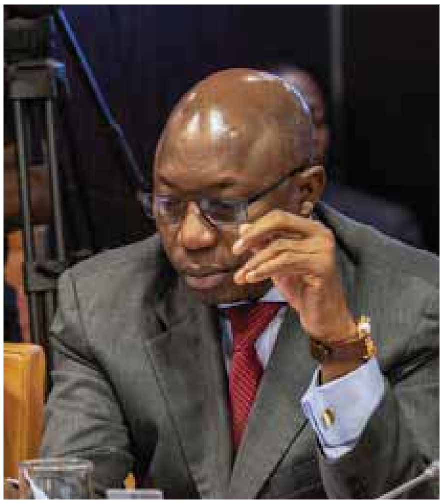
Mmakgoshi Lekhethe, Bright E. Okogu, Soraya Mellali, Federica Diamanti, Abdelmajid Mellouki, President Akinwumi A. Adesina, Martine Mabiala, Catherine Cudre-Mauroux, Karin Elisabet Isaksson, Patrick Zimpita, Ahmed Zayed

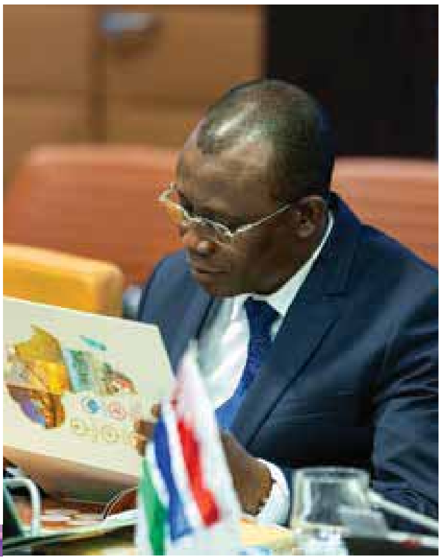
2019 REGIONAL GOVERNORS' MEETINGS

The Regional Governors' meetings were inaugurated in 2018 to bring Governors closer to the operation and implementation of the African Development Bank's policies and programmes. The Bank is the prime beneficiary of these meetings: The counsel, guidance and support of the Governors during the meetings that take place early each year, motivate the Bank's direction and management and encourage the fulfillment of our mandate to accelerate Africa's development through the Ten-Year Strategy and High 5 agenda.

West Africa

25 February 2019



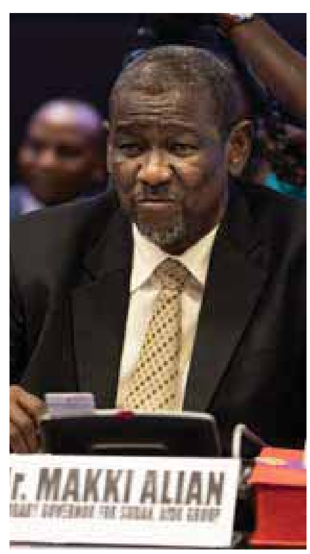


Central Africa

26 February 2019

East Africa

27 February 2019

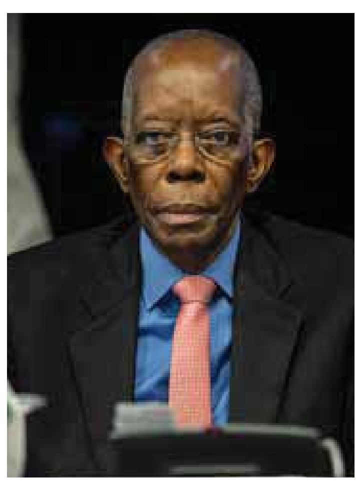


North Africa

28 February 2019

Southern Africa

01 March 2019



This publication acknowledges the dedicated and visionary leadership of the African Development Bank's Governors, who guide its mission to transform the continent, grow economies and improve the quality of life for millions of Africans. The men and women featured in this Governors' Digest are among the 80 Ministers, Central Bank Governors and senior leaders at the forefront of Africa's transformation. The strategic insights they offer are a testament to their strong commitment to the people of Africa.

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