

THE BROOKINGS INSTITUTION

FORESIGHT AFRICA:
TOP PRIORITIES FOR THE CONTINENT IN 2013

Washington, D.C.
Wednesday, January 9, 2013

PARTICIPANTS:

Moderator:

ISHA SESAY
Anchor
CNN International

Panelists:

MWANGI S. KIMENYI
Senior Fellow and Director, Africa Growth
Initiative
The Brookings Institution

STEVE RADELET
Distinguished Professor in the Practice of
Development
Georgetown University

JEFFREY SACHS
Director, Earth Institute
Columbia University

LAURA SEAY
Assistant Professor, Political Science
Morehouse College

* * * * *

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

P R O C E E D I N G S

MR. KIMENYI: Good morning and welcome to the Brookings Institution and on behalf of the African Growth Initiative and Brookings, I'd like to welcome you to this exciting event on Foresight Africa 2013.

We've been holding these events now for three years. We've been producing an annual publication and this is the third one that we've been looking forward, what we expect to be the most important issues and events that we thought would impact Africa's development. And, so, the publication, most of you have the publication, but we hold the event also to discuss many other issues that we consider to be very relevant to development in Africa. And I'm very grateful to our panelists this morning. We know that we have a distinguished panel who will be introduced shortly.

The events that we've been holding actually have been very useful to us to think about even the issues that we need to be working on in terms research and in terms of advising what issues that government should be looking at. And this year, we have selected a few topics that you will see in the report that we identified to be crucial that many governments should be looking at and first that affect the development in Africa, and we are looking forward now to more discussions with the experts and people who will be looking at issues on Africa and we look forward to your participation. So, we are very grateful for your coming to this particular event.

So, I am particularly grateful to the panelists and who will be introduced and much more so to the moderator of this event, Isha Sesay, who most of you know who she is. She is an anchor and correspondent of CNN and appearing on programs across the international, Headline News and CNN U.S. She anchors CNN News Center,

a weekday news program that takes viewers through the day's big stories of global importance. She also hosts BackStory, the weekly program that goes behind the scenes of CNN's global news gathering operation and often files reports of Africa voices.

During the week, she also provides news updates for the 280 edition of Anderson Cooper 360, which is broadcast around the world. She has done exclusive interviews with the Nigerian President Goodluck Jonathan, Kenya prime minister Raila Odinga, President Wade of Senegal, Liberian President Ellen Johnson Sirleaf, and President Ernest Bai Koroma of Sierra Leone.

So, I'm very grateful to welcome Isha, who will actually moderate this event, and I would also like to take this opportunity to congratulate Isha. If you don't know why, on behalf of the audience, congratulations. (Laughter)

MS. SESAY: Thank you. Thank you for throwing me under the bus. (Laughter)

Good morning, everyone. It is really great to be here with you on this rather chilly morning here in Washington, D.C. But it is good to be with so many people here to talk about Africa.

I love the continent. I care passionately about it. Many of you may know that I spent my formative years -- I grew up in Sierra Leone in West Africa. My family still lives there. It is still home for me. So, to have the opportunity to be with so many people who care about the continent, so many great thinkers who are pondering on the big questions about how the continent moves forward, it's a great honor for me to be here with you all today.

I get very excited when I read the reports, when I see the stats that say

Africa's on the rise, when you see that between 2001, 2010, 6 of the 10 fastest-growing economies in the world were in Africa. But the question is: How do we make that economic growth and development inclusive? How do you turbocharge that so that it raises up the living standards of the millions on the continent? What should the continent's priorities be in 2013?

And we have some great people here, including Jeffrey Sachs, in case you haven't noticed, these are there. And we do see you, Jeffrey, up on the screen already. He's joining us along with Laura Seay, Steve Radelet, and Jeffrey here to grapple with that.

Let me give you a formal introduction of our panelists. I'm going to start with Steve Radelet here. He's a distinguished professor in the practice of development at Georgetown University's Edmund A. Walsh School of Foreign Service, where he specializes in economic growth in developing countries, poverty reduction, foreign aid, debt, and trade. Professor Radelet also has extensive experience as a policymaker in the U.S. government and he acts as an advisor to developing country leaders. Also, the author and coauthor of many, many books. So, you don't have to blush, I'm going to move on now. (Laughter)

MR. RADELET: My mother would be proud, that's --

MS. SESAY: She would be proud and she should be. (Laughter)

Laura Seay is an assistant professor of political science at Morehouse College in Atlanta, Georgia, where I'm based. Atlanta is representing this morning. Her research is centered around the study of community responses to conflict and U.S. foreign policy in Africa's Great Lakes region. Her research and teaching interests include

African politics and development, conflict, and conflict resolution and international organizations. You should follow her. Check out her blog; it's pretty impressive. She blogs about African politics, development, and security, as Texas and Africa. She's also contributed to Christian Science Monitor's Africa Monitor Blog and the Atlantic.

And Jeffrey Sachs is also joining us thanks to the wonders of modern technology and he's been called "probably the most important economist in the world" by the *New York Times*. He is the director of the Earth Institute, quetelet professor of Sustainable Development and professor of Health Policy and Management at Columbia University. He is also a special advisor to U.N. Secretary Ban Ki-moon on the Millennium Development Goals and he's received more than 20 honoree degrees, awards, and honors from around the world.

So, I just want to thank all of you for being here this morning with us and helping us really tackle this issue.

To give you a sense of how today's going to work, each of the panelists will make a presentation for about five to seven minutes. They're going to speak. After they're done, I'm going to get the conversation going and ask a round of questions to really, as they say, warm things up. Then I'm going to open it up to you here in the room. If you want to ask a question, make a comment, please raise your hand, wait for me to call on you, a microphone will make its way to you, introduce yourself, say where you're from, and give us your question or your comment. Please keep these brief, succinct. If you start to ramble, I will bring you back on track. It is a promise.

So, there you have it. I really want this to be dynamic. I really want us all to engage. I always say when I do these events you get out what you put in. So,

please, I'm expecting you to invest in all of this. I should also make clear that this is being filmed. So, everything you do and say for the next 90 minutes is recorded for posterity and, so, you can't deny it. (Laughter) So, I hope that we're going to have a good 90 minutes, a good conversation.

I'm going to ask Laura Seay to kick things off. Laura.

MS. SEAY: Well, thank you so much, Isha, and thank you to the Brookings Institution and everyone at the Africa Growth Initiative. It's really wonderful to see Brookings taking a stronger role these last few years in dealing with Africa policy and I think it's a much needed neutral and independent trustworthy voice in thinking about policy issues. So, it's really a pleasure to be here.

My comments are going to largely be about the connection between some of the issues raised in the Foresight Africa Report and conflict and what we can expect and what needs to happen to mitigate the effects of and address the causes of conflict in Africa in the coming year.

Both Page and Watkins in focusing on educational issues are talking about what I think is one of really the key issues affecting Africa today and that is the fact that while there have been great improvements under the Millennium Development Goals of getting children into school, and I don't want to say that that is not a good thing; it is a very good thing that millions more children in Africa are in school, but that there are significant problems with what they are learning, with the quality of instruction, and with curriculum. Students are not coming out of school with basic literacy and numeracy skills. They are not coming out of school with critical thinking skills, the kinds of critical thinking abilities that are absolutely necessary for the sorts of jobs that other authors in

the report talk about as being important to Africa's future and particularly as we think about innovation, as we think about technology, and the growth of technology hubs in Africa, certainly, the growth of mobile money, innovating something that basically originated in Kenya. Students need those skills, and, so, I think that educational and particularly curriculum reform at national levels has to be a priority in Africa going forward. As many of you know, most education systems in Africa are based on inherited colonial programs and due to things like lack of text books, poor teacher training, most of it relies on rote memorization of facts.

I can tell you in Congo, when I'm doing field research there as a graduate student, when I would tell people I was from Texas, there was this amazing thing that happened; people would all start to recite the same thing and it was a comment about Texas and the Paleozoic Era and the ancient Permian Sea that used to cover west Texas, and I was sort of like what is this? But it turned out it was part of the curriculum and everyone had memorized that when they were in primary school. It's good that you know that about Texas, but that's not giving you the skills that you need to move forward and to think critically and to express yourself in the modern world.

So, I think that this is tied directly to issues of conflict in Africa, you people who do not get an education and who do not correctly perceive that there are no educational opportunities for them going forward. In many fragile states, the rational and lucrative choice is to join a militant group. Joining a militant group means you some guarantee of food, it means you have some guarantee of power, it means you have something to do.

This becomes a very difficult choice for young boys in places like the

Congo, for example. And I think that we really need to start thinking about tying these issues of development to conflict and particularly when thinking about educational opportunities what kinds of work that is preparing people to do and how we can discourage engaging in these sorts of bad behaviors and also create people who are thinking of creative solutions to local problems within their own communities and have the skills necessary to come up with peace-building opportunities with economic alternatives, these sorts of things.

In terms of kind of thinking about what's ahead, I mean, I think that it's pretty clear where the flashpoints of crisis are. DRC is going to continue to be a problem; the Central African Republic has really blown up over the last two weeks and is not looking good. And then, of course, we have the crisis in Mali, and the broader issue of Islamism and extremists, Islamic extremists in the Sahel.

Richard Joseph speaks about the issue in DRC and talks about Herp's and Pham's work on arguing that the solution in many of these crises is to forget the old colonial borders and to kind of create new states. I think that this is a somewhat problematic notion and something I would push back against.

I mean, I view the root causes of conflict in these areas as largely having to do with things like land rights, with equitable access to development. It's hard to tell what the Seleka rebels are up to in CAR. They haven't been very specific about what they want other than for President Bozizé to go. But one of the things we know is that they are all representing ethnic groups and are from areas of the country that have been excluded from development.

And in thinking about things like well, saying that the solution to this is to

let the country break up, I think that ignores the fact that many people in these countries do not want their countries to be dissolved. Certainly in the Congo, national identity is very, very strong. And it really defies the fact that you probably haven't spoken with any Congolese if you say that the solution to their problems is to break up the country.

Fifteen years ago, twenty years ago, we were talking about the problem of national identity not being strong enough in Africa and that this was kind of causing problems in places like Kenya or in Sierra Leone, and that if we could just get people to identify first as citizens of the country and then by their ethnic group, all of our problems would be solved. Well, we have places now where national identity is much stronger than it was even 20, 30 years ago, and I think that it really is problematic to start saying that breaking up these countries is the way to go because it's not what people in those countries want. Even if that's something that seems like an ideal solution from the outside.

So, what should we do? And I think that really something to think about going forward is this issue of decentralization and state-building, but doing state-building from the ground up rather than the top down. I think Professor Kimenyi notes in his piece that you do have problems in decentralization issues of needing to have an equitable distribution of resources, needing to have balance, particularly balancing the concerns of minority ethnic groups, but I think if there's any lesson we've learned it's that breaking up countries into smaller states can pose very serious challenges for development and South Sudan, it's an open question as to whether South Sudan is going to make it as an independent country.

But smaller states, I mean, smaller states are not guaranteed to be

viable. I mean, it's very hard for me to see a state of Kivu being a viable situation in Congo. There are just too many issues. And I think that we really need to think more creatively about how we can support decentralization, how we can fund it, how we can ensure that those funds are well used and how all of that can be used to support real development going forward. So, thank you.

MS. SESAY: Thank you, Laura.

Steve.

MR. RADELET: Good morning. Thanks for inviting me here. Nice to see everybody here. Glad to see Jeff. I hope that the technology works.

I was telling the others earlier, it reminds me of a time in 1997; Jeff and I were at Harvard. He was my boss at the Harvard Institute for International Development, and Jeff was scheduled to give a lecture one Monday morning, but he was stuck in Detroit with the snowstorm and as the time approached and got started, his trusted assistant, Martha Sinit came down to my office, knocked on the door laughing her head off, said you've got to see this. So, I followed her down the hall to this big conference room, there are about 25 graduate students all around a table taking notes, looking at this phone in the middle of the table. (Laughter) It was on speaker. This was in the mid-90s, when technology was not quite what it is today. And there's Jeff from the Detroit Metropolitan Airport giving this lecture, this very lucid lecture on a payphone at the airport. (Laughter) And as he's talking about, I don't know, European history and the wonders of the glorious revolution, in the background there's now boarding flight three seven -- these students are sitting there taking these notes looking at the phone. (Laughter) And, so, I always remember that and Martha Sinit wanting to share that with

me.

So, I hope that, Jeff, we don't have any interference from flight calls in the background today.

There is a lot to talk about in terms of Sub-Saharan Africa. It's such a diverse place with so many different dynamics and different countries, some very positive, some negative. It's hard to summarize here.

One thing that I do want to say is how important it is to notice the disaster that didn't happen in Sub-Saharan Africa over the last few years in terms of the impacts of the global economic crisis and how well overall African governments have responded to that crisis in terms of their economic management. That's totally different than what happened 20 years ago in response to the last major big global economic crisis, where many African governments did not respond particularly well and it led to a very difficult period of tension with the IMF and the World Bank around stabilization and structural adjustment programs. It's remarkable actually how well African governments have responded to this crisis and what that says about the improving quality of governance and leadership and economic policymaking in Africa. So, I wanted to start with that point on an optimistic way to give us some hope.

Four challenges that I want to mention. First is sustaining growth in that difficult global economic context. The IMF projects that growth will continue across the subcontinent at about 5.2 percent next year, which is pretty good and that's an average, so, several countries would be higher than that. If that can be sustained given the global economic crisis, that's good. It could be even better, but sustaining that growth is going to be really critical and to do that I think it's going to require continuing diversification of

economic activities. Even though growth in Africa really began to take off in the mid-1990s, there's been less economic diversification and movement towards more productive sectors that'll create a lot of jobs.

John Page writes in the AGI Report about the importance of creating jobs and part of that is to diversify economies and that hasn't happened as much as it might have been anticipated, certainly not as much as in East Asia, 30 years ago when they started their takeoff. That's going to require big investments in agriculture, big investments in power, and continuing opening of trade facilitation of trading relationships.

The United States has now been pushing for the last year the Feed the Future Program, which is a long overdue set of investments in agriculture funding. This year globally will be about \$1 billion a year and in the context of our budget on the Hill, the ability to actually start a new initiative was not easy, pretty remarkable, but that's just the beginning of the kinds of investments that are going to be needed from around the world and also domestically in terms of strengthening agriculture. Big gaps in power that we all know about and big agenda in terms of both regional trade and global trade to, again, create those economic opportunities.

That's all the more important as trading partners are changing. The old traditional trading partners, mainly Europe and to some extent the United States, those are not the big sources of growth going forward. The new sources of growth are the emerging middle-income countries: China, India, Indonesia, Malaysia, Brazil, Argentina, other countries like that, and those trading and investing relationships are just beginning; there's great potential, but those need to be deepened. But it's very difficult for countries and companies within Sub-Saharan Africa to change those traditional trading

relationships, but that's going to be key going forward.

Second big priority is continued progress in health. There's been remarkable progress in health. Jeff has been pushing this for a long time with great success. We're finally getting some progress on malaria. There's a big agenda still on HIV-AIDS. We know that story. We can't forget that as other priorities go forward. So, I wanted to mention that.

Third is stability, and Laura's already mentioned this a little bit, but we've got the issues in Mali, Guinea-Bissau, Central Africa Republic, DRC, and that feels like the beginning of what could be some really uncomfortable movement back towards some instability. I'm quite worried, obviously, as everyone is with the situation in Mali, I'm concerned that it'll spill over to Niger, and other countries in the region, Niger with its recent *coup d'état* movement back to democracy in the last 18 months, but it's very fragile and the same kinds of dynamics that affected Mali could affect other neighboring countries.

Fourth and finally is the challenge of deepening democracy. There's been great progress; people are always negative, but last year, Liberia, we had the inauguration of Ellen Johnson Sirleaf for a second term, we had a very smooth transition of power in Ghana, which nothing major happened, so, it wasn't a news event. It was a huge step forward in democracy, when a head of state passed away tragically, but there's a smooth transition of power, that's democracy working well, when there's a legitimate transfer of power like that.

In Malawi, when the former president died, again, there was not quite as smooth, but there was a successful transition of power, some great steps forward in

terms of deepening democracy, but there's a long way to go and one of the biggest events in 2013, of course, will be the elections in Kenya, and that will have a big impact on East Africa going forward, but that agenda for continuing to deepen democracy continues. Open questions in Ethiopia, Uganda, Rwanda, and many of those in terms of their future economic and social development hinges on democratic transitions.

My last point will be all of these challenges are greater in the context of aid flows which are not going up any time soon at least in any major way. The United States has actually managed in the last three years in the Obama Administration to increase funding to Sub-Saharan Africa by 10 to 15 percent and has really deepened its commitment to Sub-Saharan Africa on top of the large start that the Bush Administration started, but it's going to be very hard to continue that given the budget fights up on the Hill. The opportunities exist, however, with great large new private capital flows and also domestic capital from domestic private investment and increasing revenues from African governments as their incomes rise, their tax take is rising, and, so, the amount of resources available domestically are also going forward.

So, there's going to have to be a shift, I think, of thinking about aid flow on the leverage these other funds from private sources both domestic and foreign in order to tackle these issues going forward on health, on power, on agriculture, and some of these other challenges going forward. And let me leave it there.

MS. SESAY: Thank you, Steve.

And Jeff your time is now.

MR. SACHS: Great. Thanks, Isha, and thanks, Steve. This is actually a lot more comfortable than standing in airport. (Laughter) So, I'm really delighted to be

part of this.

Let me just mention some of the initiatives that I'm working on from the U.N. context that I hope can help to further our discussion this morning. There are six that I want to mention quickly.

First is community health workers. We've had a major success in the last 10 years in improving some aspects of health service delivery in extremely difficult low-budget contexts and one of the lessons has been that community-based health care delivery through locally-trained village workers can be extremely important. We are launching a campaign to try to mobilize 1 million community health workers in Africa between now and the end of 2015 and I'm hoping that the African Union will endorse this initiative at its summit in Addis in January.

One of the wonderful points of this, like other things that I'll discuss, is that the IT revolution is empowering this approach to an extent that means every year, a dramatic improvement in what can be done, we now have lots of demonstration models of community health workers backed up by smart phones for delivery of services that I think now can be scaled up very significantly. So, that's number one.

Number two is electrification, which Steve mentioned. I think one could have as a basic theorem of development that there can be no modern development without electricity no matter how much one tries. A certain amount of electricity can be reasonably and realistically sourced from the grid in the coming years as the grid has extended, some major hydropower projects would make a huge difference in many parts of Africa. There's going to have to be a lot of electrification that's off grid, as well. Here are the dramatic fall of prices of PD can really play a very important role.

We are exploring, pushing, testing models of pre-pay electricity along the lines of pre-pay mobile phones and they're very promising. Households pay something on the order of \$5 per month for kerosene right now and for significantly less than that, they can get the same improved lighting services through solar panels and with the cleaner indoor air and an ability to charge their phones and it probably is the spread of mobile phones that's the most important ground level cause for a soaring demand for electricity and I think it's a very good one because they'll be lots of spillovers from that.

The third area that we're working on are some projects with some major mining companies on improving the relations of the mining sector and local communities as well as national governments. We saw in South Africa the true disaster of the South Africa police shooting into a crowd of protesting miners, killing dozens of them in the context of the mining wage dispute. This is horrendous, tragic, destabilizing, and absolutely unnecessary. And a number of the major mining companies know that their social license to produce depends on major reform and how they do business in terms of transparency, accountability, work with local governments, environmental sustainability, and better support for national economic development. So, that's a third area that I would highlight.

A fourth area is trying to introduce some of the new smart city technologies, again, heavily leaning on information technology and a much more data-rich environment for urban management and I'm hoping that among others that Accra will become a place where a major smart city initiative can take off.

Steve is absolutely right; Ghana is an extremely important country and an important case where a lot of good things are coming together, not only governance,

but also good resource finds. Social stability, a geography which is favorable and an opportunity, I think, for Ghana to be a pioneer on really good information, technology-based or lead development in important ways. And, so, I'm hoping that some smart city technologies can get introduced.

And finally, again, a point that Steve raised, is on smallholder farming. The basic point is that Africa's smallholder farmers are producing at this point probably 1.3 to 1.4 tons per hectare, whereas best practice technologies would probably allow for 2.5 to 4 tons per hectare if not more. Africa would be able to feed itself with improved technology systems and there are lots of examples small scale. There was a G-8 initiative which Steve referred to an American piece of which never took off at the scale, but was promised in 2009, but the opportunities for smart farming are also improving with a lot of information technology behind that, as well.

One of the things that we're doing together with the Gates Foundation is very sophisticated soil mapping with handheld devices, mass spectroscopy and other technologies that now allow for much more precision farming, identification of soil, nutrient needs, and so forth.

The sixth initiative that I wanted to mention is what we call the Drylands Initiative, basically reflecting the fact that the drylands are aflame in violence and environmentally. Both the Horn of Africa and the Sahel in my opinion are conflicts of hunger, famine, poverty, demographic pressures. They get transmuted through politics, they become seedbeds of extremism, they become open opportunities for plunder has happened in Northern Mali, but basically these are very difficult regions where climate and geography work very powerfully against at least up until now landlocked regions,

extremely poor, 300 to 400 millimeters of rainfall a year. Too little for a crop, pastoralism is marginalized culturally, economically; the borders don't work right for pastoralism.

There are many, many problems that are distinctive in the drylands belt and to my mind it's no accident that from Senegal to Afghanistan, that belt of more than 10,000 miles is really a belt of a lot of conflict. It's a belt of a lot of hunger and the worst poverty in the world and unless we have a development model that goes along with the politics and the security, we'll never resolve these conflict conditions.

So, those are six initiatives that I wanted to put on the table. And I'll turn it back to you, Isha.

MS. SESAY: Thank you, Jeffrey.

And, Mwangi, if you could add your closing thoughts.

MR. KIMENYI: Good. Thank you very much. Here at the African Growth Initiative, we've been looking at a lot of key issues that we consider to be important for Africa's growth, particularly sustaining the growth that we have already experienced in Africa for pretty much a decade. And many of these issues have been mentioned and I would just highlight some of the issues plus several challenges that I see that we need to highlight.

I think one issue that is very important for Africa to really continue is the issue regional integration. This is something that the African Union, the leadership in Africa seems to have understood the importance of getting the economies together, breaking down the barriers, which is a big problem for Africa, and, again, we have talked a lot about inter-Africa trade, which is very limited, and how we need to trade more, how Africa countries must trade more with each other to generate high income, to specialize,

and to exploit what we call the regional value chains that one country can do better than the other and that's where you can create more value.

So, I think one of the priorities for Africa is to still continue this process of what we call the Regional Integration Project so that we meet the goals through the regional economic communities and then the continental free trade area, which is an ambitious goal, but I think is very important for Africa to do that and it should be a priority. And, of course, there are challenges doing that and some of them would require some of the issues that have been talked about here, particularly infrastructure and we have talked about that in our writings.

I think the other issue, and this relates to what Steve talked about and also the programs that are being discussed here, including (inaudible) that's really the issue of resources and the declining aid. But it seems to me that, one, as aid declines, Africa is going to continue to discover more natural resources.

Virtually now every country is likely to be exporting some resources. Now, the last five years, a lot of countries have become exporters or about to be exporters. Even countries where this was not even -- well, pretty much thought of, East Africa, for example, you have Uganda, you have Kenya, Somalia is supposed to be buying a lot of resources, Mozambique, a lot of gas. So, there's a great opportunity for Africa in terms of natural resources.

The problem is that the history is not very good for Africa in richness, and, so, the big challenge really and where I think we need to invest a lot of resources and some governance of natural resources. As aids decline, I think the focus should be how do we really get to govern our natural resources better? And if we do that, we will

not have to worry much about the natural resources.

And one of the things that we know is that although we talk about aid flows, the amount of money that is stolen from Africa from natural resources, much higher than the aid flows that we get. So, if we can actually broke this resources flowing out, Africa has a lot of resources. So, I think as a priority for development is how we manage the natural resources and I think we need to strategize how we move forward.

We have looked at cases like Ghana, which is going on trajectory, Uganda is going another way, and I think there will be cases of disaster in some cases and successes in the others.

I think the other issue that is a real challenge and we have talked about in our foresight and is very important that we deal with and will probably determine the stability of a lot of African countries is how do you deal with the youth? It's really focusing on the youth and jobs. In our write-up, John Page talks about that new jobs is job one. It's the first thing that we should focus on and I agree with that. If you go to Africa today, although there have been developments, there has been a lot of growth and there are people that are doing very well, you also find that it's really a society that is divided between those who are doing very well and particularly youth who are left out and I would relate this issue as a challenge of long-term stability.

And this is another issue that I wanted to relate to, which is the issue of (inaudible) militant groups and different types of groups that have emerged in many countries of Africa. Even the countries that are doing very well, if you look at those countries, you find that they are now youth groups that are involved in a lot of criminal activities and these likely to destabilize the country, they are either involved in crime,

theft, robberies, and all that, but these can even go to another extent that would be fairly serious. So, I would say even for developing partners for agencies that are involved in the development, I think focusing on the youth strategies should be a primary issue that we should focus on and these are also our priorities also at our unit here, the ones that I'm talking about, these are some of the issues that we have prioritized for research, working with African government and African research partners.

And, finally, I have several other issues here, like the food security I would not fail to miss to say that the challenge of food security will continue to be an issue, and Jeff has highlighted this and I think this is another strategy combined with the strategy (inaudible) that will continue to be a priority that we need to focus on moving from where we have been, periodic fundings and so on.

But all these have to be hedged on leadership. The issue of leadership in Africa remains crucial and we assume that we finished our nation-building project, but we have not actually achieved a nation-building project and our leadership is still a problem.

We have talked about trouble spots that are likely to be the issues, likely to (inaudible) Central Africa and the big problem here is that we have these anchor countries in different regions that are not very stable or have very big issues like Nigeria, you have the problems in Nigeria, you have DRC, the problems that are likely to spread in the region, and South Africa is not helping a lot because it has own growth issues and of course now the worry about Kenya. East African community is one of the regions that have been doing very well. The regional integration process has been moving very well, but this country derailed if we get into serious problems in Kenya.

I think where we are headed in March could be very critical for the entire region. If this goes one way as in the write up in our book, in our pamphlet, where we talked about a tipping point for Kenya, it's actually also important for the entire region, including South Sudan and Uganda because we are relying on the movement moving forward with East Africa community.

So, how we deal with the issues and one of the worries, what type of international intervention is really relevant for these types of countries? Now, if you listen to many people talking about Kenya, they see the ICC as a big problem. I mean, some people will say we need ICC to punish these guys, but at the same time, if you go the country, what you find is that the international court has seemed to spread people. They have united people who have not been united before, so, now you have actually a real problem in the country. Even after the election and whoever we -- I think the country will be more divided and that's something that is worrisome and we need people who are sober thinkers to figure out how we proceed in that area. Thank you very much.

MS. SESAY: Thank you very much to all of you and I just wanted to remind our audience, remind all of you that we do have people joining us via Webcast and they can follow the conversation during this event at hashtag #ForesightAfrica, and also I wanted to remind you all that Mwangi's going to do a live Twitter chat five minutes after the event to answer questions. So, the housekeeping out of the way.

Mwangi, to pick up on what you said about "sober" minds, I wasn't going to let you get away with that, talk to me about how we go about solidifying or cementing the gains made in good governance in Africa and the rule of law to make sure that those are permanent and they're not rolled back.

MR. KIMENYI: Okay, I think what has happened is that we have tended to assume that we liked good constitutions and that those institutions are self-enforcing, and once you have a constitution, everything should work well. Actually, it's not true because you have there's a difference between constitutions and constitutionalism, which is a great way of thinking of obeying the law in a society and I think that's lacking in a lot of our countries. We have written constitutions, but we don't have constitutionalism.

So, I think what we need to do is really go back to the basics of organizing societies from the very low level of society so that we have a nation where people feel that they are part of the nation. I think now and I'm not afraid to say this, that when I talk to people, when I do service in Africa, we don't have nations, we have a collection of tribes. People still think about themselves as particular ethnic groups more than they think about nations and until we get to that point of nation-building, which in the past we assumed that we have a country, it's independent, and we have finished the nation-building project, it's not true. I think we have a lot to do from the ground to build a nation more than just passing a constitution.

MS. SESAY: Well, let me put that to the panel, the point he just made about as he speaks to people in Africa, the sense that it's a collective "of tribes" as opposed to a sense of one nation.

Steve?

MR. RADELET: I'm not sure I want to touch that. (Laughter) I actually wanted to comment on the first part of what he said, which on the resource management.

MS. SESAY: Sure.

MR. RADELET: And I think the key to that is really a push on

transparency. I really have come to believe over the last few years that the shift towards democracy is fundamental to Africa's progress and its future and that a key to strengthening democracy and good governance is transparency. Democracy at the end of the day is just one of many methods of accountability of a way for citizens to hold their leaders accountable and to hold your leaders accountable, you need transparency.

On natural resource management, there are some key steps that can be made, that can be taken. They're already underway in many places to increase transparency. One is the Extractive Industries Transparency Initiative, where countries themselves commit to being transparent and open about what they're receiving from extractive industries. It's a great initiative, it's taken off in a few countries, needs to really be pushed in other countries. It doesn't cost a lot of money; it doesn't cost really any money. It requires a commitment to be open and transparent.

On the other side, there's a push on publish what you pay for companies that make payments to be more transparent about those payments and that's been enacted in law here as part of the Dodd-Frank Bill that companies that are listed as part of the SEC are now required to make public their payments to other governments for natural resources. Eric Postel, USAID, and others pushed very hard for that to get through. It's a big step forward. But if you have commitments from countries, governments themselves to be transparent and companies that are making the payments to be transparent, then people know and I think that information, that knowledge gives power for citizens to hold their governments accountable, make sure that revenues do come in, and that they are spent effectively going forward.

MS. SESAY: Laura, do you want to --

MS. SEAY: Sure. I mean, I think that there's a lot of variation, right? And a place like Kenya, I would agree with the assessment that the collection of tribes is still very much an issue, but there are other places where national identity has strengthened and that doesn't mean that people exclusively hold a national identity. I mean, it is possible to hold multiple identities at once.

I'm a Texan, right? I mean, you all know I hold a national identity that is not American in addition to my identity as a U.S. citizen and I think that you do find places where identity can become something different than what you think it is.

I mean, we were discussing this morning over breakfast about the DRC and how a national identity in DRC is much stronger than you might think it is considering that the government doesn't do anything for the Congolese, hasn't done so for 30 years. But people really do have this strong sense of we are Congolese. Now, part of that is in response to we are not Rwandan, we are not these outsiders. It's very much a sort of our team versus their team kind of thing.

But it also relates to things like the breakdown of traditional authority and the breakdown of any kind of mechanisms for enforcing rule of law at the very local level and I think that Mwangi's point about that laws are not enough, constitutions are not enough, the DRC has the most progressive law against rape in the world. It's more progressive than the United States' law, but, of course, it's meaningless because it can't be enforced.

There are no courts that can really manage it on a scale that needs to be managed. And I think that this issue of how you build the rule of law at the most basic level, how do you get people to believe that if they play according to the rules of the

game, their government will play according to the rules of the game and everyone else will play and contracts will be enforced and agreements will not fall apart, particularly in fragile states is a real puzzle and one that we don't have a good answer for, but I think it has to start at the very local level.

MS. SESAY: Jeffrey, to bring you in, where do you fall in this argument of how you strengthen the governance and democracy in Africa, which of course is the bedrock for economic development and for its growth?

MR. SACHS: Well, I wanted to just add one more point to this, which is that the good governance in Africa also depends on good governance on our side. The source countries, for example, of the major mining and oil companies.

Take the case of the DRC. The DRC started its independent with a Belgian and CIA inspired secessionist movement of the Katanga Province and it started with a murder of Lumumba, who was a legitimate popular democratic leader of the country, who was a troublemaker because the copper interests in Belgium and elsewhere viewed him as a barrier to their wealth. Now, that was a very extreme case at the beginning, but the U.S. put in Mobutu and we made the history of that country to a very significant extent after Leopold. So, we wrecked the Congo repeatedly for decades. The CIA developed a government, Leopold, and then we say why can't these countries get their act together? And the truth of the matter is that it has been a tremendous bad behavior on many sides, almost every time there's oil at stake, there are big country interests from the outside that are meddling and very often, they make a mess of the local governance because their backing their companies and they have been, therefore, major agents in instability of the resource management.

I know when Ghana tried to raise the price that it was selling hydroelectric power from basically giving it away for free to an American aluminum company to something that was even just a marginal improvement, the U.S. company threatened to get Ghana punished in Washington in countless ways if it dared to pursue this, and believe me, Ghana backed down several times because the lobbying power of these companies was so great.

I see this happening all over the place right now. This is why Section 1504 of Dodd-Frank that Steve mentioned is really potentially such an important breakthrough because it's now American law and I'm hoping that the European Union adopts a similar message, but we should really understand how much the United States and Europe have destabilized Africa on many occasions over the last 60 years and over natural resources, over exactly the kinds of development issues we're talking about.

It doesn't end until today. We have to absolutely be vigilant.

Once I went to India, just to take a different case, the American ambassador grabbed me and said you better tell your Indian friends to honor that contract with Enron. That was just moments before Enron. But it showed how deeply intertwined U.S. foreign policy is with our own companies and this is very bad behavior.

MS. SESAY: Well, let me just ask you, let me pick up on what you just said, bringing in the U.S. and its engagement with Africa and obviously to the panel as a whole, what is your assessment of the way the Obama Administration is engaging with Africa right now? What are your thoughts?

MR. RADELET: I want the president to spend more than one day in Sub-Saharan Africa during his second term. (Laughter)

MS. SESAY: And people feel the same way in this room.

To the people here, I mean, how do you feel? You hear what Jeff has said and the context he's given it, but of past relationships.

MR. RADELET: So, I completely agree with Jeff and hope that that happens. I suspect that it will. Obviously, the president had some problems that he had to deal with during his first administration.

Having said that, to be a little bit in defense of the administration, which I was part of for three years, Secretary Clinton spent a lot of time on the continent. The president was deeply involved in the Sudan issue and in many ways was pretty important to bringing that issue to final resolution. So, he has been engaged in that issue and several others. We did in the context of essentially a frozen foreign aid budget allocate almost \$2 billion more to Sub-Saharan Africa largely through the Feed the Future Initiative. We do have HIV-AIDS treatment up to over 5 million people. So, the administration has deepened that in many ways.

MS. SESAY: AGOA?

MR. RADELET: So, it's a start. AGOA, there's big questions on what the next steps would be in AGOA. I would love to see a big step forward in terms of moving towards quota-free, duty-free. That's frankly less of an executive branch set of issues than a congressional branch. I think there's widespread agreement in the executive branch. We'd love to move forward on AGOA, and frankly on a lot of trade issues. The big roadblocks on that are more in Congress frankly on both sides of the political aisle.

I do think economically one of the ways the administration that you can

look towards of deepening engagement is through power. Jeff mentioned the off grid stuff. There is a movement towards thinking more about how the United States can use the money that it has to leverage private sector investment and especially in the power sector both for on-grid and off-grid power. So, I think that's one specific way that I suspect that we will see more movement going forward.

MS. SESAY: Laura, how do you want to see the Obama Administration –

MS. SEAY: Sure, I mean, I think the fact that the Obama Administration, really its Africa strategy in the last half of the last year of the first term shows what kind of priority it is. But that's also what a priority it is for every administration. Africa is always a low priority for American administrations and I think that that's going to be increasingly problematic in the years ahead.

We are now importing as much oil every year from the African continent as we are from the Persian Gulf states. And we are seeing a move towards the deployment of more and more U.S. forces and there are certainly more and more traditional geostrategic, political interests that the United States has on the continent and it would behoove us to make a stronger move toward developing strategies, toward developing policies and quite frankly, policies.

I mean, one of the key pillars of the Obama Administration's strategy is youth engagement, which is all well and good. I mean, that's not a bad thing, but inviting leaders of the diaspora to the White House, while that's a good thing, I mean, can you imagine that being a key element of administration policy with China or with Afghanistan and that sort of being something that is valued on its own? I mean, I think that many Africans have been very disappointed by the administration's engagement on the

continent by the sort of involvement and conflict resolution, which in many quarters is perceived as too little, too late, and certainly with a focus more on getting American citizens out of harm's way than on actually engaging in meaningful peace-building activities and I would like to see us move forward on that.

And like Professor Sachs, I would like to see the president actually spend some time in Africa, spend some time talking with people on the ground who can really give him a sense of what their problems are and what is needed to solve those problems.

MR. KIMENYI: Yes, well, we hope for better results this time. We understand the constraints that the president has been facing, but we do think that it will be better. And it's true that actually Africa does not constituents in America. There's not a single senator who lost a seat because they didn't vote for an African bill. So, Africa does not really have those constituencies.

So, how do you create constituents? You have to go to private sector, and I think building relationships with private sector so they have a stake in Africa will be the key thing and I believe that if the president were to focus on really engaging the private sector, bring whatever it is possible, whether it's tax privileges, some benefits to invest in Africa, I think that would be necessary.

But, on the other hand, we think that China, Brazil, Turkey, and all other countries that are flocking to Africa will be an incentive for Africa, for United States to actually act. I believe that some of the actions, that's my personal view, is that the United States is also responding to these other countries, which is a very bad thing for a great country like United States to be following for its policy on Africa to be determined by

what's happening by other countries, in my view.

MS. SESAY: You brought up China. What is the feeling here among you about China's actions in Africa and its role and its further development? Does it give you cause for concern the deluge of money that they're putting in?

MR. RADELET: My view on this is that there are great opportunities as well as challenges. China is bringing in money for infrastructure, they're bringing in expertise in many areas, they're bringing in markets, and they're creating a lot of opportunities. At the same time, there are a number of challenges in terms of whether or not they're supporting good governance or perhaps undermining good governance and what their broader agenda might be in terms of resource extraction. It's a little bit, well, I'd say humorous except it's sad that some people in the west wag their fingers at China for being all about resource extraction, as Jeff has already mentioned, we have kind of a history ourselves of doing the same thing. So, I'm not sure that we can wag our fingers too much.

I think a couple of things. One is that the extent to which these opportunities will really be taken advantage of in a positive way is fundamentally up to the countries themselves that China's dealing with and many countries are moving in very responsible ways to say we want Chinese investment, we'd love to partner with you, we want you to do it in an open, transparent, competitive way. And most Chinese companies are more than happy to do that if that's the rules. When those are not the rules, they'll behave in other ways, as well. So, a lot of this will depend on the actions of governments themselves.

Second, will depend on the international community. We're really bad at

not inviting China to the table as an international partner and lots of countries, the traditional donors get together and the Chinese aren't there. And you ask some of the donors why not, well, they see things differently. Well, that's exactly why you want them at the table. (Laughter) That's exactly why you want them at the table. And, so, whether it's the biggest level of having more influence at the IMF or the World Bank or the United Nations and international institutions or whether it's at the country level, where traditional donor groups get together, we got to bring them in the tent, work with them, listen to them, work as partners, and do things.

Like in Liberia, where there was a hospital destroyed by the war and the United States was not in a position to actually build the hospital, but we could provide the supplies to the hospital. Chinese stepped up and said well, we can build the hospital. They built the hospital, we supplied the hospital. It's a great partnership and people are getting the health care they need because neither side was stubborn and because President Sirleaf stepped in and said can you please work together and both sides did and there was a great success. So, the more that we're able to work together in those kinds of ways, the more that this will be a positive set of relationships rather than a negative one.

MS. SESAY: Professor Sachs, do you see it in the same way, that it's a positive relationship Africa and China right now? Some say it's very unequal. They raise concerns about labor standards, environmental contracts.

MR. SACHS: Well, first, simply on a macro scale, China's demand for primary commodities has been a key factor in pulling up Africa's growth. We have high world prices for natural resources in general. China's a fundamental factor in that, so,

Africa should definitely pray for China's macroeconomic health. It's a major part of Africa's dynamics.

Second, on the whole, China is behaving like a constructive major power in Africa in that it's providing a lot of finance, a lot of diplomatic support, and doing a lot of useful things. I would say that when it comes to corporate governance, Chinese companies are not good. The norms of behavior that major western companies more or less have to apply these days because of law or reputation do not apply right now to a lot of Chinese companies and a lot of Chinese companies are creating havoc environmentally in Ghana, for example, ripping up the landscape for mining. There's a lot that's going on because China's not part of the kind of EITI or Dodd-Frank process and this is where Steve's idea of bringing China around the table on what is responsible stewardship is really important. That's where Chinese government policies *vis-à-vis* their own companies.

China also discovered something, of course, that the western companies that the western companies discovered a while ago, which is a disaster for Africa, and that is the tax havens. If you look at how Chinese investment reaches Africa, it's through the British Virgin Islands, it's through the Caymans, it's through Bermuda, it's through anonymity, and this comes back to the fact that Africa absolutely bleeds resources, corruption, capital flight, aid that gets transferred, natural resource royalties that are not paid or paid into private accounts through the tax havens. So, I just wanted to raise that as another area where the international system basically is an invitation to corruption and the international system really has to take care of our own behavior better.

But I do want to say one more thing: Steven did a fabulous job as chief

economist of USAID in bringing attention to all of these issues and to getting AID's policies very, very pragmatic, very focused, very targeted. So, I really think we owe Steve a lot for that. There's a huge legacy there, Steve.

MR. RADELET: Thank you.

MS. SESAY: Laura?

MS. SEAY: Sure, yes, I agree that the fear of China and Africa is greatly overstated. And China is offering to African states something that no one else is offering and that is infrastructure development and vis as. China is building roads in the Eastern Congo. No other aid agency is going to engage in that activity.

MS. SESAY: Hold that thought because I do want to put that to the audience. Very quickly before you go on, she said the fear of China and Africa is greatly overstated. A show of hands as to how many of you agree with that.

MS. SEAY: I'm somewhat unpopular. That's okay. Not the first time.

(Laughter)

I mean, I think that if you go to Beijing today, it is full of African leaders who are there for bilateral exchanges, there for discussions. It is full of African students who are able to get visas and go study in numbers that are not possible given western restrictions on immigration and student visas and requirements for holding ludicrous amounts of cash when all you want to do is go study for a university degree.

If I am an African looking at the opportunities of what the east is offering me versus the west, for many people, what the east is offering is more appealing and more importantly more accessible.

Now, some of those people engaging in bilateral exchanges are going to

get lessons on repression. I mean, it's not as though the U.S. didn't also do that for a long time, right? I mean, we did all kinds of shenanigans with intelligence services and those sorts of things. People learn how to block the Internet, but I think that it's very important for U.S. policymakers to deal with the reality that there is someone else out there and that is far better to approach that as a partnership than to turn it into a competition between two sides.

And I think that we are seeing an unfortunate incident of the latter kind of engagement with Rwanda right now. Rwanda has very much been pursuing it and it looks like they're about to get significant Chinese aid investment in the aftermath of the withdrawal of western aid over Rwanda's support for the M23 rebels in Congo.

So, I mean, I think that it's a mixed bag and I think that there certainly are problems, the environmental issues like you mentioned. In Congo, the Chinese and DRC realized early on that bringing only foreign workers and not employing Africans was not going to work anymore, and, so, they do hire significant numbers of Congolese for these infrastructure projects. But the pay is quite low even by Congolese standards, where unemployment is so rampant. I mean, people look at this and they say \$3 a day is not worth my time to go out and join you in these projects, and I think that those sorts of challenges are very important, but you have to think of this in terms of who's offering what and who is bringing what to the table.

And can we engage on things like the hospital in Liberia that Steve mentioned? Can we find ways to say okay, if you build the road, we can help farmers with getting their products to market on that road? If you will repair the airport, if you will for the love of God install radar in Congolese airports, which would be the best thing that

ever happened to me. We can train people to use it. There are a lot of opportunities there for the different kinds of aid that the different groups are willing to do.

MS. SESAY: I think, Mwangi, you set us off on the China track, so, I'm going to open it up to the audience if that's okay.

MR. KIMENYI: Yes.

MS. SESAY: I think it's a great point. We're taking questions. You can put your hand up.

I'm going to start with the gentleman at the front here. A microphone is coming your way. On the right, or you could fight for it.

MR. ACTIVI: Thank you. Good morning to everyone. My name is Fairme Activi and I'm from Nigeria. I'm a trade consultant here in D.C. Thanks for all the effort.

First of all, I have a short commentary. First colonial Africa is way too fragmented to self-develop and I'm sure there was (inaudible). Fifty custom laws (inaudible) can't handle. So, also, African continent during the colonial era was branded a basket case, hence the U.S., it's a private end-run system. Now it's very difficult to promote Africa in front of the private sector of the U.S. citizen.

On the issue of --

MS. SESAY: Can I ask you to get to your question, please?

MR. ACTIVI: I'll get to the question. I guess my question is just a follow-up to the previous conversation on Obama Administration.

MS. SESAY: Sure, yes.

MR. ACTIVI: As an African, born from Kenya in the White House, I do

not suspect (inaudible) treatment for a cancer that is splitting the continent. I was suspecting for him to take a very important initiative in his second term. But what's important there, I think it's up to us as citizens on this end and the Africans to put pressure on him. They're looking so bad that he has to do something. I think until we do that, we can't get anywhere.

And, last, I'll say this much, if we do not get the international community involved in the development of Africa, i.e., the German (inaudible) system that helped Germany after the second world war, that model should be used for Africa where all the global interests come together to help us. If the U.S. does not get involved quickly with China (inaudible) which is a necessary way for production for the 21st Century, China's already come through with 95 percent of it. Thank you.

MS. SESAY: Thank you.

Does anyone want to pick up on that briefly? I'm going to ask for brief responses to questions and --

MS. SEAY: She said take a couple.

SPEAKER: Several questions.

MS. SESAY: Shall we take several? Does everyone prefer that? I like to get people to answer immediately, but this is a democracy at Brookings. (Laughter)

SPEAKER: To Professor Sach's initiative about the health workers, research shows that using health workers to promote hand washing and sanitation is a very cost-effective way of using their time.

Have you given thought this 1 million health worker plan to promote access to water and sanitation?

MS. SESAY: And you can just hand it to your partner there and then we'll take there and then we'll start some answers.

MR. JOHN: My name is Samson John from Ethiopian Embassy.

My question goes to Professor Jeffrey Sachs. You told us some of the initiatives that are proposed to be good for Africa, then so far as the MDG is concerned, that some countries are in good shape in achieving the MDG by 2015. Among those countries is Ethiopia. So, doesn't it show that our country is on the right track or in general some of the African countries who are about to achieve those MDGs (inaudible) in meeting those challenges that were mentioned by the contributors in this paper? Thank you.

MS. SESAY: Thank you. All right.

And the fourth question and then we'll take some answers.

MS. BERENBACH: Hello, I'm Sheri Berenbach. I'm the president of the U.S. Africa Development Foundation.

And this is really a question to any of the panelists. One of the big trends that I see in Africa that I think is so very important is the massive urbanization that is taking place, particularly when we talk about the youth and the kind of opportunities, the job dimensions, and I'm just wondering the massive urbanization and really what the appropriate public sector, private sector response is to really create more livable communities in these urban regions perhaps something we should be talking about.

MS. SESAY: Okay, thank you. We'll pause there for a moment and take some answers.

Let's start with this issue of pressure being placed on the president. How

realistic is that?

MR. RADELET: I'm not sure he's going to respond too much to pressure, but maybe a little bit. So, some pressure for him to do more and for the administration to do more is a good thing. I think there is potential for greater engagement.

As I say, there actually has been a lot more engagement than they're given credit for in terms of the Feed the Future Program, in terms of funding, in terms of HIV-AIDS, and several other things, but there's scope to really expand that in the second year. So, some pressure for more high-level visits from him I think would be great and I think pushing for more innovative uses, again, for funding power and electricity, pushing on the Feed the Future Initiative, where they're already committed and started this new initiative under the administration which they can own and to really bring that to the next level, both for the U.S. alone and for the G-8 would be an agenda that I think is quite feasible and that they would be open to for the second administration.

MS. SESAY: Anyone else want to comment? Laura or --

MR. KIMENYI: Yes, there are so many initiatives, there are some good initiatives, by the way, by the Obama Administration, and I have to agree that they are small in scale, some of them. Feed the Future is a huge program, but there are several others which are relatively large in scale.

In terms of pressure, I think whether we talk about pressure to get more aid is good, but that can be very (inaudible) by another administration. I think what we need is more long-term relationships which can only come by creating beneficiaries and these beneficiaries would have to be a part of the United States and that's why the

private sector needs to be involved.

And in terms of pressure, I would say like people like the Constituency for Africa, the Black Caucus, Congressional Caucus, there's been actually several groups in the U.S. that have been putting pressure, CCA, the Corporate Council on Africa. I think they have been putting pressure on the administration. So, I think we just need to get more (inaudible) on that area.

MS. SESAY: Laura, if you don't -- I'm going to bring in Professor Sachs.

Professor Sachs, if you want to comment on that or go straight to the next questions, which will address to you on hand washing and personal hygiene and also this issue of the MDGs and what it says about where these countries are on the road to development or road of development.

MR. SACHS: Yes, let me first say on U.S. foreign policy, of course, the U.S. for all the reasons that were mentioned should be paying a lot more attention. That's why we're here today. Africa is now 1 billion people. It will be 2 billion people soon enough. There's a lot of economic dynamism and importance. We have to guard against the U.S. viewing Africa from the optic of oil and terror, which are two of the favorite subjects of the United States. So, the Sahel has U.S. attention now because of Mali and Al-Qaeda and the Maghreb and all of that. This is a terribly narrow perspective that will be very damaging if it's pursued through drones and security as opposed through development and broader areas of cooperation.

So, Mwangi is exactly right that this has to be an economic-based culture, sports, human interchange. Laura's point about students studying could not be more pertinent. It's just an absolutely wonderful point that we really should take on and

be aware of that reality.

Let me turn to the community health workers. They're just great for so many things. We have a significant project with Unilever exactly around community education on sanitation, hand washing, use of soap, which is Unilever's product, interest, but it's a broader thing. People are saved, their lives are saved, kids are saved by these very, very simple means and I'm delighted that big companies like Unilever are pressing the point and want it scaled up and we at the U.N. need to really help governments to scale it up and I do view the community health workers as an absolutely central point of contact between the health system and people in their real lives. They can save a lot of lives, they can bring malaria deaths down to almost zero, they can, as you say, help with the hygiene and sanitation, safe child, birth and natal visits, well baby monitoring, it's amazing all the good things that can come out of this.

On the MGD front, I'll be in Addis in about five days, meeting with the government to exactly talk about these things. I'm looking forward to that. Obviously, Ethiopia has made a lot of progress. In general, the African scene is one of progress, but very mixed progress, exactly the complicated (inaudible) that Steve talked about earlier and that has been implicit in what we've been saying. There are areas of tremendous advance, there are areas of neglect. The big disappointment for me, obviously, in the MDGs was that the donor side did not hold up its side of the bargain. Very explicit commitments that were made in 2002 and 2005 on increased aid for Africa never were realized.

Now, I just wanted to point out in that regard though one thing and a challenge for everybody here, the single most important development in my view in

Africa's success in the last 10 years has been the penetration of information technology and especially mobile and that came without any aid at all because there turned out to be a business model that made it possible for a massive expansion and I would say, by the way, to Ethiopians, liberalize, let in the companies, and you'll get a lot more phones out of that than the Chinese monopoly. But that's a digression.

To come back to this, here's a business model that reached the poorest of the poor, transformative. The real holy grail of the development right now in Africa is can the markets do this in two other areas? One is electricity. Could we get a tipping point through pre-pay and other systems to have really a revolution of electrification on a market basis? And second, could we get a revolution of agricultural seasonal financing on a market basis?

We're pretty close to the tipping point on those two crucial areas. Everybody knows I'm almost a fanatic for development aid, so, I'm not saying do away with it, but I am saying that if we could figure out market forces that would really work its scale in the way that they've worked for telecoms in the areas of infrastructure and agriculture, Africa is absolutely going to boom. And, so, those are two huge intellectual, practical, and business challenges that I would hope that somebody in the audience is going to crack.

MS. SESAY: If I can get a quick answer on the issue of this rapid urbanization we're seeing in Africa and what the appropriate responses should be to that, then we'll open it up to another batch of questions.

Laura?

MS. SEAY: Sure. So, this is something also I'm very interested in. I'm

involved in a project in Edo State in Nigeria in Benin City, looking at why there has been a sudden burst of infrastructure improvement in the city. And if you go to Edo State today, I mean, you would see many, many paved roads, improved drainage systems, improved electrical access, and this is really bizarre, right, on many levels. And what is comes down to is essentially the personal leadership of the governor. He prefers to be called Comrade Oshiomhole. And the comrade really just kind of made a decision that his legitimacy would come in part from his responsiveness to the community and to citizens through this program of infrastructure and development and it worked quite well for him. He was resoundingly reelected last year and there's reason to believe that that reelection was quite legitimate.

What we're interested in is can you get that accountability to expand? Both is it replicable in other places, but also is it replicable in other sectors? So, we're testing it in the crime and violence prevention and response sector right now. But it seems to have a lot to do with leadership; it seems to have a lot to do with commitments.

I agree with Professor Sachs the role of data and mapping technologies, these kinds of things, and participatory community-based mapping, which I think is something that is greatly underutilized. There are people doing things in communities who do not get any attention, who are never going to be on CNN, who are never going to be written about in the *New York Times*, but who are making quite a difference and engaging in these data-gathering techniques, using the wisdom and knowledge of local leaders and of people in the community is really an effective way to identify and scale and strengthen these activities and I think that there's a lot of opportunity there, but it does come down to this sort of how do you make that leap to where people view their

officials as accountable?

Can I just add one thing on that? I think our friend in the front row, he mentioned this issue of corruption hampering growth and how corruption hampers investment and that American companies are not willing to invest in Africa because they see it as corruption, and I think that's a really important observation. But what we see is that in the countries where governments have made a very strong stand against corruption and are trying to make it very difficult for their officials to ask for bribes and that sort of thing, it's not a coincidence as those are the places where we're seeing some of the highest levels of growth.

I certainly am quite critical of Rwanda for the near total lack of political freedom there, but give them credit. That is a place where it is much easier to start a business than it is anywhere else in East Africa. It's much easier to get in there, it's much less expensive, and that is certainly tied to investment and the more governments that can lower those barriers that keep people out, I mean, I think another one is barriers to immigration, visa fees. It should not be more difficult for a Ghanaian to get a visa to go to Nigeria than it is for me. But most of the visa regimes throughout Africa, it is, and it's very difficult for people to move and if we're going to say that we believe in the value and power of free markets for development, we have to believe in the power of free labor markets and in letting people be able to move for educational and for employment opportunities if they need to.

MS. SESAY: Thank you.

Let's take another batch of questions. Oh, lots of hands. Okay, let's start to the right here in the green and then the lady there on the left next with her hand

up there.

MR. PUGLEASI: Hello, my name is Andrew Pugleasi and I have a question. Is there grassroots cultural or social demand for increasing educational opportunity and success? If there isn't, how important is that?

MR. RADELET: I'm sorry, can you repeat that? Is there a demand for?

MR. PUGLEASI: Is there grassroots, cultural or social demands for increasing education opportunity and success? If there isn't, how important is that to increasing educational success and how can grassroots social demand be increased or utilized?

MS. SESAY: Thank you.

Lady over there and then the gentleman behind him. Yes, there. Lady, go ahead.

MS. LEE: Yes, thank you. My name is Paulette Lee. I'm a communications specialist. I've lived and worked in Ethiopia, Rwanda, and Ghana.

And I'd like to zero in, ask you to zero in please on the issue of U.S. aid to Africa. What should it look like? We've touched on other models in this discussion today, we've talked a little bit about the reduction and the amount of aid, but there is a huge literature now on the problems with aid. So, what is your opinion about that? Thank you.

MS. SESAY: Thank you. The gentleman there and then -- so, I'm going to the gentleman here first. If you give your question and then you're next. Thank you.

MR. LANDE: Steve Lande, Manchester Trade. A great panel. Congratulations to AGI.

I basically hear a contradiction. On one hand, Africa, 60 years of independent, is grabbing its own destiny, has its own ideas, is in the lead. On the other hand, a lot of do-gooders, oh, we should do this, this, and this for Africa. Somewhere we're going to have to balance that out. Let me just make two quick questions.

One, we tend not dictate to Africa the rules on corruption. Africa must do that. We cannot dictate the rules on corruption with Dodd-Frank while China and other countries play by other rules.

Question: Can we have a conditionality policy as we have it without having agreement among all the players, including the Africans and the (inaudible)?

Second question (inaudible) what Steve said about the sectors and all the trade and he'll know the significance of this. We have a serious contradiction in terms of U.S. policy to regional integration that we must get Africans to know about. We cannot be supporting special preferences for least-developed countries at the same time as we support regional integration in Africa because one-quarter of the African countries are not the least-developed. The Europeans know that and they are forcing on the Africans what they call economic partnership agreements on the more advanced countries.

Again, I don't want to go in too much detail. I teach a course at Johns Hopkins; everyone can take it. (Laughter) But the bottom line is unless Africans become aware of what's going on in places like the WTO and going on in Brussels, all our comments about regional integration will come to nothing because the Europeans believe to close their markets to key African countries or they will make it impossible to create a common duty and let me stop there. I'm sorry for being erudite.

MS. SESAY: No, it's always appreciated.

MR. LANDE: Thank you.

MS. FREEMAN: Hi, Connie Freeman, Syracuse University.

I'd like to pick up on Mwangi's comment in his opening statement about the need for better African governance of African resources and the fact that this could generate so many resources for development that almost obviate the need for aid. And I'd like to hear a little further discussion about how to better go about that.

MS. SESAY: Okay, thank you.

We have a batch of questions. We're about to go over. So, I'm going to ask you to all keep your answers brief.

But I'm going to start with you, Laura, on the question of education and the grassroots demand.

MS. SEAY: Sure. Grassroots demand is extraordinarily high for education and parents and the people who run the schools, I mean, I think there's wide awareness of the inadequacy of the situation. I mean, these are not people who don't want children to be educated. They're just working in environments with very limited resources and very limited opportunities.

I did my dissertation research on education in the eastern DRC and I can't tell you how many of my subjects when our interview would conclude would ask me questions about Pedagogy, would ask me about active learning techniques and how can I integrate that into the classroom and would you come back and train my teachers on this and those sorts of things. I mean, they want to do it. It's not trendy, it's not sexy, it's not something that gets a lot of attention in aid programs, but it's something where there's a lot of opportunity and there's a lot of opportunity in this area, I think, for people who

want to help African communities in meaningful ways, but who are not private sector large investors, who are not government donors, but people who really want to make a difference in communities. I mean, I think there are many, many opportunities and very high demand there.

MS. SESAY: Thank you.

I'm going to keep this moving rapidly along and I'm going to put the question first to you, Steven, this issue of what should U.S. aid to Africa look like?

MR. RADELET: Well, we could talk for decades about this. So, I'll try to be brief.

First, in terms of overall aid effectiveness, most of the research that you mentioned that points out the problems with aid and that has a negative view gets very high profile. The research that comes out that says aid is effective gets very low profile. Most of the research that's been done shows that aid has a modest positive effect.

I just came out with a couple of coauthors a research article in an economics journal called the *Economics Journal*, actually, that does a comprehensive look at a lot of the studies that have found very little relationship between aid and growth and find those quite flawed and we find that with careful piece of research that you can find a positive relationship. So, overall, the record on aid is, as I say, modest positive. Having said that, there are huge ways that foreign assistance can be improved.

And, again, the Obama Administration has finally taken -- actually, finally, did it right at the beginning of the administration, big steps in this process. "Finally" because it's many decades overdue and the Bush Administration for all the positive things it did in Africa, it actually made U.S. foreign assistance less effective in many ways

by fragmentation and by consolidation and weakening USAID in many ways. But there's an agenda that's in place that is being implemented and the key is to continue this implementation. USAID has hired 800 new Foreign Service officers, which is going to be the next generation of qualified technical leadership at USAID. They're already in place, they're being trained, they're going out to the field, and the new generation is there. They've instituted new monitoring and evaluation policies to take a strong look at what works, what doesn't work, the agency is committed to making 200 of those evaluations public this year. If they do half of that, it's going to change how people view USAID and how the agency itself moves forward in terms of what works and what doesn't work.

We need to allocate more funding towards agriculture and towards power, which have been underemphasized. That's already underway. Even with the budget constraints we all face, funding for Africa is up almost \$2 billion in this administration relative to 2008 and we need to continue that with big focus on agriculture and on power.

There are many other steps that are underway to try to streamline the way that we operate to try to focus what we do. Some of those have been successful, others less, but to focus more on monitoring and evaluation, for the U.S. government to work with other donors in a more harmonized fashion so that we're not just out there on our own, but are actually working under the leadership of recipient countries, at least the well-governed recipient countries to decide what their priorities are and to get donors to work together is a long sought goal which we have only begun to move forward.

And I would want to urge African governments to be much more aggressive in demanding -- because it's got to come from them at the end of the day --

that donors work together towards goals that are established by the developing countries themselves. In well-governed countries. I'm not arguing for citizens in Zimbabwe at the moment, but in well-governed countries that have good development agendas. We need to be much more responsive to the priorities that they set and working together. We're far better at this now, I think, than we were five years ago, but there's a long way to go.

MS. SESAY: Thank you.

Professor Sachs, if I could bring you in to comment briefly because I know you've written extensively on this and the issue of U.S. aid to Africa, but also to pick up on the comment made by your colleague as to we cannot dictate to Africa rules on corruption and referencing Dodd-Frank. I want to get your thoughts on those two issues quickly.

MR. SACHS: Yes, just very briefly, aid that is well targeted and that is taken seriously as a development works and that's why the success on malaria and HIV-AIDS have been so marked so that if we focus, if we use technologies effectively, if we help poor people or public goods provision where markets can't do it alone, we can have a very big success.

It is not good for the United States to be spending 25 times more roughly on military approaches to our foreign policy than on development approaches to our foreign policy, maybe 20 to 25 times. Roughly \$700 billion on the military versus about \$30 billion on all development assistance. This is not good for the United States. It does not deliver the goods even from the point of view of U.S. interests and U.S. security, much less from the needs of very poor people.

So, I think that we could do a lot better and this literature, by the way, as

Steve said and as he has contributed importantly to, is so vague, it's not really about whether you can do things, it's about what should be done and how to do them. I heard tremendously important positive things that can be done and that ought to be done in agriculture, in disease, and infrastructure in other areas that we've talked about.

In terms of the terms of the question of corruption and accountability, I'm afraid that I believe we need to get moving, not every country's going to do it. China should be encouraged to do a lot more than it's doing, but for heaven's sake, we can do a lot better than we've been doing and the truth is, as I mentioned earlier, we have invited a kind of global lawlessness through the tax havens. These tax havens are not just tax havens; they're anonymity zones, as well. They protect illicit money and they allow U.S. and Chinese and European companies to act with impunity in poor countries by putting the supposed corporate governance into the British Virgin Islands or the Caymans or Bermuda or some other place that allows you to launder identity and legal accountability. So, we need to clean up our act.

China will be part of that, as well, but let's not wait "for perfection," giving ourselves a license for illicit behavior until everybody behaves. That's obviously a guarantee of getting nothing done. So, let's move. This Dodd-Frank 1504 could turn out to be very important. It's just getting started. Let's give it strong political support.

MS. SESAY: Thank you, and Mwangi, as we're in your house, I'm going to give you the final word particularly on that question of better governance or resources. And if you want to point to any specific countries that are doing a good job that we could look to as a model.

MR. KIMENYI: I think the key to really a natural resource governance is

information. The citizens need to know the information; they need to know what is in these contracts. You can get that information, for example, in Ghana. You cannot get it in Uganda. You see a big difference even in the (inaudible) state and all that. So, if the citizens have information, they can then (inaudible) governments. So, I think the issue is getting accountable governments' information and that would generate the transparency in contracting at every stage and even the revenue transition.

MS. SESAY: All right, and there we must leave it, everyone. If you could please join me in giving a warm round of applause for all our panelists. (Applause) Mwangi Kimenyi, Steve Radelet, Jeffrey Sachs, and Laura Seay. Thank you so much and thank you for joining us. I know we went over by about seven minutes, but thank you for joining us and I hope you enjoyed it.

* * * * *

CERTIFICATE OF NOTARY PUBLIC

I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

Carleton J. Anderson, III

(Signature and Seal on File) _____

Notary Public in and for the Commonwealth of Virginia

Commission No. 351998

Expires: November 30, 2016

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190