

THE BROOKINGS INSTITUTION

TOP PRIORITIES FOR AFRICA IN 2014

Washington, D.C.

Tuesday, January 7, 2014

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P R O C E E D I N G S

MR. McARTHUR: Good morning, everyone. We're just going to get set up here with the microphones. I'm John McArthur. I'm a visiting fellow here at the Brookings Institution with the Africa Growth Initiative and the Global Economy and Development program. I'm your moderator today.

I have to apologize that I'm not Helene Cooper, quite obviously, who had to send her regrets due to the flu bug that's going around, so I think that not only do I absolutely ruin the gender balance of this panel now, but I'm much less savvy on asking probing questions, but I think it might have had something to do with the weather that they asked the resident Canadian to moderate to get through the cold, the coldest day in Washington in 20 years.

So, kudos to everyone who's here today and I think it does reflect the full house that we have such great enthusiasm in the Washington community and also at Brookings for the issues of Africa's current and future. So, we're really looking forward to the discussion today.

We have a topnotch panel and we have a terrific conversation online, hopefully, and welcome and good afternoon to those who might be joining from Africa on the web. This is a live webcast and good evening to those who might be in other parts of the world. This is a terrific opportunity, #ForesightAfrica for a multidimensional conversation. We'll be looking forward to questions and we're hopefully going to have a chance to squeeze in a couple from the Twitter feed, for those who are able to join from there, and very 21st century, but also, I think, nature of Africa in the world today is a global conversation.

We have, as I mentioned, a topnotch panel here and I'll just quickly

introduce them. We, of course, have Makhtar Diop next to me, who is the Vice President for Africa at the World Bank. He has an incredibly distinguished career. He was, of course, World Bank Country Director for Brazil prior to his current role. Previously he was Director for Strategy and Operations of Latin America and the Caribbean region, Sector Director for Finance, Private Sector, and Infrastructure in the same region, Country Director for Kenya, Eritrea and Somalia, and, of course, Minister of Economy and Finance in Senegal prior to that, so he brings a tremendously global perspective to Africa's issues.

Next to him we have Ambassador Robin Sanders, who's obviously a leading figure on all of these issues in the U.S. government; worked at the National Security Council in two tours leading the Africa Bureau, was U.S. Ambassador to Nigeria from 2007 to 2010, and prior to that, Ambassador to the Republic of Congo. She's a recipient of Joint Chiefs of Staff Civilian Honor Award, three State Department Superior Honor Awards, four State Department Meritorious Honor Awards, and the Presidential Merit of Honor Award from the Republic of Congo. We couldn't ask for a more terrific expertise on so many of the issues that are going on, not just in Africa, but in terms of U.S. foreign policy. So, welcome, Ambassador Sanders.

Next to her we have my good friend Bright Simons, who's come in today from Ghana. One of the leading entrepreneurs in Africa and many would argue, in technology today around the world. Bright is president of the mPedigree Network where he pioneered a system that allows consumers to instantly check whether their medicines are counterfeit or not by sending a free text message. That's not just an important economic issue, it's a crucial public safety issue and also crucial to things like fighting resistance in new diseases and emerging diseases.

Bright is also, of course, World Economic Forum Young Global Leader, Technology Pioneer, a TED Fellow, Ashoka Fellow, a Brain Trust Member of the Evian Group, he's a recipient of countless awards including the Archbishop Desmond Tutu Award. I think he was an MIT Technology Pioneer as well. So, we're thrilled to have Bright with us too. Welcome, Bright.

John Prendergast, next to him, is another eminent figure, of course, who's provided so much leadership around the world on so many issues. John is, of course, the co-founder of the Enough Project, affiliated with the Center for American Progress. He's been a leader, I think, in public explanation in helping to understand so many conflicts around the world, but also, no one has their boots on the ground more directly in terms of tackling these issues, mobilizing action and intervention.

Of course, he worked at the Clinton White House, the State Department, with two members of Congress, National Intelligence Council, UNICEF, Human Rights Watch, the International Crisis Group, and the U.S. Institute of Peace. He's the author of nearly a dozen books, I believe, and very interestingly, I didn't even realize this until preparing for today's -- had some bestselling work around the role of Big Brothers and really the essence of compassion in thinking through how to mobilize a society. So, welcome, John, we're delighted to have you here.

And then, last, but certainly not least, my colleague at Brookings, Amadou Sy, who's a senior fellow here in the Africa Growth Initiative. Amadou currently serves as a member of the editorial board of the Global Credit Review. He was previously Deputy Division Chief of the Financial Surveillance Division at the IMF, and also in the Monitoring Capital Markets Department. He led the Financial Sector Assessment Program for the Democratic Republic of Congo, served as Deputy Mission

Chief for the Italy Financial Sector Assessment Program, and participated in the France Article IV Mission.

He focuses on banking, capital markets, and macroeconomics in Africa, and I should say, he has a terrific chapter in the publication that brings us here today in *Foresight Africa* on global development finance and the changing nature of development finance for Africa moving forward. So, welcome, Amadou, terrific to be with you today.

So, that's by way of introduction. I would love to now hear from the panel. We'll have a chance to hear about five to seven minutes from each of our panelists and then we're going to open it up to questions from the floor and also from the web.

So, maybe Mr. Diop, you can kick us off with something of an overview of what you see as the issues for Africa in 2014.

MR. DIOP: Thank you very much. It's my pleasure to be here and being back from Senegal last week I can see that there is a weather difference between the two parts of the world.

Africa has been really growing fast in the last decade. I mean, the average this year has been around 6 percent and over the decade have been 5 percent. Capital inflows have been coming in Africa around \$60 billion. Foreign direct investment have been operating in Africa, I think this year will be around \$40 billion foreign direct investment, in 2015 it should be around \$50 billion. Poverty is going down from 58 percent to 48 percent.

So, the story is good from where we stand. So those are the numbers, no need to remember them, but just to give you a sense that the picture is good.

But is it enough to really put Africa to the next level in terms of inclusion

or in terms of poverty reduction? No. We need to have a higher growth rate and to have a more inclusive growth.

One of the characteristics of the recent episode of growth in Africa is that one of the lowest elasticity to poverty in the world. If you compare to some part of the world where you have higher -- the same growth rate, we have a much faster reduction of poverty. Why is that? Because most of this growth have been occurring in capital intensive sectors, actually most of the FDIs have been going to mining and extractive industries and those sectors are not generating jobs are not really having the poverty impact that one can expect.

So, I think the challenge moving forward is twofold, is to increase the productivity of the sectors, which are generating a lot of job reducing poverty. One of them is agriculture. We know that agriculture in Africa has been growing very, very slowly. Productivity in Africa in that sector has been very low.

I would like to at least one of the great things that hasn't gone through yet, it's a green revolution, so I think a big focus in increasing productivity in agriculture will help a lot in, I think, a much more inclusive growth, but also can help tackling some of the macroeconomic imbalances and the balance of payment side to reduce some of the import.

If you take my own country, a lot of the food consumption is imported and their potential to develop that. Actually, a very small part of the African arable land is used for food production. So, a least all the agriculture agenda that needs to be developed.

The second big agenda is to increase the productivity of the informal sector and the formal sector, both, in the urban area. Africa is the fastest urbanized

continent. In some countries it's between 7 and 10 percent growth, so when people are thinking about Africa as being mainly rural, it's not Africa tomorrow, actually it's not even Africa today. If I take my own country, now roughly -- Amadou is also from the same place -- 40 percent of Senegal is now urban.

So, this is not a story of tomorrow, it's a story of today. So, it means that increasing the productivity in the urban area is something that we need to address.

One of the big constraints is access to energy and electricity in Africa. We estimate that power shortages and lack of electricity cost every year 5 percent of GDP in Africa. So, there is a huge agenda there that we need to tackle very, very quickly.

The good news is that Africa can do it in a way which is climate change friendly. In a sense, we have one of the -- a continent with a large source of renewable energy, particularly in hydro, which allows us actually to increase access to energy in a very sustainable way. If you take Akira in Kenya with geothermal and you take Inga or KALETA in Guinea or Lom Pangar in Cameroon, we have a lot of resources of energy, which will be clean energy.

So, Africa can have an electricity revolution, if I can say that, in a sustainable way, and I think that's something that we can discuss later on to see how that can be part of the discussion on the international scene about climate change and how an instrument of climate change can be helping countries to have that change.

Moving forward, I think that we have now a need to accelerate the foreign direct investment in Africa and one of the obstacles that we are having is the perception of risk is much higher than the real risk in Africa.

If you look at the fundamentals in most of our countries and you look at

the spread on the market, it's not -- it doesn't match the real risk. So, there is a very strong bias. And this bias is explained by the information flow coming from the continent. When there is a conflict in Central African Republic, people talk about Botswana. When there is a war in Mali, people talk about Tanzania. I remind people that Dakar is closer to Paris than it is to Nairobi. Sometimes it's not very clear to some people.

So, there is a effect there that needs to be handled so that the perception of risk is not as high as it is, so that you can attract investment, which are cheaper.

And secondly, attract investment -- and I think Amadou will talk about it -- longer-term investment for the private sector. If you look at infrastructure in Africa, they have been financed most of the time by short-term resources, which makes the cost of financing much higher in Africa than it is in other parts of the world. Another two minutes -- so, I think that is another important challenge.

The third challenge is the saving/investment balance and, you know, I used to work with the IMF and the first thing you learn is saving/investment balance, how they are, and if you look at in Africa the level of domestic savings, they're relatively low, but even that savings is not kept in Africa, it's put outside in tertiary bond in the U.S., et cetera, and the reason is that those order of public of savings, which are institutional investors of -- want to have a paper which is safe, they cannot take the risk after taking all these hard reforms of bringing good governance in the pension fund management, et cetera, they cannot take that money and put it in bad hands.

So, how we can secure instruments in Africa so that we can mobilize the saving and attract the international saving to finance the long-term development in Africa.

So, those are a few issues that I'm seeing.

In terms of risk and challenge moving forward, 15 years ago or 10 years

ago, when you talked about risk in Africa, you think about commodity price variability. Today, one of the risks, and I think that one of our panelists will talk about it, is the risk of some of the conflicts that we are having, the resurgence of conflicts in certain parts of Africa, which are having huge externalities on countries which are growing fast, but also increase the perception that Africa is a very dangerous place to go invest and mobilize domestic saving.

So, I think that there is a need to actively work on this most, most fragile state to avoid a resurgence of this crisis -- political crisis, which have a huge political impact on growth in Africa.

So, in sum this is the kind of issues and questions that we are thinking of and obviously all this will need to be done in a context where the commodity prices and the extractive industries that have been booming in Africa, and the new sources like gas in East Africa, like mining is well managed, and for that, we are thinking more and more on having inter-generational approach in terms of resource allocation, which allows us to invest today and prepare for the future generation to be in a better place to growth.

Thank you.

MR. McARTHUR: Thank you so much. I think this is obviously a terrific overview of the complexity and the range of issues that are -- that play in such a huge continent and also the up -- arrows pointing up and the arrows risking pointing down, if you will.

And I'm curious, just as an experiment, to start with some audience participation. If you were to give -- each of you -- your prediction for 2014 at a gut level, on a scale of zero to ten, how is Africa going to do in 2014? If ten was, this is the best year ever, this is going to be just the best year ever, and zero is, you're worried about

absolute catastrophe across the region, where would each of you rate this? Ten? Just with a show of hands. If you were to vote with your fingers. I'm curious what the room thinks between a ten and a zero, maybe a five is a half way in between.

We have sixes down here, we have some tens in the back, sevens -- any lows? Any threes, fours? And who gave a ten? I saw one ten in the back. Can you give one word to describe why a ten? No? It's an experiment.

SPEAKER: I think the metrics --

MR. McARTHUR: Just one word. Sorry. We're not going to Q&A yet.

SPEAKER: I'm an economist, so it's very difficult --

MR. McARTHUR: Okay, then we'll come back in Q&A. Really, it's the panel's turn. I just want to see if there's any general, quick census. One word?

SPEAKER: Optimism.

MR. McARTHUR: Optimism. Okay. Fair enough. Anyone with a low score, close to a zero, two? Who had -- I saw a three maybe. Okay, so it's an optimistic group. Good.

Well, I think that's interesting as we think through -- you know, I saw there's a range of scores, always a range of perspectives. There were certainly some fives, but also some tens. It seemed like this group is pretty optimistic on the whole, it's more than cup half full.

So, with that in mind, I'd love to hear, if we could, from Bright maybe talking about some of the, I think, cup half full plus discussions that you're working on.

MR. SIMONS: Thanks, John. A lot of times the discussion of Africa, in my view, has been shaped by big narratives from the post-colonial era, I think the first decade, that is 1960s, you had all this emphasis on industrialization, but import led or

import substitution led industrialization moved all the way through the 2000s when the focus on FDI and, in a general sense, economic competitiveness became the big narrative.

I believe that somewhere around 2010, that the second decade in the new millennium, the discussion around competitiveness began to center around a number of fulcrums, one of which was technology. So, technology made a very important sub-narrative of the whole discussion around economic competitiveness and foreign direct investment into Africa.

And one of the reasons that, you know, this became prominent among observers was this whole view about leapfrogging. I think leapfrogging became a very central theme for Africa in the sense that using technology, Africans can circumnavigate and circumvent some of the mistakes that were made in the west as the west became more productive, and as capital accumulation in the west began to transform the economic system.

My view is that 2013, a number of important incidents and developments marked a subtle shift in the emphasis on leapfrogging. I believe that the leapfrogging narrative was overly dominated by the development industry, so to speak, so we had a lot more concern around the social enterprise, the poverty alleviation, whether technology could be used to assess poor farmers, whether mHealth, you know, could be a way of improving health inclusion.

So, the teams were development focused. I sense that in 2013, we are going to see a much more capitalistic focus on technology in Africa. And this is my reason: for the first time, a specific technology segment in the world, we saw Africa attract more capital to that segment than Silicon Valley, and of course, Africa is much

bigger and much more complex, but it is true that within Africa we have a very narrow corridor of technology, some would say from Nairobi through -- if you take South Africa out -- in you take South Africa out -- from Nairobi through Lagos to Ankara and increasing the French speaking world, by setting these are the three poles of the Silicon Savannah Corridor in Africa.

And we saw in e-commerce the attraction of perhaps more than \$120 million into various e-commerce projects across the continent at the venture capital level. If this was to progress into the private equity and then patient capital sub-stratums, we are going to see an amazing performance in that segment alone.

What is funny, though, is that the ecommerce segment is very globally mainstream. It's not a kind of, some would say, extraordinarily different types of technology that some experts and observers have begun to associate Africa with, because the idea was Africa was going to come up with technologies that are so fundamentally different in the way that it's shaped because of its response to the unique circumstances and conditions in Africa that those technologies are likely to be leapfrogging technologies, and my own approach to the issue of supply chain fraud has been cited.

But I believe that the performance of companies like Gumia, Konga, Tonatone in Ghana, et cetera, and the millions of dollars that they've raised -- I think one of them just completed a \$38 million series C immediately convinces me that maybe, rather than leapfrogging, what we are going to see is another perhaps similarly interesting narrative, which is infrastructure hacking. And by infrastructure hacking I mean that rather than a complete leapfrogging approach, we will see the technology story in Africa play out, at least as far as the segments and the focus are concerned, in not that

dramatically different form from what is happening in the west, but the infrastructure impediments, which people are taught will simply be leapfrogged, will be harnessed and hacked in ways that change the way that the capital flows.

And I'll give you an example. The way that the major ecommerce pioneers in Africa are (inaudible), is not radically different from your eBays and your Amazons and the rest, but they are different in the way that they have harnessed the social capital, the cultural infrastructure, and used that to shape the physical infrastructure.

So, for instance, in Africa, when you buy an item online, they are happy to deliver the item to you and then you pay cash on delivery. That is completely crazy. I'm not sure any American entrepreneur will have come up with something like that, but it hasn't necessarily meant that, you know, the way that you buy online and the product that you get, et cetera, is that dramatically different. Whereas if you look at one of the major examples of the leapfrogging narrative of the leapfrogging paradigms, my own friend (inaudible name) platform, you see the leapfrogging content in a much more dramatic fashion.

So, this is an entrepreneur who has come up with a way to solve the issue of human security in its most rudimentary form to protect people from robberies and burglaries. And the way he has done it is that, you know, you go to your local gas station or your local shop, you buy this starter pack, you come in and you graph your neighbors, so you put in the phone numbers, et cetera, and when you are under attack, you hit one button and they get automated voice calls and, you know, a message is sent to the local radio station, and there is an enterprise up that allows the system to reach the low time capacity or the down time capacity of private security companies in the neighborhood, to

respond to your crisis.

That is something that in my view is radically different from the way you will conceive of a security application in the west. But when you look at the ecommerce dimension, my argument is that the product itself is not fundamentally different, it's just that the hacking of infrastructure has made it profitable, and that has attracted a huge amount of capital.

What that will mean in 2014 going forward is that this focus on mainstream technology will center around a number of areas -- government IT procurement. Billions of dollars are spent in Africa on every conceivable technology imaginable because of government IT procurement. So, if you want to build a power plant, perhaps 10 percent or 15 percent of your spending will be in software of different kinds to manage that power plant.

These are huge expenditures that could transform the IT industry in Africa. Because we've looked at IT industry from a development point of view, from a humanitarian point of view, we (inaudible) this huge amount of capital that flow out of Africa into Asia and the United States. So, where we are, for instance, is perhaps the biggest beneficiary of the mobile boom, even though we talk about all these mobile computers -- this micro intervention, these small, small applications that have 100,000 users and perhaps (inaudible) a million dollars or so, but a billion dollars and more is sometimes the size of the contract that IBM will sign, (inaudible), to provide their vast platform.

So, the more capitalistic focus on these kinds of huge amount of capital leaving Africa, particularly into the hands of new Asian and western multinationals, may mean that policy at the level of the World Bank, at the level of government, might change

to focus on a more, in my view, mainstream use of technology in Africa, and that will also mean, therefore, that African contractors -- technology contractors -- will become significant players on the continent, and therefore you're going to see a micro-structural change in the economy potentially through a greater focus on production of technology in Africa.

And for the first time, therefore, technology will not be seen as a sentimental and optimistic, you know, flank, but it will be seen as an actual important dynamic in the shaping of the African economy, and I think 2014 marks that time.

MR. McARTHUR: It's a fascinating narrative and exciting to think about that tipping point from good news story to deep transformation, if that's a fair paraphrasing.

Ambassador Sanders, what do you see as the key issues and opportunities on the horizon?

MS. SANDERS: Well, I think that for 2013 we saw a lot of paradigm shifts, particularly on the economic development side, and what I'd like to highlight are some of the things that I see for 2014 in economic development.

I want you to think about a couple of facts that I'm just going to throw out and then I'll put that in context of economic development. You're looking at the continent probably going 1.9 billion people in 15 or 20 years. You have about 331 million people in the middle class, so that already is not a sustainable figure for the future. You're looking at possibly 100 million cell phones in the world, most of that is in Africa. Africa has just now moved into the most wired continent in the world.

So, what does that mean going forward for economic development? Where are the donors not focused enough on, in my view? I've been working on the

ground the last year in these areas and these are the areas that I think not only address poverty alleviation, but they also address the issue of financial inclusion.

I want you to think more broadly about the term "financial inclusion" as I highlight some of these things. Normally financial inclusion is thought about as banking and credit, but I want you to think about financial inclusion as anything that provides you through ICT -- education, access, has ease of usability, and changes your quality of life.

So, where are the areas where donors, in my view, are not doing enough, or where are the areas of economic development growth needed more, particularly to address the economic boom, so that you have this wealth creation all the way from the top to the small farm holder?

A couple of areas that I see, and I've been working in, is SME development. I think that small- and medium-sized enterprise development, and MMEs, which are businesses less than 10 people are in the MME category, what I'd like to see for 2014 is the donor community, as well as the diaspora community, and I want to really stress the role of the diaspora in moving forward in Africa, I think that with SMEs and MMEs, more needs to be done to support their move forward.

I just did an SME program in Nigeria with 240 SMEs and one of the main challenges they have not only is access to capital, which we all know, and we match them up with about 14 banks in Nigeria, so they came from all around the continent, primarily Nigeria, but we did have others, but it's really understanding how you run a business, how you grow a business, how you develop a business, how you do financial management.

And all of them were doing good. They had three to five years experience, but they could not manage the future of where their business was headed.

And I think that donors and policymakers really need to step up a little bit more to address that in 2014, to really address the job creation issue.

Other areas, ICT has been covering in depth, but I can't stress ICT enough, we know that smart phones and feature phones are the way forward for Africa, not just for credit and banking, but the number of things that are being done on smart and feature phones and feature phones are really non-smart phones, but they can still help you do that financial inclusion that I talked about.

What is the education that comes from that mobile device that you have in your hand? There are a number of wonderful examples across the continent in the health sector. You've got iCow for example, which I think is one of my favorite ICT apps to highlight, it helps farmers communicate with each other about gestation, about dairy prices, about agricultural, sort of like its own mercantile operation.

There are 30 billion apps that were created over the last two to three years. It's really interesting to know that a good many of those came out of the continent of Africa, sub-Saharan Africa, and I think that you mentioned that, but that figure is impressive.

So, this idea of leapfrogging or infrastructure hacking is really helping in very, very creative ways.

Vocational training: I don't think any donor is doing enough on vocational training because are you going to be able to create enough formal jobs to address the number of people that are going to be 35 years old and below? Probably not. So, where are they going to go? They've got to be entrepreneurs, they've got to be either vocationally trained or they've got to either be in the SME or in the MME category.

Agriculture: I struggle with agriculture quite a bit. I work in that area right

now with a number of new models on agriculture, and I think one of the biggest challenges in the agricultural sector is not thinking out of the box. I think agriculture still is very structured around single commodity issues.

Agriculture is not a stand-alone sector. I like to think of agriculture as an ecosystem, and if you're not doing your land resource management well, if you're not doing your environment well, if you're not doing water resource management well, you're going to have a challenge with sustainable agricultural products, you're going to have a challenge with your small farm holders, you're going to have a challenge, then, with development, because as we know, most of sub-Saharan Africa, the majority of the informal and formal sector in sub-Saharan Africa is in agriculture and that's your small farm holders.

So, how do you help them? How do you help them use technology? How do you help them have that financial inclusion in the broad sense or in the new sense of the definition that I gave you?

One area that doesn't get focused a lot on as well is housing. Housing, housing, housing. In Nigeria alone, and I use that as just a quick example, there's a 17 million housing deficit in that country alone. If you multiply that issue of housing around the continent, that's pretty stark. So, if you don't have those issues, if you don't have housing addressed, if you don't have agricultural addressed in a different model, not single commodity, but more in an ecosystem model -- ICT, I've already talked about, and the last one, I think, is equally important is really to think about growth in a different way.

We tend to think about growth sector by sector instead of more comprehensively. How is infrastructure linked to energy development, linked to agriculture from rural to urban migration of not only people but certainly goods and

services, and education? I know that for -- in my experience there's a lot of emphasis on secondary education, but I do think we need to expand that paradigm a lot more.

We've stepped away from tertiary educational training that we used to do 20 or 30 years ago, we're not doing that as much, and we need to step back into that because in order to have that leadership that we all continue to talk about for the continent, we need to make sure that we're focused not just on secondary education, but on tertiary education and vocational training, as I mentioned.

I know we're getting tight on time, so I think I'll just wrap up there, but those are some key things that are on my mind for 2014 that I'd like to see a lot of, not just out of the box thinking -- if you can't do out of the box, certainly get next to the box -- so that we can move forward. Thank you.

MR. McARTHUR: Thank you so much, Ambassador. And we'll definitely be coming back to you, I'm sure, with some follow up questions from the audience and others.

This notion of complexity -- and there is some tough stuff, still, of course, and we intentionally didn't bring up the conflict issues at the beginning, because if you pick up a paper, that's the story that you'll read about, but it's just one of so many stories that's happening today. At the same time, my colleague Lawrence Chandy estimates that current number of people living on less than \$1.25 a day in Africa is 400 million people. Most of those are, of course, still in rural areas. The biggest poverty challenges are in the fragile states. No one is better equipped -- well, we have many people on the panel who can, but maybe we can ask John to tell us -- or share some thoughts on how to even think about that challenge as we look at 2014.

MR. PRENDERGAST: Thanks, John. Surely, if we were just listening to

my colleagues, and I would plant myself firmly in that camp, you would want to be going back to your audience participation exercise in the, you know, high seven, eight, nine box, but because of the topic that I've been assigned today, you know, there's going to be a little drag here on that number, and it's inevitable.

It's hard to remember a time when African crises have been in such sharp focus, 24-hour focus, as they are today.

Before, though, we check the box of each of these devastating conflicts, and maybe we do that more in the discussion, for those that are interested, I want to reveal a growing bias that I have and I think it's increasingly fool hardy to deal with all of these conflicts that are erupting and continuing in isolation within their sovereign borders or even within the regions of individual countries we see all these initiatives related to Darfur, Eastern Congo, and other kinds of sub-regional entities.

It seems to me what is emerging today and has been for some time, are integrated conflicts systems, and there's some good literature on this. We saw, at the turn of this century, that very clearly in West Africa, in Liberia, Sierra Leone, Guinea, and Cote d'Ivoire, the interconnectedness of the conflicts there, and we're seeing that unfold very clearly in the 21st century in a number of integrated conflict systems, first in the far northeast corner, Ethiopia, Eritrea's coal war, how it plays out in Somalia, and throughout Northern Kenya. The Sudan is, of course, an integrated conflict system. Darfur, Chad, Central African Republic, the deep connections between those conflicts. The cross-border nature of the violence perpetrated by the Lord's Resistance Army, which is at its all time low now, but has that accordion-like phenomenon that could, in fact, return if the efforts now are not successful, that spread now into CAR, into eastern CAR, to northeastern DRC, and to South Sudan. And then, of course, the cross-border conflict in

the Great Lakes that takes places on Congolese soil, but involves, very deeply, Rwanda and Burundi and Uganda.

And there are many others. It's not just state actors and political opposition we need to analyze and understand. We've all come to know the names of these non-state actors, the LRA, the Janjaweed, Salaka, Al-Shabaab, Boko Haram, the White Army, the M23, the FDLR. The motivations and alliances of these parties need to be understood as much as those of the state actors if we want to get a handle on some of the violence that is plaguing the people of Africa today.

The context is, on one level -- or the contest is on level for political power because control of these semi-authoritarian states means access to resources and patronage networks that are the holy grail in what are some of the poorest countries in the world, but it's also about greed, which takes the form of all kinds of manifestations -- poaching, smuggling, looting, exploiting minerals, illegal taxing and extorting, and other criminal enterprises and manifestations of growing warlordism in some of these places.

So, in this quest for power and wealth, identities are mobilized as we're seeing those stories are the ones that make it to the front page, the mobilization of race and ethnicity and religion in the service of these quests for power and wealth, to devastating effect in so many places. And among these competing groups, groups competing for power or for wealth or acquisition of wealth, asset stripping, et cetera, there is a perception that the national political systems in each state are all or nothing affairs, and that peaceful paths to power are blocked, so the gun becomes the viable means to access that power.

And all this action has very little regard for national borders. So, again, before we go to very specific border-defined national conflict with the usual demand for

cessation of hostilities, I would say we need a response regime internationally in Africa that fits the problem. We need a conflict systems resolution strategy that would involve multilayered negotiation, that would involve all of the regional actors that are relevant and their interests, it would involve strategies to cut off the money supply of the armed groups, particularly the spoilers, and would focus on system change to allow real, inclusive and transparent governing systems that don't just leave the spoils to the victor.

It's no use doing these peace processes if only the biggest guns are involved. We need to be inclusive -- much more inclusive internally and regionally, and we're seeing that play out in a number of places right now.

It's no use scheduling elections if there's no system change. It's no use passing sanctions if we're not really going after the money supply for the violence. It's no use cutting deals that integrate human rights abusers into national armies and leave scraps for the demobilization and disarmament and reintegration of combatants and particularly young people who have been mobilized, again, on the basis usually of their identity, into these armed groups.

So, this is what we normally do as the international community. That is what the UN and AU prioritize and Africa is reaping what that system, that international response system, has sown. It is a broken international crisis response system, I would argue, and the world we live in is still one in which the dominant actor is the nation-state, so we still need to focus on these national solutions, but ensure they are contextualized regionally.

Again, rather than going down the list of national and sub-national conflicts, which hopefully we can have some discussion in the Q&A later, what interests me more is figuring out how we're faring with big thematic categories of response --

peacemaking, how are we doing, protecting civilians, prosecution of people who are committing mass atrocities in the context of conflict. We call them the three Ps, peacemaking, protection, prosecution.

Let's look at peacemaking first. The African Union, the United Nations, the broader international community including the United States, we continue to pursue this approach that is too limited, I think, to succeed in many places.

In Sudan you see it very clearly. We stove-pipe Darfur, there's a peace process for Darfur, there's an attempted peace process for the Nuba Mountains and Blue Nile, that handle (inaudible) separately, they handle the Eastern Sudan conflict, which is down now, come up later, separately. In South Sudan, the inter-communal conflicts that we're seeing now explode, were never addressed after the peace agreement was signed between the north and the south.

The intra-party rifts, the dominant political party that emerged as the interlocutor in the peace agreement, the SPLA, these terrible divisions within that go back decades, were never addressed, the reconciliation processes that were all agreed to were never fulfilled, and so these divisions in the communities and in the political -- in the ruling party, are represented or reflected in the army, so as soon as there was a red alert that went off in South Sudan, you saw the total implosion of the national army, which had not been reformed one iota and the contest for power begins anew.

In Congo, same kind of thing. Deal after deal over the last decade, integrating these warlords into the army with all their militias, never addressing the core drivers of violence in the country, never addressing the regional interests that continued to stoke, continued over the course of the decade and the last decade and a half, to stoke instability in Eastern Congo.

But finally, sort of in a contrarian moment, we have some hope here in Congo in particular. The M23, the main armed group in Eastern Congo, was defeated for now because of a commitment, temporary, hopefully not, to army reform, because of international pressure on the regional actors, particularly Rwanda, and because of a denial of the resources, the money that was fueling some of this conflict because of the actions of this Congress here in the United States, the Dodd-Frank law and all the efforts to restrict the international markets for conflict minerals just as was done with blood diamonds more than a decade ago in West Africa.

In Central African Republic, there isn't even a peace process. They're not even trying to create one at this point. Throwing troops into the mix -- the old adage if what you have is a hammer, everything looks like a nail, so we throw troops into it. Not to say that that's not a terribly important aspect of the problem is to protect -- attempt to protect civilians, though we'll get to that in a second, but in terms of addressing any of the political problems, not being done yet. Divisions internationally and regionally cause that.

So, that's the peacemaking. A lot more to talk about.

Protection, protection of civilians, we see these massive, very expensive peacekeeping operations in Africa, some of which individually cost over \$1 billion a year, thanks to -- a third of which or nearly a third of which comes from all of us in this room, and it's not really capable -- they're not really capable of protecting civilians, not really designed to protect civilians even though this is one of the main objectives that are spelled out in their terms of reference.

We have to really ask the hard questions. If the responsibility to protect and civilian protection is going to be a highest priority of the deployment of force into conflict zones, whether active conflicts or post-conflict scenarios, we have to deploy and

equip and finance very differently these missions. We've seen that, how quickly that is proven true when, with political will and additional resources and the right troops, a small unit, called now "The Intervention Brigade" added to the peacekeeping mission in the Congo, was able to make very rapid success in supporting the army reform in the Congolese army in helping to defeat, at least for now, the M23.

Thirty seconds, that's pretty impressive. Let's see if I can pull it off. The last P, prosecution, just because I don't want to leave it out, we hear it all the time. If you don't break the cycle of impunity, the atrocities will continue and we see that over and over again in deals patching together these major wars with no accountability -- the Congo and the Sudans and the Central African Republic and Chad and Somalia. The list goes on.

This isn't easy to do, accountability, but it's an essential thing. There's just simply too much to cover, so I surrender the microphone.

MR. McARTHUR: We gave you an impossible task, John, but you did it masterfully, so thank you. Thank you for that. Finally, for now, Amadou, a lot of these questions come down to how to pay for it --

MR. SY: Exactly, yes.

MR. McARTHUR: -- and I think one of the biggest questions in the global development discussion today is the changing nature of global development finance. No one's better equipped to help us think through this. What are your thoughts?

MR. SY: Yes, so I'm the lucky one because at the end of the day you always need the money. But I just wanted to focus on two issues, really, when it comes to development finance or financing development, one is the quality of financing and two is the diversity of financing.

For a long time, most of the emphasis has been on the quantity of financing, so the idea is that Africa has a huge financing gap, not only to sustain this rapid growth that we have had in Africa, but also, as Mr. Diop has said, to really transform the economy of Africa, we need higher growth, and this ambitious agenda, which is shared by, I would say, a lot of African policy makers, face a big constraint, we have to find the money, we have to find the money for investing, we have to find the money for social goals, for humanitarian goals.

So, right now at the UN there is this debate about the post-2015 Millennium Development Goals and you could see finance again as an input into, you know, achieving these goals.

So, so far since the Monterey Consensus and then the Doha Round, the idea is we need more. We need more. Africa needs more. But when you really -- and progress has been achieved because if you put private capital flows, mainly foreign direct investment, mostly foreign -- three quarters of private capital flows to Africa are foreign direct investment -- if you take the private capital flows and you add the remittances, these flows are now higher than official -- than aid flows.

So, the relative weight of aid has gone down. So, something is happening. So, if you dig a little bit deeper, I think this relative change in the composition of financing flows to Africa raises five policy issues.

First of all, I think it's very important to look at the money and look at all the sources of money together, not just have some kind of thinking about aid flows independently of private capital flows, independently of remittances.

I think it's useful to have a comprehensive look.

So, when you look at the -- so, the two themes, quality of financing and

diversity of financing -- if you look at the quality of financing, one key issue for Africa is, how do you get more transfer of knowledge skills from foreign direct investment? So, three-quarters of foreign direct investment to Africa goes into the extractive sectors. Well, so in some countries this is like an enclave economy. Local companies are not benefitting much from it, okay, so what do you do?

So, one way is to really think ahead. So, many African countries are discovering oil, so, well, if you know that you will be an oil producer and you will have these big firms coming in, maybe it's time now to think about how your local companies can prepare, how you can train your youth to benefit from possible future jobs when these local companies will come. It doesn't have to be that complicated. I mean, in the sense that, for example, if you take a lot of competition right now among these companies in technology, offshore technology, for example, is complicated. Not everybody can do it. But there might be some ways to have the local companies be the suppliers of these multinationals when they come.

These companies don't just have to import everything, right, so it takes some thinking, it takes some planning ahead, but that's one way.

So, basically, how can your local companies be part of the value chain of these investors when they will come?

Also, if you are Nigeria, and for a long time, you know, you have tried to have some expertise in oil and you see that the oil companies are becoming more and more sophisticated and becoming more and -- better at doing offshore oil, so, it's time also for you to start trying to train and develop your people to also take advantage of this trend.

The second point when it comes to quality of financing is how to reduce

illicit financing flows. And there, there's been some progress, like the Dodd-Frank Act also has -- it's a matter of governance, in a sense. I think what you need is to really hire good lawyers, come to New York, come to London, and hire good lawyers. Dodd-Frank Act is there, but we know very good lawyers. Who is really the beneficial -- how do you call it -- who would really benefit from these contracts? That can have multiple layers of contracts to circumvent that. We have these offshore centers, we have tax evasion, and so on.

But that -- I was at a conference at the UN, this UN Compact and Mo Ibrahim was there and his message was -- there were lots of private investors, so this global compact is an effort to involve the private sector to try to think about development issues and so on, and his message was, keep your aid, pay your taxes.

But without going to that extreme, I think it's important to find ways to reduce these illicit financial flows.

And of course the Dodd-Frank Act is a good step.

So, that was two points when it comes to the quality of financing. Now, when it comes to the diversity of financing, one key engine of foreign direct investment growth in Africa has been investment by China and the other members of the BRICS group, Brazil, Russia, India, China, and South Africa. And there, you know, that's -- it brings a new perspective, but another way to also look at it is to think about strengthening south-south partnership, and this is happening also within Africa.

You see Moroccan banks, for example, in maybe less than a decade have become more important in Francophone-Africa -- at least in the west -- in West Africa, than French banks, who used to be the dominant players. You see Nigerian banks going all over the region because of regulation they had to have higher capital, so

they become much bigger and they needed to find a use for this capital, so they went outside the borders of Nigeria.

You see African banking groups coming in. Of course, this raises challenges. You have to have a supervision to really supervise well these cross-border banks, you need your supervisors in different countries to talk to each other, you need to monitor these banks, and so on.

But you see also a need for regional integration and so in this regional integration agenda that lots of African policymakers have, financing should also be considered very carefully, and I would say, sometimes you just have to start with the plumbing, the payment system, right. Financial infrastructure is -- as they say, you only realize what the plumbing in your house looks like when the water -- the faucet doesn't work.

But in finance, this financial infrastructure is very important and this regional integration should also pay a lot of attention to the financial infrastructure.

So, a second point when it comes to diversity of financing is engaging the diaspora, right, so we typically think about foreign -- thirty seconds, so I'll be very quick -- we typically think about foreign savings and domestic savings. We don't have enough domestic savings, so let's try to attract foreign savings, but we also have the non-domestic residents who have lots of savings. So, diaspora, bonds, reducing the cost of remittance, et cetera, is very key and the World Bank is working on that.

And finally, for my ten seconds, redefining the role of aid. You know, for a long time -- so, now aid, relatively, is decreasing in terms of importance, but we only look at ODA, which is from the OECD countries. We have to look at what the Chinese are doing in other countries, and we have to look at other mechanisms that are not

counted as aid. For example, guaranties, right, it's not counted as aid, but if you look at this new emphasis to have the aid money plus the private sector money and so on together, private sector will tell you, well, but we need guaranties, right, but it's not counted as aid, and if I'm a policymaker and I have to reach this, I thin, 0.7 percent goal, maybe I'm not keen on to guaranties an so on.

But a lot is happening and, again, just two points, quality of financing and diversity of finance beyond the typical more money, more money to Africa. Thank you.

MR. McARTHUR: Thank you, Amadou. So, I think all of these comments really underscore both the range of issues and the complexity to each issue, as masterful as each of our speakers has been in sharing some distillations of the issues.

I would love to open it up now to the audience and get a few questions. I think we have microphones. Do we have microphones or do people stand? People will stand. Oh, we do have microphones. Good. So, let's take maybe three at a time and then we'll open it up for the group.

So, there's a gentleman in the back first. Please. Stand up, and if you could introduce yourself, please.

MR. KERR: Sure, Bob Kerr (ph.) with the State Department. My question has to do with agriculture and improving agricultural production throughout the continent in the context of the importance of protecting small farm owners. Because I've been observing this for decades, and every scheme imaginable has been offered to protect small farm owners improve agricultural production with that goal, inside the box, outside the box, beside the box, and none have really worked just based on the economies of scale for technology and other aspects of production.

So, is there a way to protect small land owners, improve agricultural

production, maybe somehow get them to benefit even if they are not, themselves, the producers? I mean, what is the solution there? Because I think many have been tried.

MR. McARTHUR: Great. Yeah, this lady in the black jacket.

MS. SHAPIRO: Hi. I'm Allison Shapiro and I teach public speaking and presentation skills with a special focus on empowering women around the world. And I just came back from East Africa. And in Rwanda, for instance, over 50 percent of the parliament is female, yet sometimes it's considered rude traditionally for a woman to speak in public. And so my question is, how do we bridge that gap between political change and then on the ground or cultural or traditional change, whether it's for women's empowerment or any other issue?

MR. MARTIN: Thanks very much. Keith Martin, fellow British Columbian and from the Consortium of Universities for Global Health here in Washington. Excellent presentations and what a great opportunity to continue the dialogue online with people in Africa asking them these very questions for challenges and solutions.

My question is really to deal not with the urbanization, lack of social determinants in health, et cetera, but deal with the three Cs of conflict, corruption, and a lack of capacity. So, perhaps panelists could talk about how mechanisms could be put in place to deal with the -- with endemic corruption, to deal with maybe continuing with looking at what the AU can do in terms of conflict prevention, and also with capacity building, which I think has done really poorly and how capacity can be built and retained in partnerships that are effective and durable.

MR. McARTHUR: And I should add, a long-time former member of parliament as well.

Maybe we can take just this batch first. On the agriculture question, and

I'll refrain, but I'll add, I did write a paper on this issue, it's on the website, but I'm just a moderator today.

So, anyone want to talk about the agriculture issue? Maybe Mr. Diop and Ambassador Sanders.

MR. DIOP: Um, John, I think you are right, productivity in agriculture has been stagnant or sometimes declining and in a lot of African countries. Different models have been tried. I want just to move from the happening contradiction between small and big. I think there is space for both and there is an ability to combine both.

There are some new experiment in Tanzania and in Senegal now as they ask for more orders bringing their land as an asset and combine it with larger producers who have access to technology and to markets, which kind of becomes a win-win solution whereby the small holders doesn't feel that he's losing or she's losing his assets, but also get a return of being connected to a larger market and be able to access the technology.

So, I think that this is something which is important, and the ambassador said, I mean, most -- it was interesting because most were was speaking most of the point, you have mentioned we are working on and we can talk about it later, the issue of land tenure is important in Africa because, as I said, a certain level of access to technology investment to the sector that will not be solved as long as we haven't sorted the issue of land tenure in our continent, that is an important part of our continent.

So, the land tenure issue doesn't mean that the land should be removed from the small holders to be given to someone else. First, there is land for both, contrary to what you are saying, there is a lot of arable land which is not used in Africa and the focus is only on the small part of the land, which is currently exploited, so expanding the

the size of the land is one solution.

Secondly, there are some win-win solutions that we are experimenting now in the river basin in Senegal and in Tanzania where the landowners are bringing these things.

Last thing is that there is also more effort, which needs to be made to translate the finding of the CGA, for instance, in technology, in terms of adaption. (Inaudible) not a Chinese word, but insufficient translation of the finding technology developed in Africa by CGIA in particular and the adaption by the small farmers.

So, this is something that in Africa there are now new programs who are trying to focus, and lastly, in arid and semi-arid land, to increase significantly the size of irrigated land. In the Sahel, we are launching an initiative which will be focusing on pastoralism and on irrigated land, and the objective is that to increase significantly the size of irrigated land, to reduce uncertainty and the risk linked to draught.

If you look at -- let's take the case of West Africa and the Sahel, most of the agencies which were in charge of irrigation, have been poorly managed, with poor governance, and as a result, you have that agenda, which has been disappearing in the larger part of the Sahel.

So, when you have the river -- the Niger River, the Senegal River, and other large rivers there, serve as a huge potential and we are working right now on it and you can talk about it later on.

MS. McARTHUR: Ambassador, please.

MS. SANDERS: I just have one quick comment. One of the things that I see that really has changed the dynamic there is really encouraging small farm holders to see farming as a business and really looking at transforming what they do and making

them think about their farms in a business capacity.

The other thing is identifying and encouraging youth to go into farming, because as it is right now, they don't see farming as the way forward for them for the future, but if you bring in the business aspects of farming and how they can provide a livelihood for themselves, for their family, or think of farming as a small business, and I think that that is a paradigm shift that I see happening quite a few places.

One of the things I'd like to recommend that you take a look at is Songhai, Songhai Farms, because it really is more of an ecosystem approach where they are teaching small farm holders to think about farming as a business as opposed to a single commodity and they're pulling farmers into new cooperatives in a business format. And so, they're addressing two things: increasing the yield, increasing the variety, and also looking at farming as a business, and more and more young farmers are now seeing that as an opportunity.

So, those would be the two things I would add to what my colleague has said.

MR. McARTHUR: And I would just add that this is one of the great shifts of the past decade is this renewed emphasis on smallholder agriculture. There's a strong argument to be made, it was one of the things that was most derailed by the global financial crisis, L'Aquila commitments and so forth of 2009 only came half true. A lot of entrepreneurial work is being done here, a lot of private capital, but a lot of the public sectors have been held back and one of the great lessons is there needs to be much stronger cooperation between the two.

This issue, I think, does lead itself to the issue of the three Cs, as were raised, the conflict, capacity, and corruption. I just want to tag onto that a question. One

of the things that we know more and more strongly from the evidence is that the systems of conflict, as John referred to, are even broader than the political ones, they're also linked to the climate, they're -- Edward Miguel and his colleagues have shown very strong evidence between the links of climate and conflict. Probably the transmission mechanism is most profoundly the challenge of growing food, and we see that when the crops fail, there is more likely to be conflict.

Nowhere is this more prevalent challenge than in the Sahel. The IPCC talks about that as one of the areas with the most significant climate changes in the world, the most significant changes in climate, I should say, so, how can we think about these three Cs in the context of what to do, not just how to understand it? John and anyone else who wants to jump in.

MR. PRENDERGAST: Well, you know, back to the question then adding onto your context, the AU is definitely the responder of first resort, but it subcontracts quite often to the sub-regional organizations, as everyone knows, throughout Africa, the sub-regional organizations. I think you need to continue to build. I mean, there's been a decades-long effort to invest in building the capacities of the AU and some of the sub-regional organizations to be able to conduct and undertake protracted mediation with the kind of expertise and resources that institutions need to do that.

But as I said earlier, to undertake the kind of multilayered conflict resolution strategy requires a much deeper and more nuanced approach than bringing the big men together. Being more inclusive than just the armed groups, dealing with deeper issues than just the immediate contest for political power.

South Sudan is an example. It's not an AU, but it's AU blessed, led by the East Africa Regional Organization, IGAD, you know, just in the last two weeks. With

all of the lessons and all of the efforts over the last 20 to 30 years, you've got only the two main armed groups sitting in the Sheridan, you've got all men represented by the two sides, you've got no civil society involvement, not even allowed in the building, and no focus yet on any of the broader violence drivers that are destroying, again, South Sudan. Got a long way to go.

MR. McARTHUR: Bright, how can we think about these issues of capacity and corruption? You talked about public sector procurement. Without getting into that, but as a person on the ground tackling, in a sense, both, how do you see these priorities?

MR. SIMONS: So, it's very interesting that he linked the two because in my work -- and what I didn't mention was that my background is actually in civil society activity before I went into technology, and after a period I focused on the morals of the issue and about moral reawakening of public and the leadership and the rest, it became increasingly obvious to me that very often the essence of corruption is bureaucratic incapacity.

So, every time I've looked at a serious corruption scandal in Ghana, where I have a lot of my experience, I will always see some fundamental lack of understanding of what the issues were by the bureaucrats who designed the system, which was riddled with loopholes. We have a big scandal going on in Ghana actually tonight where the government decided that, well, you know, from their point of view, the telecom companies were likely to be evading tax and they had imposed their 6 percent tax on SMS and VoiceCom, and so they hired an IT company to install equipment at the level of the telecom operator in order to track the payments of taxes and to ensure whether they corresponded with a volume of calls and SMSes that were being delivered.

Now, it turned out, of course, that this company had very little capacity to do what it was supposed to do, but they were still paying them \$3 million every month.

However, when you look at it very critically, the truth of the matter is that 98 percent of all subscriptions, mobile subscriptions, are prepaid contracts, so in prepaid contracts, people paid the telecom before they start to talk or use the SMS, in which case, any tax will have already been collected.

So, monitoring phone calls or monitoring SMS messages makes absolutely no difference to whether or not the company was paying the right taxes.

So, in this sense, what really was the issue was that there was no bureaucrat who even understood the structure of the telecom industry. And so I think the capacity issue is even more fundamental than the corruption issue, because when you look at it, Transparency International rankings, even though it's perception fooled, you see a wide diversity of very well performing middle economy countries on that list.

The real challenge in Africa in my view is that very often the bureaucratic incapacity means that the systems are just riddled with loopholes and human beings being human beings, they will exploit loopholes.

MR. McARTHUR: Can I get Amadou -- he had his hand up and then back to you.

MR. SY: Just a quick question. Looking at the private sector in Africa and the issue of corporate governance, for example, one thing that helps, you know, you have very few, apart from South Africa, of course, very few publicly listed companies. So, typically you have the board and the manager, and the board members trying to understand the business and trying to have checks and balances on the managers.

But from discussing with a few people there, one main gatekeeper is the

accounting and auditing firms, right, so if you manage to build a -- of course somebody has to also watch the gatekeepers. We have Enron. But if you manage to have good gatekeepers, like corporate external auditors and accounting in these privately held firms, that really helps the board members put some checks and balances. Just an example.

MR. McARTHUR: Mr. Diop?

MR. DIOP: I think that the three Cs are a great point. Let's just say, you know, the thinking is evolving on this issue. Under conflict, I think you made a very strong point about increasing the scope of people working on this issue, not only some, but what you're trying even to broaden that scope, I'd like to say, you know, you have a political process that leads to an election in a failed state. You can elect the best leader in the most democratic process, the most transparent. If he cannot pay civil servant for six month or get electricity in the cities, there is a coup in six months.

So, I think that we have been a bit working in parallel, the development/financing community and the political process -- people and political processes. And what we started discovering and a new situation of it was a recent trip of the President of the World Bank, Jim Kim, and Ban Ki-moon is greatly and the same missions we were to have in the Sahel was to say, we cannot dissociate the two processes and try to talk about political processes and talk about economic development. They're interrelated and they are actually affecting each other.

So, I think that there is a new thinking that is in development and I think that is a good direction to take in addressing the long-term. This includes, for instance, in the Great Lakes, some interventions that we are having on gender-based violence, which is an important driver of conflict there, and if you don't address it, in Goma, et cetera, you are avoiding -- you are not addressing an important thing.

Second thing, capacity. I think capacity is a collective mea culpa on these things that we need to have. I mean, a lot of money has been going to capacity-building, a lot of things have been done. I think often the capacity that exists in Africa is not at the right place. So, you will see a country which has a lot of engineer highly qualified and you can find the civil servant, the person with the right qualification to do exactly what you said. So, I think there is a question of incentive to put people to work who are there.

Secondly, Ambassador, you mentioned higher education. It was really a new emphasis that you are having on high education because international community moved a little bit out of it and saying it's a luxury good in Africa, let's focus on primary and secondary education. But in fact, fundamentally, capacity building is to have people highly trained by the higher education system in the country. All the rest is short-term solutions, which are stopgap, but are not addressing the fundamental issue.

What happened with the expansion of higher education and education in Africa? Unfortunately, quality went down, and if you say, people of my generation going to high school in Africa receive a better quality education, then our children today going to education. So, there is a lot of effort to be done.

Secondly, the content of it is not geared towards production. Only 20 percent of people coming from higher education are trained in science and technology in Africa, 20 percent. It varies between 17 and 20 percent in countries.

Increasing productivity, doing the kind of thing you're doing, will not happen if we don't increase significantly the share of people trained in science and education and higher education and to bring that capacity (inaudible).

Corruption, in addition to the complexity of the systems, and what you

said made me think of the various stories that I read myself being in government, so it was interesting to see how this can be replicated from place to place, but one other thing is that we need to increase the knowledge available to the public at large, and the open data policies that the Bank is having here is one of the way we would like to empower citizens to know exactly what is happening in all processes, to be able to use think tanks and civil society to analyze that data and be able to put pressure to policymakers.

I believe that international community donors can put pressure, but at the end of the day, fundamentally, this is an issue that needs to be solved by the people of a country, by the social contract, which is drawn and enforced by the people of the country and not by external forces, because those are only temporary solutions and I am deeply convinced of that.

MR. McARTHUR: I'm going to just press pause for one moment. We have about five minutes left but we started a few minutes late because of the weather. I did promise our economist colleague and a friend that he would have the chance to ask his question, and I have a couple of questions from Twitter. We have a bunch online, so I want to grab that and then I'm going to come back, and we missed a question, a crucial one, on how to really support gender empowerment, so we're going to have to do all that in five minutes.

So, I'd love to ask our colleague, please introduce yourself, and if you could be as brief as possible, please.

SPEAKER: Aloysuis (inaudible) from the World Bank. I actually have just a comment. (Inaudible). There are so many dimensions to that. There is a historical dimension, because if we go back to the (inaudible) when the continent was fractured, the biggest challenge we face today is different than (inaudible).

Second is that we talk about education, we talked about (inaudible), we talked about health, HIV/AIDS and many other things. It is very difficult for us to make any progress in any (inaudible) unless we have a focus on infrastructure.

The third is geographic, because if you look at the continent --

MR. McARTHUR: Sir, I'm going to have to ask you to be very brief, please.

SPEAKER: -- one of the things that (inaudible) Niger, the Congo, Senegal (inaudible) but yet energy consumption per capita in Africa is (inaudible).

MR. McARTHUR: Yep. Thank you.

SPEAKER: I believe that going forward in the next 20, 30 year --

MR. McARTHUR: Thank you very much. Donald Kaberuka was here on this stage last fall and made exactly the same case, and it's an issue that many of us are working on is getting that step order jump.

I have a question -- we have several questions that have come in. I'm just going to repeat them. I'm going to ask if we can go through this and synthesize. Chinasa Kaloo asked for Mr. Diop, "What happens if the World Bank target to reduce poverty to 3 percent by 2030 is not achieved? What does that look like?"

So, that's a tough speculation. And we have a few others, but there's one which I think is very interesting from Baia Spotachini who says, "How best do we change the information flow from the continent to this part of the world? Can we have an African al-Jazeera, A24 News tried, but no success yet?"

So, this notion in an ever more interconnected world, how do we change, not the narrative, but just the information flow in a more objective way?

And I would love to really come back to this point of gender

empowerment. I think it's one of the most -- I believe, one of the most fundamental ones at many levels in thinking through any part of the worlds' development strategy, but it's certainly prominent in Africa.

Maybe if we could ask Ambassador to share your views on those points and then we'll go quickly just for any final comments from each of the panelists.

Ambassador.

MS. SANDERS: Thank you. Training. It connects back to your issues on conflict, corruption, and capacity, and certainly on gender empowerment. Training, by far, I think is where the biggest gap is but I think what I see on the ground is a mismatch. Some of the training that's being given is really not addressing the needs that are for a particular country.

We have a cookie-cutter approach a lot to training, and what I find is that we need to better match training needs, and sometimes it's really down at the micro level, to where the targets are in a particular country, and I don't think we're doing that well particularly in the gender area more than anything else.

I do have to say something about the security sector. I don't think the security sector reform models that we have been using over the last ten years are really addressing the issues that we're facing today.

We've already heard the additional need for players, but I think the themes are quite different. I think what you see now in Sub-Saharan Africa that worries me the most for 2014 is the shift in some areas to sectarian violence. Nigeria, you know, I lived through that, you've got Mali, you've got sectarian violence in CAR that I don't think anybody would have anticipated. You might have anticipated ethnic violence, but not necessarily sectarian violence, and so that's one that really bothers me the most for

2014 and it has brought my optimism down to the five level a little bit.

Information. I am a communication major, actually, so that's a great question for me. I think that there are a couple of Nigerian and African and Kenyan and South African 24-hour news cycles and services and cable TVs and internet television as well, the question is whether or not you're finding them or looking for them, because they are there, and I think the onus is on us to change the narrative here in the U.S. about Africa.

There are enough of us Africanists that we do our part, but I think in general, the paradigm and the perception of Africa is really driven by us and we are responsible for changing that.

So, the news cycles are there in Africa. You know, there are tons of African information systems out there, whether you get it on the web or you get it on live TV. Arise TV is a 24-hour cable news service based in New York but broadcast all over.

There is a lot of that going on, so just find them, but the narrative has to be changed by us. And I'll stop so someone else can talk.

MR. McARTHUR: Thank you so much. Thank you. Maybe very quickly -- I'm afraid we're constrained to 30 seconds each, but Amadou, on any of the points that have been raised but also the entire discussion, final thoughts you'd like to share?

MR. SY: So, just quickly, I was interviewed about Nigeria and the rebasing of the GDP of Nigeria, and so I prepared all these technical things and the journalist was only after one thing, Nollywood.

MS. SANDERS: There's a lot of money in Nollywood.

MR. SY: So, I guess the day Nollywood picks up the narrative, hopefully also it can help change.

MR. McARTHUR: John?

MR. PRENDERGAST: Well, I'd like to start with a sign of hope for 2014, I think, and it builds on something that Makhtar was talking about. They're taking a first stab, I think, the international community is taking a first stab at dealing with one of these integrated conflict systems in the Great Lakes.

The ICGLR, the regional entity there, the AU, and the UN together helped negotiate a regional peace framework for the Great Lakes at the beginning of last year or early last year and now they're going to start trying to work to implement that through a sustained peace process regionally.

A billion dollars has been pledged by the World Bank to help work on regional infrastructure and investment, like how can you change the logic of war to focus more on regional cooperation rather than regional destabilization, and the United Nations and the African Union and even the U.S. with Russ Feingold, will be really key in helping to drive the political accommodations and the economic arrangements that will underpin, I think, the potential for real peace -- sustainable peace in the Great Lakes.

MR. McARTHUR: I'm going to violate protocol for a moment, I think, so I apologize for that, but I'm going to give the last word to the youngest person, because it's the youngest continent, which is right, and so before that, I'd love to hear from Mr. Diop, any final thoughts.

MR. DIOP: Yeah, final thought, scale up is a good thing. A lot of good things are happening on the continent, we need to scale it up in 2014, accelerate it, learn from the conflict, avoid other conflicts that you mentioned really spreading the continent because they are using externalities. There are some cases that we can work on; Guinea Bissau is the next one. Let's not wait until Guinea Bissau becomes the next

CAR. We can do something about it today. Let's work on it along the lines that we discussed, and let's also try to put all our effort to solve the nations of conflict that you mentioned. So, that will be the two things for me.

MR. McARTHUR: Bright, voice of the future?

MR. SIMONS: I have two things that I would like to leave with the audience, one is de-normalization, which is that increasing when it comes to conflict and corruption issues, the normal is not where it used to be. So, there is greater intolerance in Africa for the normalized narrative around conflict and corruption. That's very important, the de-normalization.

The second one is power convergence. We used to talk about globalization, but we've discovered that, you know, it's not globalization in every respect. So, if you take health, for instance, we are seeing the convergence of cost, but not around the demographic issues that you have in the west, which drives cost. That's something else all together. And I think that gives a room for new kinds of innovation in Africa.

MR. McARTHUR: Great. And I should add, many of these issues are touched on in this report, just to give another plug. Even the agriculture one, Callistas Jumar, our colleague, has a terrific article on roles of GMOs and leapfrogging agriculture, but ICC, global finance and everything, but please, most importantly, what an incredible panel, please join me in thanking our speakers.

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Expires: November 30, 2016

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