

AFRICA-2016/01/20

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P R O C E E D I N G S

MR. GOLDBERG: Welcome. There are plenty of seats in the front right here. Well, thank you everyone and welcome everyone. I am so excited to be here. My name is Mark Goldberg. I am the editor of U.N. Dispatch, the host of the Global Dispatch's podcast and I'll be moderating this conversation today. And very excited to be here. So we are going to have a lively and fun and interesting conversation about the ideas and trends and events that will shape the African agenda in 2016.

And a quick note, there are many people following the webcast. Welcome for those of you following the webcast. Please use the #ForesightAfrica to follow along the conversation on Twitter and also on social media, and also to submit your questions. We'll take several questions, a few questions from twitter throughout this conversation, so please follow along and welcome to everyone on the webcast.

So this event marks the launch of the Foresight Africa Report, which is the flagship report of the African Growth Initiative here at Brookings. And what I love about this report, and what I think distinguishes it from other think tank type reports are a few things. One is the diversity of voices included in the report. You have contributions from policy makers, from academics, from business people. Everyone from Mo Ibrahim to several people on this stage have contributed to this report, which makes it I think very interesting and frankly an exciting read as well.

Another thing I think that distinguishes this report and what I believe will probably be the bulk of our conversation here today are the ways in which global trends are affecting events in Africa. Everything from the Trans Pacific Partnership to rising interest rates here in the U.S. to the volatility in oil markets. All of these are discussed in the report, but not just as insurmountable problems, rather they are challenges that need to be addressed through policy ideas that this report identifies will help Africa continue along its general trend of growth. And there are real interesting ideas interspersed throughout this report. So please do check it out

With that said I'd love to introduce the panelists here today. I'll kind of go down the list. To my left is Mr. Amadou Sy, director and senior fellow of the African Growth Initiative here at Brookings. He also serves on the editorial board of the Global Credit Review, has had a long career at the International Monetary Fund. He focuses on banking, capital markets, and macroeconomics in Africa and emerging

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markets. He is the author of the first issue brief in the report on managing economic shocks. And thanks again for having here today, Amadou.

Next we have Eyerusalem Siba, a research fellow at the African Growth Initiative here at Brookings. She's formerly a post-doctoral research fellow at the University of Gothenburg. Her research focuses on private sector development, trade, industrial development, infrastructure, gender, entrepreneurship, and tenure security in Africa. She's the author of the viewpoint in this Report about sustainable industrial development. Welcome, and thank you.

Next we have Josh Meltzer, Senior Fellow of Global Economy and Development at Brookings, and adjunct across the street at SAIS. His work focuses on international trade law and policy issues related to the World Trade Organization and free trade agreements. He has authored section six of this report on expanding African trade.

Seated next to him is Her Excellency Professor Hassana Alidou, Ambassador of Niger to the United States. She's a former diplomat with UNESCO and has had an extensive career in education and linguistics and gender inclusion. She has a Ph.D. from Illinois and has written extensively on development, literacy, and gender. Welcome, Madam Ambassador.

And, finally, Witney Schneidman, a onresident fellow at the African Growth Initiative here at Brookings. He is a member of the Trade Advisory Committee on Africa in the U.S. Office of the Trade Representative, and the Sub Saharan African Advisory Committee at the U.S. Export/Import Bank. And as a member of the Clinton administration, he helped to pass AGOA and in his contribution to this Report he discusses what's next for AGOA.

So, ahead of the launch of this Report the folks here at Brookings asked the general public, asked policy professionals, and people generally interested in African issues what they think should be the top agenda for Africa in 2016. Several hundred people responded to this on line poll and we are about to reveal the results of this poll. But before we do, I wanted to pose this question to this audience, to this panel, and in one sentence or less can you identify the single priority issue for Africa? And if you can't see them I will read them off to you. Peace and security, governance and leadership, economic development, trade and investment, health, education, and poverty, natural resource management and environment, gender, youth, and inclusion, or something else. So we'll just go down the list.

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Amadou, what would be your top pick?

MR. SY: I choose governance and leadership.

MR. GOLDBERG: Governance and leadership. Eyerusalem?

MS. SIBA: I will choose economic development.

MR. GOLDBERG: Economic development, okay.

MR. MELTZER: Governance and leadership.

MR. GOLDBERG: Governance and leadership.

AMBASSADOR ALIDOU: I think peace and security.

MR. SCHNEIDMAN: And I started with economic development, but I go to governance.

(Laughter)

MR. GOLDBERG: Okay, okay. So, it's heavy, heavy governance here. Okay. So, I guess, you know, should we reveal the results? All right, let's see. Okay, it looks like this panel is a reflection of the opinion of the masses here. Governance and leadership, the top result. Fascinating. And coming in second, though a close tie, economic development, trade, and investment, health, education, and poverty. But gender, youth, and exclusion, only five percent. And really low down, natural resource management, only four percent. Interesting.

So, before I ask you a more specific question, let me give you the opportunity to respond to this poll more broadly. Why do you think the results fell as they did?

MR. SY: To me the less difficult task is to identify issues and problems and so on. And really the most difficult task is to do something about it. That's why I chose governance and leadership.

MR. GOLDBERG: Fascinating, fascinating. Okay. Well, so now we are going to turn each of the panelists for remarks about their -- possibly, if they've contributed, to their contribution to the report or anything else that they would like to discuss about the big topics, events, trends, ideas, are going to shape and drive the agenda in Africa in 2016.

So I will turn it over to you, Amadou.

MR. SY: Yes, thanks. So I've written a small brief on basically the macroeconomic outlook for Africa. And really if you look at the external shocks that are hitting Africa, they're really no different from the same shocks that will be hitting emerging markets and the rest of the global economy. So the big

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falling commodity prices, especially oil, then a slower than expected Chinese slowdown, and then you have what is going to happen at the Fed with U.S. interest rates. And we all know that it's going up, but at what pace and how fast. I mean that's the big issue.

So if you look at the IMF forecast for GDP growth for Sub Saharan Africa for 2015, they are about 3.75 percent. And this is down from 5.8 percent in the decade from 2004 to 2014. So that's quite a fall. And it's basically the slowest growth since 1998, because as you know the region has really experienced a very robust growth over the past few years. So the forecast for 2016 for the IMF is about 4.3 percent, which is a bit of a V shaped recovery, but I am sure that they will revise it down because this -- as any forecast, you have some confidence of intervals. And then as you can see with the price of oil, we don't know when it's going to hit bottom.

So the price of oil in mid-2014 was about \$112 and now it's below \$40 and even below \$30 I think. And for countries like Nigeria, which derives about two-thirds of their government revenues from oil exports, this is a big shock. And if you take the oil exporting countries in Africa, Nigeria, Angola, and so on, you have about 50 percent of the region's GDP. So it's obvious that the end of this commodity super cycle is really having a big dent on GDP growth in Africa.

Then you have, you know, exports to China, right. If you look at China, it's still growing. You're talking maybe about 7 percent, 6.9, around that, but coming down from 9 percent or more previously. In some countries -- I mean I think the best example is Zambia. So Zambia is a big copper exporter and the price of copper has fallen drastically. And at the same time China accounts for about 45 percent of the global demand for copper. So you can see for Zambia this is really a -- the Chinese slowdown is really coming at the wrong time.

And then if you just again focus on the economic heavyweights of the region, South Africa and Nigeria -- I've talked about Nigeria -- but South Africa also being hit by the commodity prices and also by some structural issues like electricity problems and so on. So the impact of these shocks is being felt all over the continent. You see currency depreciating, you see stock exchange falling down, you see bond spreads going up, and you see fiscal deficit widening, balance of payment problems. So now of course Africa is not one country and some African countries are still among the fastest growing economies in the world, like Mozambique, Ethiopia, and so on.

But the key issue is here that we at a tipping point, so we can see it as a challenge, but we can also see it as an opportunity because as I was saying governance and leadership to me is very important. And it is easier to make drastic changes in times of difficulties, in times of crisis. And so here our policy advice is for African governments to focus on the fiscal and the medium-term you have to absorb these macroeconomic shocks, you have to really focus on the fiscal. Again it's expenditure side or revenue side. But, you know, you take the typical African country, where do fiscal revenues come from. If it's a commodities exporter it's going to be the commodity exports, and then you have customs, and then you have VAT. When you talk about corporate tax and you talk about income tax, that's really not a lot. So really a lot of work to be done on the fiscal side. Sounds boring, but that's really what needs to be done.

And then exchange rate policy is something that can be used. And also taking into consideration the impact on the poorest segment of the economy. And not forgetting the transformation agenda of Africa, we still have to transform our economies and grow this non-oil sector. And at the end that's going to hopefully help. And I really like the budget from President Buhari. All the good signals are there, so now it's time to implement.

Thank you.

MR. GOLDBERG: Well, thank you. Not boring at all. (Laughter) It's exciting. Thank you. Eyerusalem.

MS. SIBA: Yes. First of all thank you for having me and it's an honor to be part of this distinguished team of panelists.

I believe for 2016 building domestic capacity in Africa should be a priority precisely for the reasons the first speaker has mentioned. In order to reduce vulnerability to external shocks, commodity price volatility, as well as recurrent climate shock faced by many of the African countries. I believe the way to go about this is by continuing implementation of structural transformation of the African economies by facilitating the shift of scarce resources from traditional sectors like small scale farming to more productive sectors like industry and the service sector. This is not to say that we need to ignore agriculture. Rather, we need to build productivity of agriculture by addressing market failures and also by building rural safety nets to increase agricultural productivity. But also allowing and encouraging labor exit from agriculture which is vulnerable sector to climate shock and commodity price volatility in the

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international market.

When it comes to the industrial sector, we need to build productive capacities of firms in the industrial sector. And we need to do so first by allowing firms to compete and learn from each other, by locating (inaudible) special economic (inaudible) for instance, as well as by allowing firms to make use of international sources of innovation and managerial based practices in the international market. The way to go about this is by promoting participation of these firms in the export market, by attracting foreign direct investment in order to absorb the knowledge coming from the external sources and also for studying regional integration in order to come up with wider markets for domestic firms.

We need also to work on making industrial development to be inclusive by focusing on job creation potential of the sector. And for that we need to address the survival and growth prospect of small scale businesses in Africa by creating the markets and by addressing or relaxing the credit constraints of these small scale firms which are more likely to be the entry point for the youth and the women and other vulnerable groups with limited access to finance to start business.

So I believe this is the way to intervene and to come up with sustainable industrial development which is both encouraging productivity of world industry and agriculture, at the same time addressing poverty reduction and implement generation aspect of development.

MR. GOLDBERG: Thank you. Joshua, on to you.

MR. MELTZER: 19:20 And I just want to first say congratulations to Amadou for putting together what I think is a really excellent report and your leadership on the first. I spent a lot of time working in the trade front and it's great to be able to spend a bit of time thinking about these issues from the perspective of what it means and what matters for Africa. I mean I think if you look back only a few short years we've seen these enormous developments where they were talking about growth, leadership, governance, even areas of innovation that you wouldn't have seen five or ten years ago in Africa. And as you say, Amadou, it's a pivotal time I think for the continent and for many other countries, specifically given changes going on in the global economy, new challenges, new opportunities. And it's just great to have this space I think to talk about these important issues.

I'm just going to talk very briefly about the trade dimension because I think like a lot of other issues we've come to a point where the status quo is no longer sustainable. And certainly on the trade

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policy front that's the case. We're seeing a lot of change and development that is going to have some significant implications I think for Africa broadly. The most important development really last year was the finalization of the trans pacific partnership negotiations, which is 12 countries, the United States, Japan, Australia, various countries in South America, Chile, Peru, Viet Nam, New Zealand -- the list goes on. It's essentially 40 percent of global GDP is now covered by this trade agreement. And it's undoubtedly the most significant outcome in trade since the conclusion of the Uruguay Round in 1994-1995. It's not the only significant trade negotiation going on. I'm not going to go into detail about the other ones, but worth noting that there is an Asian centric large trade agreement involving the 10 ASEAN nations plus China, Japan, South Korea, India, Australia, and New Zealand. There's a services negotiation going on, there are various important discussions and, of course, as well as the United States-EU transatlantic trade negotiations. The point clearly being that Africa is not party to any of these trade negotiations. At the same time, the Doha Round in the World Trade Organization is over and done. Essentially there was a WTO ministerial in Nairobi last month and large disagreement amongst essentially the developed world, but some developing countries about where the Doha Round should go, and no clear affirmation that this is the way forward any longer. And I think if it were a practical realistic perspective it would be fair to say that the Doha round is dead, even if it hasn't been formally killed off yet. But that is important for various reasons, but in this context it means that the opportunities for African countries to have their views, their needs, their interests taken into account in a trade negotiation sense, there's nothing really that exists at the moment.

So the TPP is very, very significant and it has various implications for Africa. I'm just going to go through what I think a couple of the more significant ones and we can go into that in more detail in the Q & A. One of them is obviously there's going to be tariff preference erosion. So if you look at a AGOA, and Witney will talk more about this, but essentially preferences are given to TPP members of value if those AGOA preferences become significantly less for African businesses. The services side of the African economy is also going to be less competitive in TPP markets. We see that most of the barriers now are in fact are on the services side and the TPP has made significant progress on the liberalization of services. On the supply chain side as well. We know that the way the global economy works in many respects is that businesses integrate into supply chains, whether they're regional or global. The TPP

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specifically seeks to improve the access for businesses in TPP countries into global supply chains. It does this through specific rules. It tries to minimize customs duties, it improves rules of origin. There are various ways this will happen, but this is certainly going to I think consolidate supply chain access in that part of the world. And you're also going to see -- and I should have mentioned this at the beginning -- that the TPP 12 members at the moment will expand and so it's going to become more significant over time. And that will mean that a lot of these effects and the implications for Africa will also grow over time. South Korea, Taiwan, Indonesia, Columbia, have all said that they're very keen in joining the TPP.

And, finally, international standards. The TPP includes new standards on everything from the environment and labor, on SPS standards through to technical standards, these are standards that businesses are going to have to comply with if they want to sell into TPP countries. They will increasingly become in a sense de facto global standards. So even if you're not a party to it, in a sense standards will be orientated toward what the TPP has developed, and this will increasingly be so as the U.S. as I think seeks to replicate this in its negotiations with the EU and at which point African businesses are going to have to pay a lot of attention to what the new standards and regulations are on everything again from labor to the environment if they want to successfully compete in large markets like the United States.

So, you know, going forward I think it's not necessarily a bleak picture for Africa on the trade front, but I think what it means is that there is an opportunity and a requirement for Africa to think very proactively about what it needs to do on the trading front if it wishes to expand its share of global trade and underpin the type of development and growth that we've seen more recently. And significantly it's going to require paying a lot of attention I think to the TPP and these new trade agreements and trying to prepare themselves for what these new standards are, help businesses understand what's happening in these agreements and engage internationally where the spaces allow it, such as the international standards organizations, and really pay serious attention -- and I'm not saying that Africa broadly doesn't pay attention to the WTO, but I think rethink how the WTO can be reinvigorated as a serious place to do trade negotiations because ultimately I think that's going to be the place where interests of Africa need to be addressed.

I'll leave it at that. Thanks.

MR. GOLDBERG: Thank you, Josh. Madam Ambassador.

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AMBASSADOR ALIDOU: Thank you. Let me first start by saying thank you to Dr. Sy for inviting me to join this economic conversation. Coming from education and other social sciences, I think I am not surprised when I look at the survey and it said good governance and leadership. Good governance and leadership is very important for Africa because it drives peace, it determines how inclusive our decisions are going to be, and it determines also the choices that we make, are they the priorities of Africa or are they driven by external forces. So I think it's very, very important also to look at how for some poll recently Africa has been viewed in terms of governance and leadership. I think there is improvement in terms of democratization of society, but yet there is a lot to be done. Many countries are facing conflict, internal conflict, due to lack of governance and leadership.

I think in order for Africa to experience economic growth as a whole I think people have to have the sense of belonging, people have to have the sense that what is their priority matters to the people who govern them. And I think this is something that we want to work hard on, not only in 2016 but as we go along. Because Africa just ascribed to sustainable development goals, but also the COP21, both entail a strong leadership and participatory approaches, which means governance, opening up to really the contribution of all segments of society in terms of decision making processes.

This said, I was very interested in really reading all the chapters Foresight 2016. And for me I was looking at the first chapter, which really set the stage. Africa needs to -- yes, it's going to use its natural resources, like oil, like other minerals, but in order for Africa to have a sustainable economy it has to look at really empowering its own people as a labor force, because the wealth of Africa resides in its people. And so when you look at the other sectors, agriculture, manufacturing, industry that my sister just talked about, you look at the energy, all relies on the competence. What workforce do you have which is going to address all these issues? And in that respect for me, to look at yes, there are shifts in terms of really priorities is going to be in those domains, but to be able to address this effectively, one has to look at the education sector.

For decades the education sector, yes, has promoted basic education, but we have to look at access but you have to look at the quality of education. Does the current education system produce the type of level, the type of workforce that is ready to enter into reform of agriculture, going from subsistence agriculture to agribusiness? Do you have a labor force which is going to be taking on the manufacturing

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sector? How are we going to transform the industry if we don't have in the different subsectors of the industry, technicians, engineers, lawyers who are going to look at what the industry needs, et cetera, et cetera? So, therefore, for me the gap in terms of human resources, human capital development I think is going to be critical if indeed to change, to attack the external economic shock, we are going to change the profile of the economy, then we have to have competitive level of the workforce that is going to be able to work in those domains. Because Africa cannot transform its own economy by relying on a workforce that is imported, because it's going to be very high.

The second aspect. I think when you look at the shape of the economy, I was looking at ECA, it says actually one-fourth the oil sector or commodity sector contributes a quarter to the GDP. And so if that's the case let's look at agriculture. Boys in agriculture. About 70 percent of the labor force in Africa is in agriculture, but to what extent this labor force is supported by government intervention, by international community, but also by the private sector. I think minimum. Forty percent of those who are involved in agriculture are women. But when you look at equality women are the less productive in the agriculture sector because each time there is modernization of the sector, women do not have access to the resources for modernization. And so if we are going to talk about inclusive growth then we have to look at how to empower women, how to empower African youth, so that they participate in this agriculture reform in a very competitive and fair manner.

The other aspect related to agriculture is, yes, Africa has extensive Arab land. But to what extent farmers are not going to lose their land to big multinational companies. I think it's important that we see land reform, territory reform, as part of crucial aspects that African government -- again we go back to governance and leadership -- are going to address so that when we enter into agriculture as a big sector for the economy, that the Africans do not lose or lend property and that they enter into a very fair agreement in the agriculture economy.

Going back to COP21, yes, agriculture again. Because I think for me the future of Africa is in agriculture. What have we learned from agriculture practices, agribusiness practices in North America, in Europe, in Asia? Is Africa going to overuse the land with chemicals, fertilizers, so that it's overproduced, or Africa is going to say well, based on the recommendation and resolution of COP21, yes, we are going to develop agribusiness, but we are going to based on producing really natural foods to a large extent, but

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also we are going to enter into fair trade. Because if we don't do that, Africans are going to lose a lot

So for me, I think the issue of when we look at the violence that we experience for example in the Sahel region, we have to relate that to ecological changes. People are losing their lands. And when you the very activity that guarantees your livelihood you are exposed to any type of situation. So you are exposed to leave your land, go to migration, you see how Africans are leaving in millions and going and falling into the sea, or you see the violence that you receive with Boko Haram in the region, and the recruitment. How are we going to really develop policies, economic policies, that are not going to be detrimental to Africans, but, rather, yes, we are entering the market economy. That I think -- I follow Carlos Lopes' commentaries, we cannot escape that. We have to embrace it, but we have to embrace it by looking at the Africa we want, not only by 2063, but Africa we want right now so that, yes, we experience economic growth not only as a concept, but economic growth as something that impacts the life of people. You see improvement in education, you see improvement in healthcare, you see people really enjoying what they're doing and not being forced to leave their country because their livelihood is (inaudible).

So I will stop here.

MR. GOLDBERG: Thank you. Witney.

MR. SCHNEIDMAN: Can I just say I agree with all the above? (Laughter) Seriously, let me start by saying congratulations to Amadou for pulling together just such a fascinating Foresight. I'm aware that it gives the concept of hurting cats a whole new meaning, but it certainly came out well I thought.

So I have a contribution that talks about AGOA, but I think where I wanted to start, I mean I spent some time going through all the chapters, and I think there's much to be commended. So I just wanted to break it into sort of headwinds and tailwinds that Africa is looking at in 2016. And in terms of the headwinds, I think there's no question that the transformation that China has begun will have an impact. The fact that it's growing at its slowest rate in really about 30 years, there's been a sharp devaluation of the currency, the renmimbi, the demand for natural resources has fallen quite dramatically, will have an impact on the continent in 2016 and certainly 2017 and going forward. This relates directly I think to the drop in commodity prices. There is no question that we're at the end of I think what can be called a commodity super cycle. And whether it's oil and gas or copper or other minerals, I think a lot of the

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extractives are really going to be under pressure, and that's clearly putting pressure on many African governments to redo their budgets, to cut spending, to make really difficult choices. And I think that dynamic is going to be ongoing certainly for 2016.

I think another factor, and these are not necessarily good or bad, I'm not addressing them that way, but the fact that there will be elections in 26 African countries in 2016 just puts pressure on institutions that are still emerging and it creates questions over policy directions as we know too well here in the United States, big questions in our policy directions. But for investors, for policy makers, for those who are planning, they have to deal with these uncertainties that are definitely generated by democratic elections, or elections over whether a long-serving leader should leave or not. I mean these are tough questions that will definitely be part of the landscape.

In terms of the tailwinds that I think will continue to underpin the growth, as Amadou said, the IMF will probably lower the growth again this year for Africa. It was interesting to me that between 2010 and 2015 six of the ten fastest growing economies in the world were in Sub Saharan Africa, today it's like four. And I think that's sort of indicative of some shifts going on. But I think there are some important drivers that we have to pay attention to that are reflected in the chapters in Foresight. Certainly one is urbanization. Urbanization is largely a driver of economic growth. South Africa is an under-urbanized environment. It's projected to be about 50 percent urbanized by about 2030 and, yes, it raises questions about job creation for all the folks who are coming into the cities, but I think by and large it also creates a new set of policy questions that relate to cities and urbanization that we have to begin thinking about. And if we can get those right I think we can make the process of urbanization continue to be the driver that it relatively is.

The question of services. The Ambassador made the point that one quarter of the growth on the continent is related to natural resources. McKinsey uses a figure of about one-third. So Africa is frequently seen as a natural resource player when in fact it's really the service sector that has been driving a lot of growth, whether it's financial services or hotels or restaurants. I think that will continue to stay pretty strong and be able to withstand a lot of the ups and downs of the macroeconomic figures. The Ambassador also touched on agriculture. I mean the data point that always arrested me was the notion that about one-third of the produce that's grown is lost before it gets to market. And I think with initiatives

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such as Feed the Future and the fact that agriculture is becoming more of a mainstream issue, I just have to believe that yields will increase, that the amount of loss will decrease, that agriculture will be seen as a more attractive place to be for young people, for women, for men, and it will contribute more to the GDP of African economies.

Closely related to that is power. The U.S. has its own Power Africa initiative. There's a broad recognition that on a continent of about a billion people, 600 million do not have access to a reliable supply of electricity. The President of the African Development Bank, Adesina, is announcing a power initiative sort of as we speak here in Davos. So hopefully more countries and more resources are focused on creating more reliable sources of power, whether it's on grid or off grid, certainly renewable sources and others.

Another tailwind that was up on the board is the whole youth budge. And I think with a continent where the median age is 17 and 70 percent of the folks on the continent are 30 or younger, I think the youth bulge really needs to be embraced in such a way that we really double down on skills development, we really double down on training, and certainly job creation becomes a priority. And related to that is innovation. I was at the Global Entrepreneurship Summit in Kenya and just -- I think innovation in the African context is all about folks creating their own job. Here it's sort of disrupting something that exists, in Africa it's creating something that doesn't exist. But we've seen it have tremendous impact. We've seen Africa skip the landline generations and go straight to cell phones. I think we're seeing Africa skip the ATM generation of banking and going right to mobile banking. I think Africa is going to skip the cineplex generation and go right to online distribution of content, which could have tremendous implications for revenue generation for positive messaging. And I think this kind of innovation really needs to be embraced and encouraged.

And, finally, the flipside of low commodity prices I think puts double pressure on African governments to diversify their economies. And I think we're going to see a lot more conversation about that. Certainly from the U.S. side I think the African Growth and Opportunity Act, you know, was designed to use trade as a stimulus for economic development. And with its renewal last year there's been emphasis put on African governments coming forward with their AGOA strategies, which means deciding where a country is competitive and figuring out how to take that sector and access the U.S. and

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other markets. Because the more that African countries can diversify economically just creates opportunities, and it creates opportunities to attract the kind of investment that will really stimulate economic development.

So I'm sort of optimistic that 2016 will be a good year for the continent broadly defined, the headwinds notwithstanding.

And I'll turn it back to you.

MR. GOLDBERG: Thank you. Thank you, Witney. So a quick note to those watching on the live stream and those in the audience, please do use #ForesightAfrica to send your questions to me and I'll do my best to pose them to the panelists. And do think of questions in the audience; we'll take questions from you in the near future.

But first I wanted to kick a question over to the panel, to Amadou in particular. So as I mentioned in the outset, one thing I really found interesting and one thing I really liked about this Report is the way in which it connects some big global trends to some events in Africa. And one global trend that no place on the planet is immune to in 2016 is this giant El Niño effect we're having. I think earlier this week, or maybe late last week the World Food Program issued a warning saying something like 14 million people are expected to be food insecure in Southern Africa. And then you obviously have a food crisis ongoing in Ethiopia and Eastern Africa.

Amadou -- and the other panelists can answer this as well -- in what ways will El Niño and the food crisis or any other aspects of this El Niño effect in 2016 affect the politics in Africa, the economy in Africa, or even diplomacy in Africa? What can we expect in the coming year?

MR. SY: First, that's a good question. So already we've seen the impact of El Niño. We've seen Southern Africa, already disruption in the markets for maize. We've seen Ethiopia also, you know, the drought. But I think this debate about El Niño brings us back to the December meeting in Paris for the COP21 where I think African countries spoke with one voice to really also put the emphasis on climate adaptation. Because as you know you have the issue of climate mitigation that was the one issue that was really on the table for more developed, for richer countries. It was like, okay, if you're going to build your next power plant use renewables or use less polluting technology. But for many African countries the question was like, yes, it's true, but we are already suffering from climate change and we need the

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funding, we need to address those issues. And that's the issue of climate adaptation. And we've seen that with El Niño. And I think that going forward we have to focus on the financing of this issue. How do we get the funding, the financing to adapt to climate change?

So one way is for African countries to keep on redoubling their effort for domestic revenue mobilization. But right now, with all these external shocks that we're having, it's a difficult proposition. So there we need also the help from those countries that have contributed the most to climate change. If you look at the global level, that's kind of economically it makes sense, right.

But another issue I think is also to focus on policies in Africa to really strengthen food security and nutrition issues. And there I have to say I have colleagues here at Brookings that have done a really nice job, and the website is Endingruralhunger.org, and we are going to follow up, going into some countries and do some case studies to look at this issue of food security.

And if I may, I haven't thanked enough my other colleagues who were part of this Foresight team and have worked day and night to make this possible. So they are in the public. Thank you.

MR. GOLDBERG: Thank you. Anyone like to respond, the effects of El Niño? Yes, Miss Ambassador.

AMBASSADOR ALIDOU: I would like to join Dr. Sy and agree with him, but I think one thing that African countries -- and it's in the report -- is the concept of buffers. We don't save in save, in Africa we live moment by moment. It's only when we are hit by a crisis that we say, hey, what should we do. I think the idea of really looking at food and nutrition security, and having banks for food, serious, to really ensure that we are not confronted with disaster and we start looking for how to really respond. So I think creating buffers is really important.

But the second, I think the country by country approach is not going to help us I think when you look at the Sahara region, which is severely impacted by climate change all the time, I think sub-regional and regional approaches to solution finding is very important. And so that I think we have to consider the fact that phenomenon is going to happen, but how are we going to mobilize together the resources so that we are not so impacted. Ultimately the solidarity, it's not only south-south, but it's also north-south. And for us I think in Africa we are suffering a lot from climate change, but it's also there are a phenomenon that human induced, so therefore to some extent I do agree with my own President,

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President Muhammadu Buhari, who said how are we going to respond to the issues of climate and pollution, et cetera, by looking at countries which are already impacted, not by their own doing but by others. So I think solidarity in building funds to prevent the adverse effects of climate change, such as (inaudible) is really important

MR. GOLDBERG: Thanks. Anyone?

MR. MELTZER: I'll just say briefly -- no, great question and difficult. I mean there is obviously going to be a governance component. You know, I mean food security issues obviously have a significant impact on governance in fragile states. But one of the things I think we learned, if you go back to the 2007-2008 sort of rise in food prices caused by scarcity you saw sort of a collective action problem where countries started restricting exports, right. And as one country did that, another country did that, and actually in that process exacerbated the food crisis. And I think one of the lessons from that period was the importance of (inaudible) markets actually for dealing with food shortages. You only need to go back to, you know, Amartya Sen's seminal work on this which pointed out that India since, you know, the advent of democracy has never suffered a famine because at the end of the day, you know, drought and famine is essentially a product of a failure of governance and markets rather than really, you know, the scarcity of food. And I think we need to take those lessons when we think about how do we address this challenge in Africa going forward.

MR. GOLDBERG: Thanks. So I'd like to turn Eyerusalem for the next question, but do think about your questions in the audience and we'll turn to you next.

So I kind of live in the UN world a bit, reporting on the UN. The big thing at the UN obviously for the last year has been the sustainable development goals. And you have this great line in the Report where you write, "The SDGs have made it respectable once more to talk about creating jobs and industry in Africa. To create them Africans and their development partners will need to more than talk." And I note that you put development partners in scare quotes. (Laughter)

So what needs to be done? What can the broader international development do to promote the kind of industrial development that you were discussing in your Report, are there kind of specific examples of place or people or groups that are doing it right that ought to serve as examples to the broader community?

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MS. SIBA: Interesting question and a very tough one to answer as well, but I'll try. So there are two things we can do, the international community can do for Africa to achieve sustainable development. One is to support the government's effort in the private sectors efforts to grow small businesses in Africa, for instance by providing better access to infrastructure and by financing human and physical capital investment within cluster based industry and development. The international community can support already existing efforts to achieve a sustainable industrial development in Africa.

Another is I talked about openness in order to benefit from a wider market by pushing export promotion and attracting foreign direct investment. So by providing better access to Africa's manufacturing and industrial products through investment in trade logistics as well as providing preferential access to trade to manufacturing products, the international community and Africa's partners in the developed countries can support efforts to achieve sustainable industrial development in Africa.

MR. GOLDBERG: Thank you. Yes, Witney.

MR. SCHNEIDMAN: Just to pick up on that. I mean I think the SDGs are really quite important by bringing the private sector into the conversation in a way that they weren't in the MDGs. And I think this will have tremendous implications. You asked, you know, who's doing things stuff right, who's doing it wrong. I mean I think if you take one example of Eyerusalem's country, Ethiopia, you know they've just done a tremendous job of attracting all kinds of private sector companies from China, from India, from Turkey, from the U.S., to create manufacturing hubs and using their -- you know, they've got more goats and cattle per capita than virtually any other country and making that into leather and developing people who have leather skills. I think it's a perfect example of a country really focusing on a policy area and attracting the investment and developing the skills that other countries can learn from. And, you know, go to the other extreme, Nigeria used to have a tremendous apparel producing capability in the 1960s and the 1970s. It's been virtually undermined. So it's a challenge to that government, how do they develop their small scale manufacturing. And I think this is going to be one of the most important questions going forward.

MR. GOLDBERG: Thank you. Do you have anything to add or?

AMBASSADOR ALIDOU: Yes. I'm coming from Nigeria actually, and also being focal point of (inaudible). What we observed that it's more and more countries are developing industrial park. And

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when you look at -- yesterday I was watching Africa 21 and CNN International. Ghana is going to produce its first car. Because of this development I think we have to recognize that when there is incentive, even though we have less than 10 percent of African youth who are engineers and all that, we have the brain when there is incentive. So I think the economic communities are really pushing for the creation of industrial parks. And this, in terms of policy, it's very important. You see that even now it's becoming something that even in Nigeria we see that. You have industrial park in Nigeria, you have in West Africa, in Ghana. And this is something that we need to push, but in order to push it you have to have the contribution of institution of higher education. Schools of engineering I think need to contribute by working with private sector, both domestic and international, to really develop this part. And I think one of the reforms that the World Bank is supporting right now in higher education is really promoting science and innovation in Africa. If you don't have investment in science and innovation it will be very difficult to develop the industry in Africa. And so I think in terms of policy you have to push for investing in research and development and innovation and you have to involve higher education in the universities into development of industrial parks, but you have to also motivate, give incentive to domestic and international partners so that they can partner together to develop this part. And it's growing, it's small, but it's becoming a reality.

MR. GOLDBERG: Yes.

MR. SY: Yes, one idea which I found interesting which is in the Foresight by one of our collaborators, (inaudible), is this idea of regional value chain. Because I mean we all have read a lot about global value chains and everybody is thinking how can Africa really insert itself into the global value chains, but in this viewpoint he is mentioning the fact that, you know, we should also look at regional value chains. And I think South Africa is a very interesting example. South Africa exports motor vehicles to the U.S. and other more sophisticated goods. And then it makes sense for countries within the region maybe also to get into these regional value chains with South Africa.

MR. GOLDBERG: Thanks. I'd love to turn it over to the audience. If you have a question please raise your hand, state your name, your affiliation, if appropriate. Please do keep your pre-ambulatory comments to a minimum. We have a pretty packed house and we'd like to get in as many questions as possible.

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Let's start with the woman right here in the red and then we'll move back. Thank you.

QUESTIONER: Good afternoon. My name is Ruth May Segar; I'm a President of Segaros International Group based in Washington, D.C., and I come from Kenya. Looking all at your presentation you did well. This is 2016. Can you tell us about the countries? Africa has not been the same. I was born and raised in Africa. Africa has really changed. Can you tell us about the impact that is on Africa with people like -- with countries like China, the U.S.? Africa has changed; it's not the same the way it was. So can you all tell us about the impact. It would be doing more or Africa would be doing more than what it is now, talking about what will happen in '16 because Africa, you hear 2016, 2020, 2063. Can you tell us about the impact of (inaudible) on Africa?

Thank you.

MR. GOLDBERG: Thank you. Well, let's take another question. I'll take these two in the front and then we can --

MR. FREEMAN: Hello, Lawrence Freeman. I write for EIR Magazine. I've been researching and studying African development for about 25 years. The question I have on the future of Africa. I think on one level the potential is very interesting. I saw it mentioned in the Report, but I just skimmed the Report, that you have -- contrary to the collapsing barriers of the western monetary system now, which may be bigger than 2008, you mention new the development bank created out of the BRICS and the Asia Investment Infrastructure Bank. You didn't mention also the Silk Road Fund itself. These are institutions -- my understanding is they were created to provide credit for infrastructure of Africa. The west doesn't do that. Stated as their policy, they don't do that. They bring in the private sector. But like the example of Ethiopia, under Meles Zenawi's leadership, they used a developmental state, the state does invest credit, it doesn't just go to banks for infrastructure. And isn't this the best way to empower a society so that people have more economic wealth through infrastructure. And this is a credit alternative.

So my question is do you think Africa will go in this direction, take advantage of these institutions. Because I think the west is going in a completely different direction which may impact everything worse.

And one thing on climate change, the history of the Sahara Desert was created 3 million years ago and it has 20,000 year cycles of heavy rains and desert. Has nothing to do with man's creation of CO2. I think that's a bogus issue, but I think we can bring water to all these areas, including I discussed

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with the President a policy of transaqua, bring water from the Congo River into the Lake Chad Basin, which I'm working on. So I think the creativity of human beings you talked about gives us real potential to change Africa if we move in this direction of physical economy, manufacturing, industrial development.

MR. GOLDBERG: Great. Thanks. Why don't we take one question just from the gentleman right to -- the mic is right there -- and then we'll answer.

SPEAKER: Good afternoon. Thank you very much for the interesting presentations. Madam Ambassador, don't you think that discussing the sustainability of inclusive economic institutions without discussing the sustainability of the political institutions also could be unrealistic?

Thank you.

MR. GOLDBERG: Thank you. Madam Ambassador, why don't you answer that question first and then we can take the rest.

AMBASSADOR ALIDOU: I think the two go hand in hand. They reinforce each other. There is actually a chapter in the book where the discussion about really good governance. I think it's a good chapter to read. Do we have to have a really -- what type of political system do you need to have in order to have economic growth? So I am of the view that, you know, we have to have very democratic institutions which reinforce the rules of the law, good governance, et cetera, and rely on the participation of people to prioritize a decision and to pay for the decision once it is taken. So I agree with you, they go hand in hand.

MR. GOLDBERG: And, Amadou, do you want to take the question on the BRICS banks and credit?

MR. SY: So on the BRICS banks, it's true it's a new development. I mean it also shows that because of the governance of these global institutions the world is changing. But I think as far as Africa is concerned, the infrastructure gap is so large that there is really room for more than one type of funding. And also just -- we did a research report on financing infrastructure last year and one of the conclusions is that one should also think about a sectoral approach when looking at financing infrastructure. There are some sectors where the private sector can do it alone, and that's what we've seen in the telecom sector and the mobile phone sector in Africa. They didn't need any development bank or whatever. And then you see some sectors where the private sector would not go, like water and sanitation. It's very hesitant

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for some reason. So in that report we also advocated that development banks should play a key role, but I think it's a bit unfair to richer countries to say that they only focus on the private sector because they also finance the World Bank and even the African Development Bank.

So my bottom line is that, you know, first let the African countries really focus on the strategy to have the infrastructure strategy and then let's see how to finance it. And then there it really depends, and there's room for different financiers.

MR. SCHNEIDMAN: Can I just mention one financing mechanism that you didn't reference, and that's the African Diaspora. And I think it's a very under-utilized resource. And one example is the construction of the Grand Ethiopian Renaissance Dam on the border with Ethiopia and Egypt. This was largely funded by Ethiopians. And I think actually the larger Diaspora would have gotten involved there. And I think there's a lesson to be learned that African governments can really tap into their Diaspora a lot more than they have.

MR. GOLDBERG: Thanks. And so the first question I think spoke to broader trends, longer term trends. I love to use the term Foresight 2020. (Laughter) Josh, let me ask you a question, let's go like Foresight 2017, not that long-term, but a little shorter when the Continental Free Trade Agreement is meant to be completed. Do you expect it to be completed? And what are you looking for in the next year, in 2016, as these negotiations are ongoing? What indicators will tell you whether or not things are on the right path?

MR. MELTZER: You know, if you spent any time following trade negotiations you know that deadlines are often never met. And I would be pleasantly surprised if the Continental FTA managed to reach its deadline. It's ambitious, but it's also only the first step in what is intended to be a larger free trade agreement. The focus at the moment is certainly limited to for instance a good side and a lot of the more complicated elements, services, intellectual property, investment, and the like are expected to come after, but it's in fact both areas where significant gains need to be made. So I think that what we're seeing at the moment is that one of the things that the TPP I think has done, which is going to be challenging but I think ultimately positive, is that it's meant that doing nothing or going slowly is no longer a cost free option. You know, competitive companies in other countries are going to increasingly have better market access into the United States, into Japan, into other large developed economies that African businesses

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are not going to have. And so using for instance the Continental FTA to try to integrate African economies more closely, to try to drive synergies, efficiencies, scale, so that these businesses can be competitive I think is now a more pressing dynamic than it was pre TPP for instance. So I would expect that we're going to see some momentum, but I would still think we're a couple of years off of any of these things actually being delivered. But the fact that there seems to be some fairly high level political commitment behind them is sort of what's stated and as long as that remains fairly optimistic then we have the same outcome.

MR. GOLDBERG: Let's take a few more questions. We'll go here and then we have to move to this side of the room at some point. So we'll go you, sir, and then we'll go you.

QUESTIONER: Thank you very much. My name is (inaudible). A few days ago the World Bank launched the Global Economic Report and the focus this year is IT. A few days before that there was a launch of the open lending (inaudible) by the World Bank. And the emphasis is on the transitioning from brick and mortar so to speak way of education to a more of (inaudible), if I may say so, digital companies. And it's predicated on the situations where there are a lot of problems in many social set ups, especially in developing countries. And as an African, my focus is on Africa, where we have a lot of problems, socioeconomic -- you know, you mentioned infrastructure, technology, several. My question directed specifically to the Ambassador. They're trying to popularize this in Africa and you've expanded beautifully on education, what needs to be done, blah, blah, blah. In which we can (inaudible) the African diplomatic corps in the AU to embrace this technology to help specifically in terms of innovation, to kind of revitalize the creativity of African youth, to move forward? Just return from that ivory tower system to more four weeks, six weeks, specific courses, courses dissected to address specific problems.

MR. GOLDBERG: Thank you. Thank you. Yes, let's go right here.

MS. BROWN: Hi, I'm Kelly Brown from the Chief of Staff of the Army Strategic Studies Group. So in addition to all of the positive growth potential, there is also the potential for instability, which leads me to a tiered question. In your opinion what trends do you think have the greatest potential to lead to instability? What should be done now to perhaps prevent that instability? And then do you see a role for some form of military assistance, whether it be U.S. military or other non-African forces? And if so what would that role be to help prevent or shape some of that instability?

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Thank you.

MR. GOLDBERG: Great, thank you. Let's have the Ambassador the question -- so how to you incentivize innovations in education among the diplomatic corps and more broadly?

AMBASSADOR ALIDOU: Thank you so much. I think it's two months ago (inaudible), which is an organization created by the African Diaspora, the African union, and the World Bank, we had a great conversation about the promotion of STEM, science, technology, and mathematics education in Africa, particularly focusing on girls and women. But when you see focusing on girls and women, because we are trying to close the gap, but actually it's related to all learners in Africa. When you look at the national policies of education, in almost all the 54 countries today the use of technology to improve access and quality education is one of the components of all the national policies. When you look at also the investment by the World Bank, in terms of promoting virtual universities, all the economic communities or organizations such as Yumuwa in Africa, it's really to expand the use of technology to promote access and quality education at the higher education level, but also ultimately at the secondary level. And we are going to go down.

But now what is the problem mainly? When you look for the time being the access in terms of the technology, the broadband, how many countries really have the capacity? More and more governments are aware that if you want to really popularize distance education you have to have internet capability. That you have to have. And that goes along with energy. You cannot have distance education, you cannot rely on use of technology if you do not solve the problem, the acute problem of energy. And therefore you can see that energy really is going to have an impact not only on education, whether it's face to face or distance education, but it's going to have an impact on all aspects of the economy, health, agriculture, infrastructure, et cetera.

And so to respond to you, the OMS is there, but how much investment is done in order to really respond to the needs? This is where we are.

In terms of instability countries like Niger, we have been facing with instability for years. You look at what is happening to Boko Haram, you look at the fall of the regime of Gaddafi in Libya, and you look at what is happening in Mali, all this situation we are confronted with a huge, huge challenge of instability. Yet a country like Niger is trying to look at all the recommendations by IMF, the World Bank, African, et

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cetera, to really face the issue of instability, but also provide for its own development. One percent at least of the GDP today of Niger is invested in issues of security in order to keep all the issues of insecurity and instability away from the borders. So of course in this type of situation countries like Niger have been able to survive because of the cooperation that they have with partners such as the U.S. and France and others in the region in order to keep the borders at least with relative peace and stability.

So of course -- and that is going to be related to the economy. How do you maintain the growth that we have really gained in Niger if we are continuously confronted with instability in all our borders? So this is going to be something to deal with. And you see, for example, last week how Burkina Faso which is thought of away from all the trouble, how Burkina Faso was attacked in the capitol city. So peace and security and stability is going to be a challenge that is going to have an impact, serious impact on the economic growth of countries like Niger, and therefore cooperation with countries like the United States is very critical for us.

MR. SY: If I just may add also, I mean when we look at Africa, so one issue is that if you look at the sources of conflicts, the drivers of conflicts, and even the solutions of the conflicts, you really need to take a multifaceted approach. I mean we've talked about even how climate change has an impact on conflict. Political transitions and transnational actors. And going beyond also looking at just countries, but looking at these areas like the Lake Chad Basin itself, the Gulf of Guinea, and so on. And I think then when it comes to the solutions, I think I believe that regional actors are really important. We've seen mixed successes, but I have some good examples where regional bodies, like the IGAD when it comes to the solution Somalia, or Echo Us and so on, have really helped find a solution. So I think when it comes to the U.S. I think really finding a way to strengthen the regional bodies is something that should be a priority.

MR. GOLDBERG: Thank you. So we do have a question from Twitter, @KristenMLindell asks does economic growth mean the end of poverty? Let me maybe add on to that and, Eyerusalem, I'll ask you something a little more specific. So, again, we've talked about the sustainable development goals. Obviously the top sustainable development goal is the total eradication of extreme poverty as defined by people who live on less than \$1.25 a day by 2030, so in the next 15 years. Do you see that as a realistic and achievable target for Africa?

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MS. SIBA: It's going to be a very difficult one to achieve. So there is a plan to end world hunger by 2030. So in order to achieve that we need to work on multiple dimensions, including improving the productivity of agriculture, as well as building rural safety nets for households in the rural regions not to fall into poverty in unfortunate circumstances like where there is shock and the price volatility.

So a lot of people comment that growth also in some of the policy briefs in the Foresight Report that growth is less poverty reducing in Sub Saharan Africa. Really one of the major reasons explaining this is because of the lack of clear link between economic growth and job creation. So if we look at the industrial sector in Africa it's predominated by small sectors, small firms. So they are less likely to grow and create employment so as to address poverty in Africa. So we need to think about how to promote these small and medium scale enterprises for growth to effectively address poverty reduction as well.

MR. GOLDBERG: Anyone else want to add anything on the relationship between growth and --

MR. MELTZER: I'll just jump in quickly. You know, if you look at Asian economies over the last 30 years one of the ways that they made enormous gains in reducing poverty has been through larger and abrasive markets and export, a lot of export led growth. I mean China is the most recent example, and what's happened there in terms of reducing poverty has been nothing short of remarkable. And the challenge though I think for Africa is that -- India, Prime Minister Modi has come out and said that he sort of essentially wants to follow an export led growth model to address their poverty challenges. But the question is we're in a different world than we were in the '70s and '80s and '90s, where the tops of manufacturing that sucked up large amounts of cheap low skilled labor is not necessarily a pathway that's obviously available to other countries going forward, whether there's actually the markets to absorb these additional capacity.

And so I want to go back to your excellent question I think, and Ambassador, you've been making this point I think throughout, is that in a sense what Africa needs is a strategy which it partly leapfrogs old forms of development and embraces education as sort of a core driving force, technology to try to find the new opportunities I think for the African work, for the youth going forward. I think it's going to require being part of the global economy, but doing it in ways different than what we've seen the last 20-30 years.

MR. GOLDBERG: Amadou?

MR. SY: Yes. So if I may add. So I agree completely. Like so in Davos right now are they

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talking about the fourth industrial revolution. So as Africans we think that, okay, we're to get into these global economies we can count on our labor, on cheap labor, that might not work. We really have to think hard because if robots and new technologies, 3D printing, are going to make cheap labor not the competitive advantage, we need to think what will be a competitive advantage. And I think with having such a young -- this youth bulge, such a young population, can be really something that we can tap, but it goes back again to how are we training these youth to be ready for the jobs of the future, or the jobs of today. And one thing is for sure, demographic trends are easy to predict, so we know exactly how many young population we're going to have. So we really need to speed up the pace here.

MR. SCHNEIDMAN: I mean I think this is one of the key questions, does economic growth reduce poverty. What we've seen on the continent over the last 30 years is that the percentage of individuals living in absolute poverty has decreased from about 53 percent to 46 percent, but the absolute number has grown. And I think that's a good reminder. The Africa Rising narrative that we've all heard, I mean it's not uniform. It's not uniform from a sectoral point of view and it's not uniform for a geographic point of view. So I think really the question is not how do we promote growth so much as, as we said earlier, how do we promote inclusive growth to make sure that the agricultural sector is growing just as rapidly as the services sector and that Eastern DRC or places in the Sahel are doing as well as Lagos and Nairobi. And that's a real challenge that I think is front and center.

MR. GOLDBERG: Ambassador.

AMBASSADOR ALIDOU: I was in Nigeria when there was an announcement about Nigeria being now the first economy in Africa. The GDP was high and all that. And on the radio everybody was excited. There was a conversation. And I was going home after a meeting and the drive put on the radio and we're hearing all this -- Nigeria's economy, Nigeria is number one. And the driver looked at me, he said (inaudible), I say yes, he said, why are we poor? (Laughter) And somebody else told me one day we don't eat GDP. So what are they talking about? I think it's human, until it translates to my own experience as a woman, as a young man, struggling in Africa. We can talk as we want about economic growth, but people will not relate to this narrative. And I think the best way, as my sister said, is really to push for the promotion of small and medium sized enterprises, and to recognize that young people, women and men in Africa, have this capacity, a conducive environment is created which includes literacy,

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education, which includes training on the job, life-long learning. When you look at the economy in Asia, we used to say well Singapore -- Africa is going to be Singapore. Singapore, what did they do? They pushed for education, technical and vocational training. You have a decent medium sized workforce that can create its own enterprises, and you have also -- when I look at when they say promoting women and promoting economic development, you have one goat, two goats, three goats, how is this a capital? But we know that women and youth, when they are accompanied -- you see the stuff that -- when they're accompanied they can get (inaudible) capital and invest in and make it grow. The women in the market in (inaudible) have shown us (inaudible). They used to even invest money to the government to pay salaries for the civil servant. So how are we going to recognize that capacity plus a conducive financial environment is created, as a conducive capacity building environment is created, even those who did not go to school as children. But on the job there is a way today to encompass people so that they can generate good revenue for themselves.

So I think it goes back to the issue, why most of us, we say good governance and leadership. And the leadership needs to recognize that really they need to create incentive environment so that financial sector can be developed, domestic and international that recognizes Africa as it is, not risk free, but decently approachable risk, that people can invest in small and medium sized enterprises so that Africa can develop the same way that Europe, America, and Asia developed. We are not so different. It's a human condition. When you put human in proper condition they are bound to evolve.

So that's how I see it.

MR. GOLDBERG: Well, thank you. That is a wonderful note I think to end this on. Thank you, everyone, for being here. Thank you to the Africa Growth Initiative. And do continue this conversation and be part of this conversation using #ForesightAfrica. Thank you all. (Applause)

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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.

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