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PARTICIPANTS:

**Moderator:**

 ALOYSIUS UCHE ORDU

 Director, Africa Growth Initiative

 Senior Fellow, Global Economy and Development, The Brookings Institution

**Panelists:**

 ERNEST KWAMINA ADDISON

Governor of the Bank of Ghana, Republic of Ghana

 HON. PEGGY SERAME

 Minister of Finance and Economic Development, Republic of Botswana

 HON. MTHULI NCUBE

 Minister of Finance and Economic Development, Republic of Zimbabwe

 MICHAEL ATINGI-EGO

Deputy Governor of the Bank of Uganda, Republic of Uganda

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P R O C E E D I N G S

 MR. ORDU: Hello? You can hear me all right? Okay. Good morning, and a warm welcome to you, all. Let me also use this opportunity to welcome all our listeners online from the African Continent and elsewhere in the world. This is a particularly busy week in the Nation’s Capital. We know that you have so many events going, but you chose to join us and we’re very grateful that you could make it here.

 I am Aloysius Uche Ordu, our Director of the Africa Growth Initiative here at Brookings. In 2008/2009, the world was ravaged by food, fuel, and financial crisis. Looking back, it seems like an eternity since that particular period in time. I think we’d all agree that we had a much more coordinated world at that time than what we currently have today. We recall the G20 and the G8 Meeting in London, basically urging multilateral development banks, regional development banks to act, countercyclically in order to tackle the global financial crisis under at that particular moment in time.

 In Africa also, under the auspices of the African Development Bank, Central Bank Governors and Finance Ministers, as we have here today, convened in what was then known as the Committee of 10. And that committee basically, focused on trying to coordinate Africa’s position vis-à-vis global issues at play at that time. As a staff member of the African Development Bank, I must tell you that there’s a certain “we” feeling at that time that our Central Bank Governors and our Finance Ministers were acting in concert and agree on common positions to, basically, let -- that are facing all of us across the Continent.

 Today, we have a completely and highly heightened uncertainty across the global economy and, of course, Africa is no exception. And yet, we’re not out of the woods yet as far as the pandemic is concerned. There are still many, many people in Africa not yet vaccinated. The Russian invasion of Ukraine has pushed food, fertilizer, and fuel prices higher than we’ve known in recent time. And global inflation is ravaging in double digits right now and certainly, higher than we’ve had in the last four decades. The aggressive action by the Fed here in the United States worsened external debt and for countries around the world, these are really, really challenging times.

 So, during these Annual Meetings this week, and some of the meetings next week, you’ll be hearing a lot of doom and gloom, right? And let’s be clear, a couple of things. Africa was not responsible for the pandemic. Africa was not responsible for the war in Ukraine. And Africa is not responsible for climate change. Yet, the ravages of each of these actions will hit Africa hardest. We’re bearing the brunt of the rising food crisis, fertilizer, and fuel, as well as the dramatically rising, borrowing, and debt servicing costs.

 So, what is being done in our respective countries? Because sometimes, in this narrative, we read about Africa as if it is one place or one country. Nothing could be further from the truth because there are really, some might be struggling with debt, crisis, but it’s not the case that every country in Africa is struggling with this. So, we assembled today, basically, our senior policymakers from across the Continent. We have the Central Bank Governor of Ghana, Dr. Ernest Addison. We have the Finance Minister of Botswana, Honorable Peggy Serame. We have the Finance Minister of Zimbabwe, Professor Mthuli Ncube. And we have the Deputy Governor of the Central Bank of Uganda, Michael Atingi-Ego.

 So, basically, take a moment to hear each of them, five minutes or so, and then I will turn to -- we’ll have some moderated questions and then, I’ll turn to you and then, for any questions or comments you may have. And if time allows, we will reach out to our online audience to see if they also have questions, or they want to express themselves.

 So, without further ado, let me call on you, Ernest. Can you go first?

 MR. ADDISON: Okay. Thank you very much, Aloysius, for this opportunity to speak here. I think that we are having these meetings at a very difficult time with one shock after shock after shock as you’ve described them. But at home, we had to contend with the pandemic. And if you’d recollect, the policy measures that governments across the Continent implemented, essentially, impacted on the fiscal policy regimes, spending more, stimulus programs, at the same time, giving businesses tax waivers in order to accommodate the shock from the pandemic.

 Then on the monetary policy side, we also needed to, in a sense, accommodate businesses as they stand loan repayment periods, moratoria, reduced you know, capital requirements for banks, reduced the capital conservation buffers. We reduced our reserve requirements for banks and also, reduced the policy rate. And just about the time that we’re coming out of this pandemic, by the way, I mean all of these measures helped, in a sense, to moderate the important growth. In Ghana, we recorded a growth of about 0.5 percent for 2020.

 So, just at the time that we were getting out of this pandemic and we’re expecting to see higher growth, in 2021, we started having these other global problems. In Ghana, you know, we had gone through a very difficult --

 MR. ORDU: Mm-hmm.

 MR. ADDISON: -- period with the public finances. Our bonds were trading, you know, with very large spreads. We ended up with a downgrade in the credit ratings for the country. And then, you know, we started seeing inflation also picking up.

 MR. ORDU: Mm-hmm.

 MR. ADDISON: So, I can see my Finance Minister walking in now. (Laughter). Ken, I think you can come in front here, right here.

 So, I’m describing the difficulties that you --

MR. ORDU: Honorable Minister, welcome.

 MR. ADDISON: -- yeah, that you had gone through trying to address the issues of the pandemic and then, you know, just when all of that was over, we had this ratings downgrade.

 MR. ORDU: Oh.

 MR. ADDISON: And in November of 2021, we had to tighten policy because we saw that the inflation rates had started to pick up.

 MR. ORDU: Mm-hmm.

 MR. ADDISON: But then, just in the following year, this was in January/February, we had this downgrade come through and then, the Russian-Ukraine war with the impact on fuel prices and food prices which complicated the inflation problems. So, we have had to contend with very high inflation --

 MR. ORDU: Uh-huh.

 MR. ADDISON: -- currency, depreciation, you know, all of that, you know, translating into more pressure on, you know, the fiscal and macro-framework that we had put into place.

 MR. ORDU: Yeah, mm-hmm.

 MR. ADDISON: And then the downgrading of our economy, in a sense, locked us out of the capital market. So, we find ourselves in a situation where we have all these net outflows in terms of debt service payments at the time when you’re not able to, you know, borrow money.

 MR. ORDU: Uh-huh.

 MR. ADDISON: And this really has been the --

 MR. ORDU: Yeah.

 MR. ADDISON: -- situation that we are currently dealing with, with continued, you know, depreciation of the currency, inflation going through the roof. The latest number is 37 percent.

 MR. ORDU: Mm-hmm.

 MR. ADDISON: And the debt sustainability has become an issue and we’re in current discussions with the IMF on how to deal with that.

 MR. ORDU: Mm-hmm.

 MR. ADDISON: Yeah.

 MR. ORDU: All right. Thank you. Thank you very much. Honorable Serame?

 MS. SERAME: Thank you very much and good day, everyone. I think first for me, let me start by indicating that in Botswana, we have a system of development plans --

 MR. ORDU: Mm-hmm.

 MS. SERAME: -- where we have five- or six-year national development plans, and that underpins everything that happens.

 MR. ORDU: Mm-hmm.

 MS. SERAME: But we had NDP-11 and then, the COVID hit us.

 MR. ORDU: Uh-huh.

 MS. SERAME: We had just approved the midterm review of NDP-11. So, what we did, we put in place something called our Economic Recovery and Transformation Plan.

 MR. ORDU: Mm-hmm.

 MS. SERAME: So, the Economic Recovery and Transformation Plan was basically looking at where we’re at, and the challenges that we’re facing, to see what is it that we can do as a country now --

 MR. ORDU: Uh-huh.

 MS. SERAME: -- to ensure that we somehow stimulate economic recovery in the economy, look at those sectors that will help us. And that was 2020 September. Thinking that it would take only a year.

 But then, we did what we needed to do, also, to ensure that provide the necessary support to address COVID --

 MR. ORDU: Mm-hmm.

 MS. SERAME: -- itself, ensuring that we save lives, and all that. Then 2021, we still going through everything. MR. ORDU: Mm-hmm.

 MS. SERAME: So, then we -- in addition to the NDP and the Economic Recovery and Transformation Plan, we put in place -- we looked at what we had and reprioritized.

 MR. ORDU: Oh.

 MS. SERAME: Because some of the challenges now meant that we had to reprioritize, look at some of the budget items.

 MR. ORDU: Yeah.

 MS. SERAME: And do a lot of things that we have not done before.

 So, we had something called the Reset Agenda which had five priorities.

 MR. ORDU: Uh-huh.

 MS. SERAME: And one of the first -- the very first one was saving Botswana from COVID-19.

 MR. ORDU: Right.

 MS. SERAME: So, we agree that the first priority, we’re going to do everything in our power to ensure that we provide the supplies, the vaccines, and everything --

 MR. ORDU: Uh-huh.

 MS. SERAME: -- to save Botswana. But also, our value chain development because we have to spur growth.

 MR. ORDU: Oh.

 MS. SERAME: Value chain development in a number of sectors, the utilization because during COVID, especially, we had to accelerate our digital transformation.

 MR. ORDU: Oh.

 MS. SERAME: So, we also emphasize that as a key priority for us as a country. And also, looking at the government machinery, among other things, and changing how we do things.

 So, one of the key things for us spending so much money on the health sector, especially, for the vaccines. In Botswana, we are currently over 70 percent --

 MR. ORDU: Okay.

 MS. SERAME: -- of the population. So, that is where a lot of the money went to. But I also want to speak a little bit about, where did we get the money.

 MR. ORDU: (Laughter).

 MS. SERAME: You’d think we had all the money. No, we didn’t. But it also -- what was helpful for us because over the years, from the diamond revenues and other minerals --

 MR. ORDU: Yeah.

 MS. SERAME: -- we’ve been saving up a little bit. MR. ORDU: Right.

 MS. SERAME: So, we had financial buffers that really helped us to be able to address some of our immediate needs.

 MR. ORDU: Great.

 MS. SERAME: So, we drew down quite a bit --

 MR. ORDU: Mm-hmm.

 MS. SERAME: -- from our financial buffers. We drew down -- at some point, we would sit at 18-months of input cover for foreign exchange sales. We drew it down to the point where we had, like, three months.

 MR. ORDU: Oh, wow.

 MS. SERAME: But we have started rebuilding on our financial buffers. So, that was, really, very important for us.

 MR. ORDU: Uh-huh.

 MS. SERAME: Secondly, like everybody else, we had to borrow. So, we approached the World Bank for a budget support loan that was approved last year.

 MR. ORDU: Oh.

 MS. SERAME: And we are also negotiating with a few others whether we’d need additional support.

 MR. ORDU: Mm-hmm.

 MS. SERAME: Now, coming to the others, back then, there was the Russia-Ukraine war, as if it’s not enough.

 MR. ORDU: (Laughter).

 MS. SERAME: So, like everybody else, we are now seeing inflation picking up. We are at, like, 4 percent we are currently to over 14 percent all over.

 MR. ORDU: Oh, wow.

 MS. SERAME: So, we also, the Central Bank working with the Ministry, we’re looking at ways to ensure that we are also managing inflation to ensure that we don’t find ourselves going really where we don’t want to go.

 MR. ORDU: Right.

 MS. SERAME: Because macroeconomic stability is very important for us.

 We are very vulnerable. Whatever happens in the world, we will not be able to sell our diamonds.

 MR. ORDU: Right.

 MS. SERAME: So, then some of those issues are very important for us.

 MR. ORDU: Uh-huh.

 MS. SERAME: I don’t know how much time I have for a quick one, but maybe, I’ll come back later on.

 MR. ORDU: Okay, great.

 MS. SERAME: Thank you.

 MR. ORDU: Thank you very much. We’re on to you now. (Laughter).

 MR. NCUBE: Thank you. Thank you very much for inviting me at this forum. And good morning, everybody. You know, like everyone else, I think our stories are similar, frankly.

 MS. SERAME: Yeah.

 MR. NCUBE: 2021 year was a great year. We had a growth rate of 8.5 percent GDP. With that growth rate we thought we were on our way to sustainable recovery.

 MS. SERAME: Mm-hmm.

 MR. NCUBE: And then, boom, something else happens globally and then, here we are.

 We had managed also, the COVID situation, I think very well, frankly, in terms of the timely interventions and, closing the economy, opening it up, we thought that went very well. And then, when we came to vaccine acquisition as well, we, luckily in 2020, we finished the year with a budget surplus.

 MR. ORDU: Really?

 MR. NCUBE: So, we had actually, about a hundred million.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: U.S. dollars in the bank. So, I was able to spend all of that on vaccine acquisition. So, when it came to acquisition, we had no challenges at all. In fact, we went in excess that we are even handing over to other neighboring countries. So, that was okay.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: Then this happens now. So, we are currently experiencing the specter of higher global inflation where easily importing a 50 percent of the inflation is an imported inflation --

 MR. ORDU: Yeah.

 MR. NCUBE: -- you know? Through the channels of the “Three Fs”, fertilizer --

 MR. ORDU: Mm-hmm.

 MR. NCUBE: -- fuel, and food. So, what we’ve done on the fuel front, we’ve always had this strategic fuel-tax levy and we’ve used that almost as a stabilization tax. So, whenever the price, FOB price, shoots up, we lower that tax so as to cap the increase, and whenever it -- the price drops, we either do nothing or turn it back to the way it is. That levy is about 15 percent of the price of fuel, whether we are looking at diesel or petrol.

 MR. ORDU: Uh-huh.

 MR. NCUBE: So, that’s how we’ve dealt with the fuel issue.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: But also, it eliminated the fuel queues. MR. ORDU: Oh.

 MR. NCUBE: We -- it took us a while to realize that actually, we don't produce oil.

 MR. ORDU: (Laughter).

 MR. NCUBE: So, why should we price, you know, oil in Zimbabwe dollars? We just price them in U.S. dollars.

 MR. ORDU: Yes.

 MR. NCUBE: You want your fuel, go buy it in U.S. dollars. That cleared the queues overnight. So, at least we dealt with that, at that time, as well. But that’s how we’ve been using this stabilization mechanism to deal with the movement and the price.

 Then on food --

 MR. ORDU: Yeah.

 MR. NCUBE: -- we had a great harvest in 2021. We had the best agricultural season in 40 years.

 MR. ORDU: Hmm.

 MR. NCUBE: It was just spectacular. So, we have enough grain and we’re, you know, as it is, we’re able to then use that to support the vulnerable --

 MR. ORDU: Mm-hmm.

 MR. NCUBE: -- to control food inflation.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: At least, to reduce the impact of food inflation. So, that’s going well. We’ve enough reserves to last us until March of next year --

 MR. ORDU: Mm-hmm.

 MR. NCUBE: -- and the next harvest also, is promising to be okay.

 And then on the fertilizer front, and so forth, again, we’ve -- well, I mean, I shouldn’t say we’ve been lucky. I think we’ve planned well this year. Again, we’re going to have the best wheat season in 20 years, easily. We’ve grown enough wheat locally to supply local demand, even probably, be exporting wheat. So, that’s, you know, a spectacular recovery, but the cost of fertilizer has been high.

 MS. SERAME: Mm-hmm.

 MR. NCUBE: So, we’re now trying to figure out how we can, maybe as Governors, just step in, and subsidize trade that for the summer season, and so forth.

 We’ve really been very granular in our approach to agriculture. You know, from the Lend to Farm Program in Zimbabwe, as you can imagine, we forecast on that to gain -- to get that right. So, that’s how we’ve kind of responded. But overall, policy wise, we’ve had to tighten interest rates to move to a positive interest and for a very aggressive interest rate hike to as much as 200 percent because inflation just went out of control.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: And it’s beginning to work. We’re beginning to see the month-to-month inflation tempering off. We’re now at about 3 percent month-on-month inflation. The annual is still above 250 percent because they’re coming from a high base --

 MR. ORDU: Mm-hmm.

 MR. NCUBE: -- of about 40 percent inflation. All right, then it just took off.

 So, we think that’s working well.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: So, it is also basically, I think, killed off the arbitrary opportunities that were existing within the economy.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: Because we allow for both the U.S. dollar and the Zimbabwe dollar --

 MR. ORDU: Mm-hmm.

 MR. NCUBE: -- to circulate freely, and so forth. So, you can imagine when the U.S. dollar is transitioned so much, in fact, it’s at its highest level in, again, 40 years --

 MR. ORDU: Yeah. Mm-hmm.

 MR. NCUBE: Zimbabweans just switched to U.S. dollars so, rightly because they are allowed to use U.S. dollars as a transaction as a transacting currency.

 Then on the fiscal front, again, we’ve took on a very tight fiscal approach for a start. We’re running a quasi-cash budgeting system. We spent what we call it --

 MR. ORDU: Mm-hmm.

 MR. NCUBE: -- basically, and there’s a little bit of borrowing domestically so we don't monetize the deficit.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: Yeah. But also, just dealing with government contractors to make sure they stay within reasonable limit when they supply services and wages and goods to governments.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: And not to freeze the government. We’ve been very tight on that. It is working, so far. We are happy with the response, so our expectation is that we will finish off the year --

 MR. ORDU: Mm-hmm.

 MR. NCUBE: -- with economic growth at about 4 percent or just about 4 percent --

 MR. ORDU: Mm-hmm. Mm-hmm.

 MR. NCUBE: -- into next year with the price in the global downturn --

 MR. ORDU: Mm-hmm.

 MR. NCUBE: -- in terms of its impact on commodity prices.

 MR. ORDU: Yeah.

 MR. NCUBE: We think we’ll end up in 2023 December --

 MR. ORDU: Mm-hmm.

 MR. NCUBE: -- at just below 4 percent GDP --

 MR. ORDU: Right.

 MR. NCUBE: -- growth. That’s how we’ve responded to the situation, but it’s not easy --

 MR. ORDU: No.

 MR. NCUBE: -- and, you know, but it’s like that everywhere. The whole world is in a similar situation. Thanks very much.

 MR. ORDU: All right. Thank you. Michael, any thoughts from Uganda?

 MR. ATINGI-EGO: Yeah. Thank you so much, Aloysius. First of all, thank you for inviting me to share thoughts on this Panel. And a very good morning, to all of you, and good afternoon or evening, wherever you are listening. I think the story’s the same, the causes and impact. I mean, as I’ve been told in the case of Ghana, Botswana, and Zimbabwe. So, let me get a look at the impact and what we’ve done in response.

 MR. ORDU: Mm-hmm.

 MR. ATINGI-EGO: Prior to the Russia-Ukraine conflict, inflation in Uganda headline was 2.7 percent --

 MR. ORDU: Mm-hmm.

 MR. ATINGI-EGO: Core was 2.3 percent. MR. ORDU: Oh.

 MR. ATINGI-EGO: So, long story short. As of September, our core inflation had gone up to 8.1 percent and the headline had just touched 10 percent.

 MR. ORDU: Oh.

 MR. ATINGI-EGO: Something we hadn’t seen in over a decade. The last we had inflation around there was in August 2011, 2011/2012.

 MR. ORDU: Oh, wow.

 MR. ATINGI-EGO: Right? So, that is what has happened.

 So, now, what have we done?

 MR. ORDU: Mm-hmm.

 MR. ATINGI-EGO: We have tightened monetary policy so tight, we’ve changed the central bank rate from 6.5, it’s now 10 percent.

 MR. ORDU: Mm-hmm.

 MR. ATINGI-EGO: And we’ve made sure that there’s no excess liquidity in the system. What was happening on that was as a result of the COVID-19 impact, we availed a lot of liquidity to the financial system to support recovery.

 MR. ORDU: Mm-hmm.

 MR. ATINGI-EGO: Then, this turnaround just came.

 MR. ORDU: Yes.

 MR. ATINGI-EGO: All right? Inflation just came. So, we need to remove all the liquidity from the system, immediately.

 MR. ORDU: Yeah.

 MR. ATINGI-EGO: Because it was feeding into the foreign exchange market.

 MR. ORDU: Mm-hmm.

 MR. ATINGI-EGO: We have a fully liberate capital account. The presence of the off-shore players in our domestic market is so significant --

 MR. ORDU: Mm-hmm.

 MR. ATINGI-EGO: -- the moment they advanced our country’s -- central bank’s move their rates, you see the impact on the exchange rates.

 MR. ORDU: Yeah.

 MR. ATINGI-EGO: And when you have a lot of structural liquidity, then you’re in trouble.

 MR. ORDU: Oh.

 MR. ATINGI-EGO: So, the first thing what to do was to get rid of all the excess liquid in the system.

 MR. ORDU: Uh-huh.

 MR. ATINGI-EGO: And that kind of like brought stability in the exchange rate after we had allowed it to adjust for the, the surge in terms of trade and then, the reversal of the capital flows. So, the share of depreciation is about 7 percent in this short period.

 Now, what has happened? Because of the rising global inflation, because of the depreciated currency, and because we also had this situation where, unlike in Zimbabwe, the drought conditions were very bad in the case of Uganda. And as I talk right now, the headline -- I mean, the food crop inflation for September was 21.6 percent, notwithstanding the fact the headline was just about 10.

 MR. ORDU: Mm-hmm.

 MR. ATINGI-EGO: So, that combined, right? And the government, the fiscal position was that there was not a single cent in the subsidy.

 MR. ORDU: Uh-huh.

 MR. ATINGI-EGO: It was a full path through of all this impact --

 MR. ORDU: OH.

 MR. ATINGI-EGO: -- to the domestic price level. MR. ORDU: Uh-huh.

 MR. ATINGI-EGO: But notwithstanding that, our inflation is about 10. So, it means we had to look at what to do --

 MR. ORDU: Right.

 MR. ATINGI-EGO: -- on the macro to you know, make sure the inflation net would rise.

 MR. ORDU: Mm-hmm.

 MR. ATINGI-EGO: And we’re hopeful that going forward, we’re going to peak in the first quarter of next year.

 So, if you are to ask me, what are the key lessons --

 MR. ORDU: Uh-huh.

 MR. ATINGI-EGO: -- that we’re learning from this? I think we need to build resilience as African countries --

 MS. SERAME: Mm-hmm. Yeah.

 MR. ATINGI-EGO: -- build resilience. Because all the shocks like you’ve correctly observed, were imposed on us, MR. ORDU: Mm-hmm.

 MR. ATINGI-EGO: We’re addressing those as bystanders. So, these shocks are going to keep on coming. So, if we don’t build resilience going forward, we will remain victims. So, how do we minimize victimization? We need to build resilience.

 MR. ORDU: Mm-hmm.

 MR. ATINGI-EGO: So, in the case of Uganda, they -- the Government has decided that they are going to, first of all, enhance local production and value addition.

 MR. ORDU: Mm-hmm.

 MR. ATINGI-EGO: Now, that local production and value addition is going to you know, to lead into some form of input substitutions.

 MR. ORDU: Mm-hmm.

 MR. ATINGI-EGO: All right? Because you can be producing some of the products locally, and then, you are also going to diversify the export base.

 MR. ORDU: Mm-hmm.

 MR. ATINGI-EGO: And take advantage of regional trade, EAC, Africa and Continental Free Trade Area, all right?

 MR. ORDU: Uh-huh. Yeah.

 MR. ATINGI-EGO: And the impact of that is you’ll have more foreign currency available in the country so that these narrow and shallow forays in a market that sneezes whenever the offshore has moved --

 MR. ORDU: Mm-hmm.

 MR. ATINGI-EGO: -- you, you know, you mitigate that. And if you can, stabilize the effects to a large extent, you are containing the impact of imported inflation -- MR. ORDU: Right.

 MR. ATINGI-EGO: -- to your economy. So, I think that is the key thing there.

 Then, most importantly, is the aspect of climate change.

 MR. ORDU: Mm-hmm. Mm-hmm.

 MR. ATINGI-EGO: Because Uganda does not import foods. But unfortunately, it is rain-fed dependent agriculture.

 MR. ORDU: Oh.

 MR. ATINGI-EGO: So, whenever there is a changing in the weather, if there are floods, there are droughts, you see it in the price level. So, I think we need to ensure that we pursue a climate change adaptation agenda. So, government is now very serious on that in terms of raising awareness and putting in place measures --

 MR. ORDU: Uh-huh.

 MR. ATINGI-EGO: -- to ensure that climate change is less responsive to agriculture --

 MR. ORDU: Yeah.

 MR. ATINGI-EGO: -- through irrigation. Of course, we have so many water bodies.

 MR. ORDU: Yeah.

 MR. ATINGI-EGO: All right? But we just cannot do irrigation.

 MR. ORDU: Yeah.

 MR. ATINGI-EGO: All right?

 So, the first thing that the Government is trying to do is that everybody within wetlands, get off.

 MR. ORDU: Mm-hmm.

 MR. ATINGI-EGO: So that we conserve the water catchment area --

 MR. ORDU: Yeah.

 MR. ATINGI-EGO: -- to enable us to undertake irrigation. And then, at the Central Bank as well, we are now pursuing, we have a very clear agenda on climate, operationalizing the risks of climate change in our work. And we have, in our strategic plan --

 MR. ORDU: Mm-hmm.

 MR. ATINGI-EGO: -- we have now what we call the Environmental Social Sustainability and Governance Standards that we are going to introduce.

 MR. ORDU: Uh-huh. (Laughter).

 MR. ATINGI-EGO: Okay, to the financial sector. So, I think that is resiliency (phonetic) I’m proud of best.

 MR. ORDU: Thank you. Thank you very much. Not to muddy the water further, but we just heard last week that OPEC has announced production cuts --

 MS. SERAME: Hmm.

 MR. ORDU: -- and we all know where that will lead to.

 MR. NCUBE: Yeah.

 MR. ORDU: I was just wondering, Honorable Minister from Botswana, your country has demonstrated that the notion of the resource curse is not necessarily, defeat of resource for this in countries. Perhaps, you can share with us some lessons --

 MS. SERAME: Okay.

 MR. ORDU: -- for those of us who, obviously, as a Nigerian, I’m eager to learn what you have to say.

 MS. SERAME: Thank you very much. Let me start by adding something to the earlier discussion about further interventions and measures that we put in place.

 MR. ORDU: Right.

 MS. SERAME: What we did in August, just a few months ago, in response to inflation pressures and the challenges --

 MR. ORDU: Mm-hmm.

 MS. SERAME: -- we reduced the rate of value added tax by 2 percent for six months.

 MR. ORDU: Uh-huh.

 MS. SERAME: Because really, households were struggling.

 MR. ORDU: Mm-hmm.

 MS. SERAME: We also, zero-rated cooking oil and LPG --

 MR. ORDU: Yes.

 MS. SERAME: -- liquid petroleum gas. Of course, like Zimbabwe, we also have a number of subsidies --

 MR. ORDU: Oh, yeah.

 MS. SERAME: -- for fuel. So, that was one, but we’re only able to do that which brings me to a question. MR. ORDU: Okay.

 MS. SERAME: We’re able to do that because we have some buffers.

 MR. ORDU: Right.

 MS. SERAME: So, what has been the policy in Botswana? The policy has been very clear. One, we have our national development plans, which direct to our development planning and how you do it.

 Secondly, we -- it was very clear from the start. When you get your revenues, how are you going to invest in your revenues? So, it’s very clear from the minute our revenues --

 MR. ORDU: Uh-huh.

 MS. SERAME: -- you’re going to use that for investment. Investment infrastructure, in health, in education.

 MR. ORDU: Mm-hmm.

 MS. SERAME: So, that was critical. Just the first thing that we agreed and to ensure that that is what we do.

 In addition, in years that we have surpluses --

 MR. ORDU: Mm-hmm.

 MS. SERAME: -- make sure that you set aside a part of the revenues as financial buffers for those times when you’re now struggling like is currently the case. And that is what has helped us --

 MR. ORDU: Uh-huh.

 MS. SERAME: -- during COVID, and even, right now. But the policy and the law on their own because it is clear it is policy. It is also law.

 MR. ORDU: Mm-hmm.

 MS. SERAME: The law and policy alone need you to have discipline. So, one of the lessons would be discipline. You may have the loss, but if you don’t have the discipline to ensure that you actually implement and stay on course, that will not help you.

 MR. ORDU: Oh, yeah.

 MS. SERAME: And the political commitment and maybe, we are like you.

 MR. ORDU: Oh?

 MS. SERAME: We never change governments.

 MR. ORDU: (Laughter).

 MS. SERAME: (Laughter). So, I don’t know.

 But the political commitment is critical.

 MR. ORDU: Right.

 MS. SERAME: And the discipline. So, that is important. But you must also have the laws.

 MR. ORDU: Right.

 MS. SERAME: Even in terms of the debt, we can still borrow, but we have a law that says we can never borrow beyond 40 percent of GDP.

 MR. ORDU: Uh-huh.

 MS. SERAME: So, it is law. For you to go beyond that, you have to go to Parliament to change the law.

 MR. ORDU: Mm-hmm.

 MS. SERAME: But we’re currently set at 26 percent of GDP. Thank you.

 MR. ORDU: As a newcomer to the oil business, any lessons from what you just heard from other speakers?

 MR. ADDISON: Well, we were very careful, you know, in Ghana when we discovered oil.

 MR. ORDU: Yes.

 MR. ADDISON: And I think we learned the lessons from your country and other countries such as Norway.

 MR. ORDU: Right.

 MR. ADDISON: So, Ghana dealt with the issue in my view, you know, relatively well.

 MR. ORDU: Mm-hmm.

 MR. ADDISON: By having a strategy and also designing, you know, very transparent processes. If you look at the petroleum revenue management law that was established at the time --

 MR. ORDU: Mm-hmm.

 MR. ADDISON: -- it allowed for the creation of the stabilization fund.

 MR. ORDU: Mm-hmm.

 MR. ADDISON: So, that in times when the oil price was high, we could set aside --

 MR. ORDU: Something.

 MR. ADDISON: -- you know, some of the resources in the stabilization fund.

 MR. ORDU: Mm-hmm.

 MR. ADDISON: And then the government is allowed to withdraw from this fund --

 MR. ORDU: Mm-hmm.

 MR. ADDISON: --when times were difficult.

 MR. ORDU: Mm-hmm.

 MR. ADDISON: We also dealt with this issue of intergenerational equity --

 MR. ORDU: Mm-hmm. Yeah.

 MR. ADDISON: -- because oil is an exhaustible resource. So, we also had the heritage fund --

 MR. ORDU: Mm-hmm.

 MR. ADDISON: -- where, you know, part of the oil proceeds are, more or less, saved in this heritage fund. And I think it has worked very well.

 MR. ORDU: Yeah.

 MR. ADDISON: You know, we have the Central Bank, you know, managing the oil funds --

 MR. ORDU: Mm-hmm.

 MR. ADDISON: -- for the country.

 MR. ORDU: Mm-hmm.

 MR. ADDISON: And then, we have a public interest and accountability committee which, you know, sort of, you know --

 MR. ORDU: Mm-hmm.

 MR. ADDISON: -- holds the government to task by asking for very-detailed information on, you know, oil production and allocations, and all of that.

 So, I think it has worked reasonably well.

 MR. ORDU: Okay.

 MR. ADDISON: The difficulty that we have and why we didn’t have the buffers that you may have had, was the oil agreements that were signed --

 MR. ORDU: Mm-hmm.

 MR. ADDISON: -- which allowed, you know, all these foreign companies to literally retain a hundred percent of foreign exchange proceeds, for example --

 MR. ORDU: Hmm.

 MR. ADDISON: -- from the exports of oil. So, the country, you look at the balance of payments and it appears as if we are earning $4 billion --

 MR. ORDU: Right, right.

 MR. ADDISON: -- in oil. But in terms of the cash flows that passes through the Central Bank, you would see that only a very small amount --

 MR. ORDU: Mm-hmm.

 MR. ADDISON: -- of the oil resources are passing through. And this is an issue that, you know, we have identified. That’s a major structural issue --

 MS. SERAME: Mm-hmm.

 MR. ADDISON: -- that needs to be addressed and very high on the policy agenda at home.

 MR. ORDU: Okay, that’s a lot --

 MS. SERAME: Good.

 MR. ORDU: -- to learn. A lot to learn from Botswana.

 MR. ADDISON: Yes.

 MR. ORDU: That’s great. Let me turn now to the issue of digital currency, because many of our countrymen and women still don’t have bank accounts across the Continent and some persons in Kenya, for example, is helping to come -- and has come to the rescue. I was just wondering, as Central Bank Governors, what’s your attitude towards introducing digital currencies? And perhaps, we can start with Michael.

 MR. ATINGI-EGO: Okay, thank you, Aloysius. I think I would really look at two key issues. One is the aspect of financial inclusion.

 MS. SERAME: Mm-hmm.

 MR. ORDU: Mm-hmm.

 MR. ATINGI-EGO: And then, the other one is the aspect of my own balance sheets at the Central Bank.

 MR. ORDU: Mm-hmm.

 MR. ATINGI-EGO: Because the amount of money spent on printing currency is quite huge.

 MR. ORDU: Uh-huh.

 MR. ATINGI-EGO: And given the fact that until recently, interest rates have been going south --

 MR. ORDU: Right.

 MR. ATINGI-EGO: -- my income has been coming down and yet, these costs remains.

 So, the sooner I have everything under e-payments --

 MR. ORDU: Uh-huh.

 MR. ATINGI-EGO: -- you know, the better for the balance sheet. But lets’ go back to the issue of financial inclusion. Yes, I think we kind of like were delayed compared to our counterparts in East Africa, because we didn’t have a law.

 MR. ORDU: Uh-huh. Mm-hmm.

 MR. ATINGI-EGO: All right? To enable us to really pursue the digital agenda quite aggressively.

 MR. ORDU: Oh.

 MR. ATINGI-EGO: It was only in 2020 that the law was passed. But what has since happened from 2020 to now --

 MR. ORDU: Uh-huh.

 MR. ATINGI-EGO: -- is phenomenal. You know, the private sector out there is just fantastic.

 MR. ORDU: Uh-huh.

 MR. ATINGI-EGO: They have ideas on how to really roll out the digital currency.

 MR. ORDU: Okay.

 MR. ATINGI-EGO: So, they just need the rules of the game.

 MR. ORDU: Mm-hmm.

 MR. ATINGI-EGO: They need support in terms of regulation and then, you will just see them advancing.

 MR. ORDU: Yeah.

 MR. ATINGI-EGO: So, now there are various aspects of digital currency that are being floated around, and what have you. But let me start with the common one.

 MR. ORDU: Yeah.

 MR. ATINGI-EGO: The mobile money. I think we’ve seen this mobile money, in the case of Uganda, grow by leaps and bounds. The transactions are estimated at, as of June 2021, was about 29 billion shillings.

 MR. ORDU: Hmm.

 MR. ATINGI-EGO: Now, this grew to 40 -- I mean $29 billion, and this grew to $40 billion in June 2022 in just one year.

 MR. ORDU: Hmm.

 MR. ATINGI-EGO: So, it shows you the penetration of these things here. So, now the challenge is how do you use this mobile money platform --

 MR. ORDU: Right.

 MR. ATINGI-EGO: -- to introduce different financial products --

 MR. ORDU: Exactly.

 MR. ATINGI-EGO: -- to the system? Because this is the best way to reach the bottom of the pyramid.

 MR. ORDU: Mm-hmm. Mm-hmm.

 MR. ATINGI-EGO: How can you bring things like savings, things like credit, things like insurance? Because with that, they are able to enhance their own businesses --

 MR. ORDU: Yeah.

 MR. ATINGI-EGO: -- if you can bring in those products.

 MR. ORDU: Right.

 MR. ATINGI-EGO: And then, of course, I talked about the private sector being dynamic. They come on with all kinds of things. Now, their regulations that are underpinning the payment systems loan, we have what you call the sandbox regulatory. I mean, we have the various sandbox as regulations, all right?

 MR. ORDU: Uh-huh.

 MR. ATINGI-EGO: Where the private sector players who have any idea about additional product when they want to roll --

 MR. ORDU: Uh-huh.

 MR. ATINGI-EGO: -- come and test it under the controlled environment in the Central Bank.

 MR. ORDU: Mm-hmm.

 MR. ATINGI-EGO: It’s being supervised by the Central Bank to be sure that it’s compliant with existing laws.

 MR. ORDU: Right, right.

 MR. ATINGI-EGO: So, we have registered so many participants in that, and they are looking into products that are going to begin changes --

 MR. ORDU: Uh-huh.

 MR. ATINGI-EGO: -- in as far as introducing financial products is concerned. And then, also, we’ve had all kinds of things to do with cryptocurrencies and worldview. MR. ORDU: Mm-hmm.

 MR. ATINGI-EGO: You know, there are these guys will come around the Central Bank, you know, who want to bring this currency. Some of them may be operating without a license, all right?

 MS. SERAME: Yeah.

 MR. ORDU: Mm-hmm.

 MR. ATINGI-EGO: So, we’ve said, you know, guys, all right? We like the whole idea of this cryptocurrency. We like the technology, the block-chain technology. It’s very useful --

 MR. ORDU: Uh-huh.

 MR. ATINGI-EGO: -- not only for the financial sector, but for so many things.

 In the financial sector --

 MR. ORDU: Mm-hmm.

 MR. ATINGI-EGO: -- it’s important because of the speed, the ease --

 MR. ORDU: Right.

 MR. ATINGI-EGO: -- and the convenience that it brings.

 MR. ORDU: Mm-hmm.

 MR. ATINGI-EGO: But let’s do it in an orderly manner.

 MR. ORDU: Yeah.

 MR. ATINGI-EGO: For those institutions that have been licensed by the Central Bank, do what you’ve been licensed to do.

 MR. ORDU: Mm-hmm. Mm-hmm.

 MR. ATINGI-EGO: First and foremost, don’t bring another product like cryptos --

 MR. ORDU: Right.

 MR. ATINGI-EGO: -- if you’ve not been licensed to do it.

 MR. ORDU: Yeah.

 MR. ATINGI-EGO: And then, we also want the public out of the benefit question that because of the anonymity of some of these players, you better be very careful about your money.

 MR. ORDU: Mm-hmm.

 MR. ATINGI-EGO: You can lose it, so you have to be very careful.

 MR. ORDU: Sure.

 MR. ATINGI-EGO: And then, also, you know, we want to kill these very blunt ideas. So, if you have any crypto kind of thing, all right, you come under their regulatory sandbox.

 MR. ORDU: Right.

 MR. ATINGI-EGO: We test --

 MR. ORDU: Yeah.

 MR. ATINGI-EGO: -- whether your product really meets the existing law.

 MR. ORDU: Right.

 MR. ATINGI-EGO: And if the product is likely to bring more benefits to the system and the law doesn’t allow it --

 MR. ORDU: Uh-huh.

 MR. ATINGI-EGO: -- how can we change the law?

 MR. ORDU: Right.

 MR. ATINGI-EGO: All right? So, you do what you want to do.

 MR. ORDU: Yeah.

 MR. ATINGI-EGO: So, we’re not throwing them away, all right? But we want them to operate in a good way.

 MR. ORDU: Obviously.

 MR. ATINGI-EGO: And then, of course, also to further promote the agenda, we are now into our second national financial inclusion strategy.

 MR. ORDU: Uh-huh.

 MR. ATINGI-EGO: The first one just ended. So, we’re drafting the second financial inclusions in our strategy, and the aspect of digitalization is quite key in it. So, that’s how we’re looking at this --

 MR. ORDU: Okay.

 MR. ATINGI-EGO: but I’m looking at you, you are about to flag me again, so I will leave it there. (Laughter). Thank you.

 MR. ORDU: Thank you. Thank you very much. And Mthuli, you wrote a brilliant piece in our *Foresight Africa 2022* on this whole issue of digital IDs.

 MR. NCUBE: Yes.

 MR. ORDU: Could you tell us where you are in Zimbabwe now with digital IDs?

 MR. NCUBE: Yes, we’re making a good progress with that.

 MR. ORDU: Yeah?

 MR. NCUBE: We realize that it’s very important to have almost a one ID number per person, per entity --

 MS. SERAME: Right.

 MR. NCUBE: -- that will also become a tax number as well.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: And then kind of link that to the initial ID number as well --

 MS. SERAME: Mm-hmm.

 MR. NCUBE: -- because when we get a birth certificate as you are born, an ID number is issued. So, just building everything around that

 MR. ORDU: Right.

 MR. NCUBE: -- is how we’re going about dealing with our digital ID --

 MR. ORDU: Uh-huh.

 MR. NCUBE: -- and a single text number.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: So, we are making progress, but we’re not quite there yet --

 MR. ORDU: Mm-hmm.

 MR. NCUBE: -- but we are making good progress. And then, maybe, the thing to add perhaps on the issues around digital currency, that for us, digital currency has been a huge solution.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: We went through a period where there was a shortage of cash, and so forth, and it was solved by mobile money and all, and I am pressing all there, the notion of a digital currency. But also, I want to say anyone wanting to do that, there are risks. The risks are someone out there, somewhere out there will try to create additional money in circulation.

 MR. ORDU: Mm-hmm. Mm-hmm.

 MR. NCUBE: Yeah, it has happened before, and we had to deal with it. So, that’s something that you should look out for, especially, when the central banks changes control --

 MR. ORDU: Mm-hmm.

 MR. NCUBE: -- of all money creation in any initiatives.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: It’s fantastic, the digital currency, and mobile money is fantastic for tax collection.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: So, in Zimbabwe, I introduced the

2-percent intermediated transactions tax, so each time you pay for something, you pay 2 percent to the Treasury Services. Fantastic for tax collection. You can know how much you’re collecting on a daily basis --

 MR. ORDU: Yeah. I’m sure.

 MR. NCUBE: -- hour by hour if you want because all the data is there.

 MR. ORDU: Yeah.

 MR. NCUBE: And everyone hates this kind of tax because everyone pays taxes, you know. It’s fantastic, but it’s fantastic for the Minister of Finance.

 MR. ORDU: Yeah. (Laughter).

 MR. NCUBE: But as you were saying, it allows us to also introduce other products --

 MR. ORDU: Yes.

 MR. NCUBE: -- the promotes financial inclusion.

 MR. ORDU: Yes, right.

 MR. NCUBE: If it just so happens, that they are more comfortable --

 MR. ORDU: Yeah.

 MR. NCUBE: -- with digital money --

 MR. ORDU: Yeah.

 MR. NCUBE: -- mobile money, than any -- than actually physical money.

 MR. ORDU: Yeah, I see. I see.

 MR. NCUBE: They are more comfortable. It comes natural, but the issue of the ID --

 MR. ORDU: Mm-hmm.

 MR. NCUBE: -- we’re still finessing that. It’s coming onstream soon.

 MR. ORDU: Yeah, okay. Let’s take -- go around one more question, then I’ll turn to the audience. This whole notion of -- you want to check in? He’s not yet contributed. Please, go ahead.

 MR. ADDISON: Actually, let me -- I don’t think my people will forgive me, if I don’t comment on it because --

 MR. ORDU: Yes. (Laughter).

 MR. ADDISON: -- we have actually gone ahead and piloted it.

 MR. ORDU: Okay.

 MR. ADDISON: So, we just concluded a pilot on the central bank, you know, digital currency. And it was relatively easy to do --

 MR. ORDU: Mm-hmm.

 MR. ADDISON: -- because you’re looking at a country where mobile money was, you know, readily accepted --

 MR. ORDU: Right.

 MR. ADDISON: -- you know, in terms of the number of people who adopted that instrument relative to a bank account. We had seen the numbers three or four times grow within a very short period of time. And everybody understood the technology. Everybody, you know, money they used, the mobile money for payments, generally. So, the idea of having a digital CD --

 MR. ORDU: Mm-hmm.

 MR. ADDISON: -- you know, performing similar was quite straightforward --

 MR. ORDU: Uh-huh.

 MR. ADDISON: -- to a lot of the participants.

 MR. ORDU: Mm-hmm.

 MR. ADDISON: So, we, in partnership with GND, they are the technology partners, we, you know, piloted this in the rural area of Ghana, somewhere in the western north of the country and the participants were given tokens, both in the card form and even, on the mobile phone. There were merchants who were also participants in the pilot. And it went very effectively, both in the offline and online mode.

 MR. ORDU: Great.

 MR. ADDISON: In fact, some of the participants who exhausted the tokens that they had been given went out on their own to try to buy additional tokens.

 MR. ORDU: Oh.

 MR. ADDISON: I think one of the findings for us was the fact that because this was central bank issued, there was a lot of trust --

 MR. ORDU: Yeah.

 MR. ADDISON: -- in the payment instruments. So, for us, you know, the role of the central bank being in charge of, you know, digitally issued currency --

 MR. ORDU: Uh-huh.

 MR. ADDISON: -- plays an important role in terms of the acceptability.

 MR. ORDU: Right.

 MR. ADDISON: And digital development has been, you know, sometimes, we think that we are ahead of Kenya --

 MR. ORDU: Mm-hmm. That’s right.

 MR. ADDISON: -- in this process because we’ve gone very far, a lot of digital products, digital savings accounts, digital credit.

 MR. ORDU: Yes.

 MR. ADDISON: People are using you know, digital means to pay their utilities. Right? Everything and the issue of, you know, government services, social payments --

 MR. ORDU: Right.

 MR. ADDISON: -- and livelihoods. Almost all these types of transactions have been done digitally.

 MR. ORDU: Right.

 MR. ADDISON: The opportunities are enormous.

 MR. ORDU: Right.

 MR. ADDISON: The only problem we had was an attempt to tax global money last year --

 MS. SERAME: Hmm.

 MR. ORDU: (Laughter).

 MR. ADDISON: -- because the government was (laughter) very desperate for revenues and that hasn’t worked very well.

 MR. ORDU: Do you want a deficit.

 MR. ADDISON: (Laughter).

 MR. ORDU: I’m just kidding.

 MR. ADDISON: It hasn’t worked very well because the amount of money that we thought we could mobilize by taxing more money, they didn’t really come out --

 MR. ORDU: No.

 MR. ADDISON: -- you know, very well.

 MR. ATINGI-EGO: I think the trick is to build an exceptions.

 MR. ADDISON: Yeah.

 MR. ATINGI-EGO: So, for example, don’t tax the pensioners.

 MR. ADDISON: Yeah.

 MR. ATINGI-EGO: That’s a sore point. So, we will announce that we will not tax the pensioners, you see, it’s easier to play, to get the through Parliament, and that’s the trick.

 MR. ADDISON: (Laughter). Yes.

 MR. ORDU: Yeah, sure, and Peggy, I know that your President is one of those African Presidents, very gung-ho in technology. How is --

 MS. SERAME: Oh, yes.

 MR. ORDU: -- how you -- how are you implementing this in your country?

 MS. SERAME: Oh, yes. We have a digitalization structure for Botswana.

 MR. ORDU: Right.

 MS. SERAME: Where we’ll be connecting all the villages in Botswana.

 MR. ORDU: Wow.

 MS. SERAME: The 502, to the infrastructure because how do you do that when you don’t have the infrastructure? MR. ORDU: Right.

 MS. SERAME: So, this fiduciary year alone --

 MR. ORDU: Yes?

 MS. SERAME: -- we will be connecting 200 villages. Botswana has more counties, so 200 is a lot for us. So, that is that. But also during COVID, a lot of services now people realize there have also been some opportunities is for us to provide services online.

 MR. ORDU: Mm-hmm.

 MS. SERAME: We also saw the private sector, and especially, the youth are developing products that help us, really, to provide some of the services. So, that is an area also where we are growing --

 MR. ORDU: All right.

 MS. SERAME: -- and growing very fast.

 MR. ORDU: Okay.

 MS. SERAME: In terms of the central bank and digital currency, right now, we are still learning.

 MR. ORDU: Uh-huh.

 MS. SERAME: We are in discussions with a number of people, but of course, you might be aware, we are part of the static payments --

 MR. ORDU: Sure.

 MS. SERAME: -- supplement system.

 MR. ORDU: Yeah.

 MS. SERAME: So, we’re looking at whether the continental payment security system whether we can join, but at this day, we’re still in discussion and learning --

 MR. ORDU: Right.

 MS. SERAME: -- so that whatever we do eventually that we’re on the right track.

 MR. ORDU: Right, sure. Let me now turn very quickly to the floor. I have my colleague, Danielle. Where’s the microphone? Thank you. Thank you very much. If you could, just introduce yourself. Over here. Introduce yourself and pose a question and then we’ll have Dani and Alexander from the Asian Infrastructure Bank as well. Yes, let’s do these two first. Microphone for -- and one over here. Go ahead, Danielle.

 QUESTIONER: Okay. Thank you so much, Aloysius, and thanks so much for a fascinating discussion, so far. My question is a little bit different from what’s been discussed though such far --

 MR. ORDU: Yes.

 QUESTIONER: -- and it’s due to the fact that, you know, due to concerns about rising debt levels and even how some COVID-19 funding was used, we’ve seen several social movements throughout the Continent where African citizens have been demanding greater transparency from their leaders about where they’re getting money from and how it’s being used. Efforts such as citizens’ budgets being developed or participatory budgeting processes.

 So, I was just interested what efforts your Ministries or central banks have been considering to improve transparency around the budgeting processes and accountability for results?

 MR. ORDU: Okay, fantastic. Thank you. Can we take that --

 MR. NCUBE: Yes.

 MR. ORDU: -- and then we go to the next.

 MR. NCUBE: Well, maybe I could shoot there, the budget process which is fiscal.

 MR. ORDU: (Laughter).

 MR. NCUBE: At least it’s finance. It starts with a budget strategy paper. Zimbabwe just issued one now which really defines the strategy that the Government is pursuing over the next 12 months in, you know, harvesting resources, harnessing resources, and then deploying those resources. They are also in line with the five-year strategy. We in Zimbabwe, use a similar strategy as Botswana, in fact, we also run on these five-year plans. That’s where you start.

 And then, that document is then used for public engagement. So, public engagement within government through the Treasury, doing that.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: But also, across the -- right across the country, my Deputy Minister is very busy right now doing all of townhall meetings right across the country --

 MR. ORDU: Mm-hmm.

 MR. NCUBE: -- consulting on the budget.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: But then also, the Parliamentary Committee on Budgets and Finance, that is the same.

 MR. ORDU: Mm-hmm.

 MS. SERAME: Mm-hmm.

 MR. NCUBE: They also conduct, you know, consultations with the public, and so forth. That is in the budget creation process.

 MR. ORDU: Mm-hmm. Mm-hmm.

 MR. NCUBE: Then, it’s followed by the second stage which is now a retreat between the Minister of Finance and the Parliamentarians that are representative of the people. We do a five-day retreat. If it can be a balance between a three- to five-day retreat. Usually, away from our area, from the capital, so everyone goes away --

 MR. ORDU: Mm-hmm.

 MR. NCUBE: -- somewhere else. And then, we go through, you know, the job performance budget area by area, you know, the finance, the infrastructure, health, everything, area by area.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: And then, it begins to craft as something is we do that. Then eventually, the budget is put together, then presented to Parliament.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: You’re right. That is important because what you call a citizens’ budget. A very simple version of the budget --

 MR. ORDU: Uh-huh.

 MR. NCUBE: -- that which you will share.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: We do that. And every other country is doing that now.

 MR. ORDU: Hmm.

 MR. NCUBE: And also, make sure that it is also in the vernacular language, which is English.

 MR. ORDU: Yes.

 MR. NCUBE: So, in the vernacular language is also done like that. Then we do (inaudible) of the simple budget --

 MR. ORDU: Mm-hmm.

 MR. NCUBE: to the citizens to explain what we’re trying to do --

 MR. ORDU: Right.

 MR. NCUBE: -- for them.

 What is also critical, is then to update the public on budget implementation processes.

 MR. ORDU: Oh, yeah.

 MR. NCUBE: How is that going whilst you’ve started implementing --

 MR. ORDU: Mm-hmm.

 MR. NCUBE: -- the budget and trying to communicate as clearly as possible.

 MR. ORDU: Mm-hmm. Mm-hmm.

 MR. NCUBE: That’s all that I want, that’s all I can say about the process.

 MS. SERAME: Okay.

 MR. NCUBE: I mean we’re open budget savvy, the rankings that have come out are, I’m happy to say, that Zimbabwe is now ranked number three after South Africa, Benin, and then, Zimbabwe, then Uganda. I know the sequence --

 MR. ATINGI-EGO: (Laughter).

 MR. ORDU: (Laughter).

 MR. NCUBE: -- and then Botswana.

 MR. ATINGI-EGO: At least we’re number three. Thank you.

 MR. ORDU: Very good, very good.

 MS. SERAME: May I -- may I just quickly comment on that?

 MR. ORDU: Oh, is this on budget? Please, yes.

 MS. SERAME: We are very, very similar, in terms of the process. We also have a budget strategy paper and then we engage with different stakeholders, and government, and even the public. But in there, we are agreeing on what are the priority areas for next year’s budget?

 MR. ORDU: Right.

 MS. SERAME: Then it goes through Parliament like that, but what is also important is oversight --

 MR. ORDU: Yes.

 MS. SERAME: -- during the implementation. We have oversight bodies, including committees of Parliament.

 MR. ORDU: Mm-hmm.

 MS. SERAME: We have the public accounts committee, where the different Ministries have to wear account to Parliament. How did you spend your budget? And they go through everything.

 MR. ORDU: Right.

 MS. SERAME: We even do that for State-owned enterprises. So, I think the process is somewhat --

 MR. ORDU: The same, yeah.

 MS. SERAME: -- the same.

 But also, what is important is for the people to, and really, for you to simplify a budget is not easy. Some of these details are very complex. So, the important thing is to simplify it --

 MR. ORDU: Mm-hmm.

 MS. SERAME: -- for the ordinary citizen --

 MR. ORDU: Right.

 MS. SERAME: -- and take them through that. We also spoke to a little bit about the debt levels.

 MR. ORDU: Mm-hmm.

 MS. SERAME: As I indicated earlier, in Botswana, we have a law --

 MR. ORDU: Yeah.

 MS. SERAME: -- that says we cannot exceed 40 percent of GDP. And whenever I have to go and get a loan, whether it’s the World Bank, or whatever, I have to go through Parliament.

 MR. ORDU: Mm-hmm.

 MS. SERAME: So, that I have to say what are the terms of the loan. Are you sure you’re still within the parameters? And I have to keep on to put into Parliament this is what we did with the loan, and this is what is going on. Thank you.

 MR. ORDU: Right, thank you.

 MR. ATINGI-EGO: We don’t have it easy as the Minister of Finance.

 MR. ORDU: (Laughter). So, Danny, over to you now.

 MR. ALEXANDER: Thank you. Thank you very much. Danny Alexander from the Asia Infrastructure Investment Bank. And fascinating conversation. In a sense, the first part about the current crises and the impact, and the second part about the importance of connectivity and digital infrastructure particularly, for both resiliency and financial systems. And I was a -- I’m a former Chief Secretary to the Treasury in the U.K., so I very much empathize with the last round of comments.

 And for AIB, we’re a relatively new multilateral development bank. We now have 20 members in Africa. And we’re focused on sustainable infrastructure, and in particular, digital climate-related connectivity. But also, in the last few years, obviously, turning much more of our attention and resources to crisis response. And so, we’re very keen to build our business also among African Members of the Panel, Ghana is -- I’m very grateful to Ghana for joining the AIB.

 MR. ADDISON: Mm-hmm.

 MR. ALEXANDER: Others are welcome.

 But sort of keen to know how you see the role of multilateral development banks, both in helping to mitigate the impacts of the crises that you described at the start, but also, helping to build the kind of infrastructure that you referred to in the second part as a kind of key to future development and sustainability? Thank you.

 MR. ORDU: Great. As a product of multilateralism yourself, Ernest, you want to take first and then we’ll go to Professor?

 MR. ADDISON: No, I think they have an important role to play in augmenting domestic resources, you know, to finance infrastructure. The issue that we have in Ghana now, has to do with the level of debt and right now, that is really on the top of our agenda. And if you look at some of the discussions that we’re having, it looks like the debt perimeter in terms of the restructuring, will have to exclude multilateral debt. So, the very (inaudible) loan on the side of the multilateral really has not changed. And I think that is an issue that we need to look forward to, to ensure that the net influence --

 MR. ORDU: Mm-hmm.

 MR. ADDISON: --for a country remains positive. Otherwise, we get into a territory where your relationship with a multilateral bank will lead to like, you know, foreign exchange outflows and aggravate the, you know, the current crisis that we are going through.

 MR. ORDU: Mm-hmm.

 MR. ADDISON: So, yes, they are very welcome to the extent that they will provide that additionality --

 MR. ORDU: Yes.

 MR. ADDISON: -- in terms of resources.

 MR. ORDU: Right, sure. There are two hands there --

 MS. SERAME: May I -- may I add on to that?

 MR. ORDU: Do you want to? Yeah, please, do.

 MS SERAME: Thank you very much. I think for us in Botswana, as much as we have some little buffers --

 MR. ORDU: Yeah.

 MS. SERAME: -- we are still in need of resources --

 MR. ORDU: Yeah, for sure.

 MS. SERAME: -- to finance our infrastructure. And we’ve recently just adopted the Triple P, public, private partnerships --

 MR. ORDU: Mm-hmm.

 MS. SERAME: -- as one of the approaches that we use to ensure that we have infrastructure.

 MR. ORDU: Yeah.

 MS. SERAME: But I think the point that he made about crisis response --

 MR. ORDU: Yes?

 MS. SERAME: -- there’s another idea -- way I think we can really come in and assist some of our countries.

 MR. ORDU: Mm-hmm.

 MS. SERAME: Especially, new issues that arise. Climate change is one, either way, I think --

 MR. ORDU: Sure.

 MS. SERAME: -- there’s a lot of opportunity for multilaterals to come in --

 MR. ORDU: Uh-huh.

 MS. SERAME: -- and really partner with us. Thank you.

 MR. ORDU: Yeah, that’s great. Thank you. You had your hands up and you had your hands up. Let’s take those two and then, come back later. Yeah, sure. We have a lot, yeah.

 MR. DJOKEN: Okay, thank you. I’ll try to be as fast as possible. And really --

 MR. ORDU: Who you are? Tell us, you know?

 MR. DJOKEN: Yeah, my name is Guy Djoken, and I’m the Head of UNESCO U.S.A., which is a civil society, part of UNESCO.

 MR. ORDU: Great. Thank you.

 MR. DJOKEN: So, my question goes to you know, the first concern is that we had one country, Ukraine, that had a problem and then the whole world is you know --

 MR. ORDU: Mm-hmm.

 MR. DJOKEN: -- is starving.

 MS. SERAME: Yes.

 MR. DJOKEN: Right? We have 54 countries in Africa --

 MR. ORDU: Uh-huh.

 MR. DJOKEN: -- that is capable of feeding the world. Feeding itself --

 MR. ORDU: Yeah.

 MR. DJOKEN: -- and feeding the world.

 MR. ORDU: Yes.

 MR. DJOKEN: After their so-called independences, we made a big mistake. I know at present, (inaudible) somewhere, really striving very hard for us to have what you call Pan-Africanism --

 MR. ORDU: Mm-hmm.

 MR. DJOKEN: -- instead of having small countries. And we are here almost seven years later.

 MR. ORDU: Mm-hmm.

 MR. DJOKEN: One of the things I’ve heard, I didn’t see any coordination.

 MR. ORDU: Mm-hmm.

 MR. DJOKEN: We talk about these currencies.

 MR. ORDU: Mm-hmm.

 MR. DJOKEN: If you go different routes again --

 MS. SERAME: Sure.

 MR. ORDU: Mm-hmm.

 MR. DJOKEN: -- a hundred years again, we’re going to be here again.

 MR. ORDU: Mm-hmm.

 MR. DJOKEN: Because this won’t be going there, and the people are suffering.

 MR. ORDU: Mm-hmm. Yeah.

 MR. DJOKEN: Right? What are we doing to really, not only seize the opportunity --

 MR. ORDU: Mm-hmm.

 MR. DJOKEN: -- we have the capacity of really feeding the world.

 MR. ORDU: Mm-hmm.

 MS. SERAME: Yeah.

 MR. DJOKEN: What are we doing to create comfort, to create and provide opportunities for those, their farms, there are countries like Guinea where people produce food, and it doesn’t get to those who need it?

 MR. ORDU: Hmm.

 MR. DJOKEN: So, I would like to know what exactly are we doing --

 MR. ORDU: Right.

 MR. DJOKEN: -- to seize this opportunity? How we going to work together?

 MR. ORDU: Uh-huh.

 MR. DJOKEN: Because if we continue doing the same thing, I don’t know where we are going. Thank you very much.

 MR. ORDU: Fair, fair question. Thank you. Let’s turn to the two food baskets of the Continent --

 MS. SERAME: Yes.

 MR. ORDU: -- Zimbabwe and Uganda.

 MR. NCUBE: So, let me start. So, I did say that last year, Zimbabwe had a bumper harvest, for example --

 MR. ORDU: Yeah.

 MR. NCUBE: -- the best season for agriculture in 40 years. That’s independence, in fact, in this area, we’ve done it again for wheat, for wheat production, specifically. Last April’s was of raw -- raw grains. But how have we done it? Basically, we’ve taken a value chain approach to intervention in agriculture which is start with the productive assets in the first place. And we’re still perfecting some things there.

 But start with water supply. So, we’ve invested massively in dam construction.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: Zimbabwe easily has 10,000 water bodies across the country.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: We are not short of water, to be absolute. So, the best way to start dams. Then, you have to invest in the conveyance of that water which is irrigation. MR. ORDU: Mm-hmm.

 MR. NCUBE: I’ve just spent part of the SDRs from the IMF investing in 18 irrigation schemes --

 MR. ORDU: Mm-hmm.

 MR. NCUBE: -- across the country to the provinces, all evenly distributed. So, starting with that.

 Then once you’ve done that, the next stage is to then give the farmers some skills. So, we’ve changed our agriculture extension services into business advisory services. And some of us must realize that agriculture is a business and there’s some part-time social activity --

 MR. ORDU: Okay.

 MR. NCUBE: -- everyone can do by telephone, except only two days that are called weekends. So, that’s also critically important.

 MR. ORDU: Right.

 MR. NCUBE: And then, for social protection, we want to call it our productive social protection program and the commercial program. For the productive social protection, we give free seed, we give free fertilizer. That’s to protect the vulnerable. But then, with the commercial fund, again, we make sure where we can subsidize fertilizer, subsidize the seed and then, they do their thing and produce.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: But also, you have to deal with mechanization.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: Because come harvest time, the need comes for harvesters, planning time, the new tractors.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: So, you need to -- we need to develop a system for acquisition of that equipment.

 MR. ORDU: Right.

 MR. NCUBE: And if it’s available, it can be used for farming and make sure that the prices as well, the pricing mechanism is such that farmers can maximize on their returns and pay back, and the financial institutions are involved. We had a challenge, we still have a challenge that we need to fix, which is about the sense of title when it comes to land, after the land full program. So, we are currently perfecting on our 99-year lease so it is bankable, fertilizable, and transferrable where we will sort that out and that will enable full participation of banks --

 MR. ORDU: Mm-hmm.

 MR. NCUBE: -- in financing you know, agriculture.

 So, really, you need that kind of, I think, value chain --

 MR. ORDU: Mm-hmm.

 MR. NCUBE: -- intervention approach to make sure that we improve our food production. But that’s just within one country.

 MS. SERAME: Mm-hmm.

 MR. NCUBE: Then, I think his question is about how then do we coordinate --

 MR. ORDU: Continentally.

 MR. NCUBE: -- as a region, as a continent.

 MR. ORDU: Yeah.

 MR. NCUBE: I think that’s where we need to do more work, but we’re aware that the various commissioners within the AU --

 MR. ORDU: Uh-huh. Mm-hmm.

 MR. NCUBE: -- are trying to do that. But I think it starts with each country,

 MR. ORDU: Yes.

 MR. NCUBE: Just getting it right --

 MR. ORDU: Yeah.

 MR. NCUBE: -- is critical here. And I think that we will try. If anyone wants to know how to grow wheat, come to Zimbabwe. We’ll teach you how to grow wheat. Thank you very much.

 MR. ORDU: Thank you very much. Okay, very quickly.

 MR. ATINGI-EGO: Okay, very quickly. I think Professor has really say it very well on the supply side.

 MR. ORDU: Yeah.

 MR. ATINGI-EGO: But I think the challenge, sometimes, comes on the marketing side.

 MR. ORDU: Exactly.

 MR. ATINGI-EGO: We’ve tried regionalism, take for example, in the EAC, all right? You know, Uganda is a food basket, right?

 MR. ORDU: Yeah.

 MR. ATINGI-EGO: But how easily can you export your agricultural products --

 MR. ORDU: Yes.

 MR. ATINGI-EGO: -- to the neighboring countries without incurring non-tariff barriers?

 MR. ORDU: Hmm.

 MR. ATINGI-EGO: There are different interest groups in those countries --

 MR. ORDU: Yeah.

 MR. ATINGI-EGO: -- that don’t like competition.

 MR. ORDU: They fight back.

 MR. ATINGI-EGO: Yeah, because you have a low comparative course of doing business.

 MR. ORDU: Mm-hmm.

 MR. ATINGI-EGO: Take for example, Uganda, we can produce milk and produce eggs at a very, very low price, try to export it to Kenya. You know, it is a problem.

 We tried with Rwanda near that time, their border was closed. We couldn’t export.

 MR. ORDU: Hmm.

 MR. ATINGI-EGO: So, I think first of all, if we’re talking about Pan-Africanism.

 MR. ORDU: Yeah.

 MR. ATINGI-EGO: Let’s talk about Pan-Africanism, and remove all of the barriers to trades.

 MR. ORDU: Right, right.

 MR. ATINGI-EGO: And then, what we’re really talking about here of improving the supply side --

 MR. ORDU: Mm-hmm.

 MR. ATINGI-EGO: -- we then need to market that, so that Africa is able to import from within itself --

 MR. ORDU: Right.

 MR. ATINGI-EGO: -- okay and become self-sufficient.

 MR. ORDU: Mm-hmm.

 MR. ATINGI-EGO: You cannot be producing a lot of food Zimbabwe and have nowhere to sell it.

 MR. ORDU: No.

 MR. ATINGI-EGO: And yet, one country is starving. MR. ORDU: Yeah.

 MR. ATINGI-EGO: They’re starving because of non-tariff barriers being in place, or maybe, the transportation costs being in place. So, I think there is some infrastructure --

 MR. ORDU: Yeah.

 MR. ATINGI-EGO: -- some policies that we really need to work on to address your question.

 MR. ORDU: Right. No, thank you very much. And I’m implicit in that, the African exporting -- Asian Bank, Asian Bank has just introduced the payment system --

 MR. ATINGI-EGO: Right.

 MR. ADDISON: Right.

 MR. ORDU: -- basically, would enable a Ghanaian --

 MR. NCUBE: Right.

 MR. ORDU: to import food from the Zimbabwe or meat from Botswana pay in CDs.

 MR. ATINGI-EGO: Right.

 MR. ORDU: And the Zimbabwean receives in domestic currency completely bypassing foreign currency. How is that payment system? Any experience in your own countries? How is it working?

 MR. ATINGI-EGO: Well, we have just signed up to it. MR. NCUBE: Right.

 MR. ATINGI-EGO: We haven’t started using, but it is most welcome. Because it really removes this intermediate -- MR. NCUBE: Exactly.

 MR. ATINGI-EGO: -- issue around concerning banks, and so forth. And then we know that Africa doesn’t have large enough banks that act as confirming banks.

 MR. ORDU: Right.

 MR. ATINGI-EGO: Often you have to go via a commercial bank, or something like that. And anyway, in the old days at the AFDB, we actually have to capacitate a few (phonetic) banks in Africa --

 MR. ORDU: Yes.

 MR. ATINGI-EGO: -- to play the role of confirming banks because their (inaudible) was just too small.

 MR. ORDU: Yeah.

 MR. ATINGI-EGO: So, the Africa Bank is really helping us a lot and we look forward to that system working. So it will go a long way.

 MR. ORDU: Ernest, you had a --

 MR. ADDISON: No, we actually connected, you know, they started in West Africa and subregion.

 MR. ORDU: Yes.

 MR. ADDISON: So, the payment systems across the region is set for the francophone zone as we are interconnected, and it’s supposed to be working.

 MR. ORDU: Mm-hmm.

 MR. ADDISON: The issue now, I think, it’s too, you know, commercialized it and ensure that the, you know, may as -- how they utilize the system.

 MR. ORDU: Yes.

 MR. ADDISON: So, we’ve gone beyond the testing phase now.

 MR. ORDU: Okay, that’s great. Great to hear.

 MR. ADDISON: And it’s you know, running.

 MR. ORDU: Yah, great. You had your hand up before we -- yeah, right.

 QUESTIONER: My name is Rahm (phonetic). I work in the area of digital services for agriculture. This is just a follow-up question for the Honorable Minister of Zimbabwe, Mr. Ncube. Every crisis creates opportunities. Where do you see the next low hanging fruits besides digital currency, digital platforms, remote working, and so on? Which will yield the best returns and promote the wellbeing of all citizens?

 MR. ORDU: Mm-hmm.

 QUESTIONER: And where the MDBs can help financing and provide the needed funds. Thank you.

 MR. ORDU: Mm-hmm. Thank you. Okay. Over to you.

 MR. NCUBE: Well, I think, really, the -- it starts with agriculture, I think.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: There is just a huge potential across most countries really for MDBs, for anyone who’s an entrepreneur to invest now in agriculture.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: For some of our countries, we are naturally prepared to open up pieces of land and give investors a 25-year concessions to actually go ahead and do what they do in terms of planting this and that.

 And I think one key opportunity is in the horticulture sector, fresh vegetables, and so forth. And there’s a huge market in the Middle East and everywhere, frankly, China, for fruit, for, you know, avocado, oranges, and so forth. That horticulture space in Africa agriculture is very lucrative. So, I’d say agriculture. Then there is infrastructure.

 MR. ORDU: Uh-huh.

 MR. NCUBE: There’s an infrastructure deficit in Africa as is well understood. Most African countries are onto the PPP framework now as a Minister said, we have the same, so clearly, the private sector could come in there.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: But the thing that we’ve seen though is that each time we are approached by the players, they say, oh, we need a government guarantee to -- of this road that you are trying to concession. It can be like that. Once it’s a PPP, the SPV should take it on the nose, basically.

 MS. SERAME: Mm-hmm.

 MR. NCUBE: And that’s the reason why it’s a PPP. (Laughter). But that -- again, once it got onto you, and so forth.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: We understand it when it comes to, perhaps, energy where maybe, the power utility, the public utility’s balance sheet is weak --

 MS. SERAME: Sure.

 MR. NCUBE: -- and you need the sovereign to provide a guarantee on the power purchase agreement, on the PPA.

 MS. SERAME: Mm-hmm.

 MR. NCUBE: That we understand that we will do. But when it comes to roads, when your road has been concessioned, you connect your toll, fees, all of that, we want you to get on with it. But for power, we will make an exception.

 So, I would say the -- if you look at, or get a good part of Africa, there is good sunshine.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: The heat units are right.

 MR. ORDU: Yeah.

 MR. NCUBE: So, again, coming ot power, solar investment in the solar sector --

 MR. ORDU: Mm-hmm.

 MR. NCUBE: -- is very, very you know, lucrative, we think that is really the way to go. But again, we are aware of these demands for guarantees, and so forth. Most solar projects will be profitable at -- you know, I think at $0.09 per kilowatt hour.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: And I think most countries are able to meet that very easily. So, one should find it quite profitable.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: As long as that can be met as a tariff.

 MR. ORDU: Right.

 MR. NCUBE: On currency convertibility, again, we know that investors always want currency convertibility, we are able to offer that. Most African countries can do that. SO, I believe the opportunities are there, infrastructure development, in energy, in agriculture to name a few. But one last sector that has changed, the area of health in terms of private hospitals. COVID has taught us a lot -- a few things and showed us that really, we need to invest more in this sector. It can’t just be government.

 MS. SERAME: Right.

 MR. NCUBE: We need to see more hospitals. I mean, India has done very well as a global referral --

 MR. ORDU: Yeah.

 MR. NCUBE: -- health you know, hub. Dubai now, is beginning to emerge. And likewise, South Africa to an extent.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: But there is no reason why each of these in African countries can develop a first-class, five-star --

 MR. ORDU: Mm-hmm.

 MR. NCUBE: -- health sector which is privately owned.

 MR. ORDU: Hmm.

 MR. NCUBE: It’s possible. So, I would also highlight investment in healthcare that. Thank you.

 MR. ORDU: Before we go back to the audience, in a way, we have skirted the issue a little bit of domestic resource mobilization which remains stubbornly low --

 MS. SERAME: Mm-hmm.

 MR. ORDU: -- on the Continent. It’s an average about 17 percent.

 MR. NCUBE: Yeah, wow.

 MR. ORDU: With the exception of the Tunisia, the Morocco, the Seychelles, and Mauritius, we basically, are many, many -- it ranges from 6.5 percent of GDP to you know, about 22. With the exception of these -- of all of those I mentioned. Why is this so -- I mean, we now know when the war is over in Ukraine, you know, ODA is already under challenge, severe. You know, with the reconstruction boom and the refugee crisis, more challenges to ODA. So, it behooves us all to really focus on this you know, raising money internally from.

 MS. SERAME: Mm-hmm.

 MR. ORDU: What -- any thoughts? Any thoughts on how we can actually do better and up those numbers?

 MS. SERAME: I think, for us, in Botswana, it’s yes, we can broaden the tech space but only up to a point.

 MR. ORDU: Hmm.

 MS. SERAME: You need the economy to grow for you to be able to generate --

 MR. ORDU: Uh-huh.

 MS. SERAME: -- more revenues and to be able to collect. Where we have the greatest challenge is inefficiencies --

 MR. ORDU: Oh.

 MS. SERAME: -- in collection. So, that is the one area for us, inefficiencies in collection.

 MR. ORDU: Mm-hmm.

 MS. SERAME: That we are addressing to see how we can improve the efficiency. Because even though the current rates and everything --

 MR. ORDU: Mm-hmm.

 MS. SERAME: -- if we could just improve the efficiency, it will be a significant improvement in terms of --

 MR. ORDU: Right.

 MS. SERAME: -- how much we are able to collect.

 MR. ORDU: Interesting. Any thoughts? Yeah.

 MR. NCUBE: One is I think that we sometimes, we offer too many tax exemptions.

 MR. ORDU: Right.

 MR. NCUBE: Our client investors and so forth. I see it in the mining sector, for example, overall where we just have got too many tax exemptions, some of these ought to be suspended. For instance, when you see a project and you are trying to count in the internal rate of return, the IRR, and it’s likely driven by a tax exemption from the government, that is not a good investment.

 MR. ORDU: No.

 MR. NCUBE: Okay? Because it’s not about the project, it’s about the government giving up something.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: They are donating revenue to a private player. So, dealing with tax exemption is one area.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: And then, the other one is informality. Informality makes it difficult to connect tech so one of the things that we -- we have definitely (phonetic) have relied on two things in Zimbabwe that we have done. One was the

2-percent tax I just talked about, which --

 MR. ORDU: Uh-huh.

 MR. NCUBE: -- which whether in the informal sector or not, as long as they are using some digital means to pay --

 MR. ORDU: Yeah.

 MR. NCUBE: -- you get taxed that 2 percent. So, that has helped us collect taxes.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: But also, a year ago, I introduced a location tax for the informal sector, so as long as the vendor is operating from some known address --

 MR. ORDU: Mm-hmm.

 MR. NCUBE: -- problem solved. Because then the landlord is now a tax collection agent, so all I had to do was to designate the landlord is a tax collection agent, by law.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: So, he or she has no choice to collect --

 MR. ORDU: From them.

 MR. NCUBE: -- and then, they collect a presumptive tax.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: Which is fixed so I don't have to know the turnover of the vendor, all I say, that what you -- all you do is pay, you know, maybe, $20 a month or something.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: And it is flattened, and that’s it.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: So, that is beginning to work --

 MR. ORDU: Okay.

 MR. NCUBE: -- but it is not easy to tax the informal sector.

 MS. SERAME: Yeah.

 MR. ORDU: No.

 MR. NCUBE: So, I just wanted to highlight those two.

 MR. ORDU: Oh, no, absolutely. Any thoughts before we swing back to the --

 MR. ADDISON: I think the difficulties are the same everywhere.

 MR. ORDU: Okay.

 MR. ADDISON: In Ghana, we also, have an issue with very low revenue. I think we are around 13, 14 percent of --

 MR. ORDU: Right.

 MR. ADDISON: -- of GDP and it’s a major issue you know, to deal with the debt problems that we have.

 MR. ORDU: Sure.

 MR. ADDISON: I agree that it’s a question of efficiency and --

 MR. ORDU: Hmm.

 MR. ADDISON: -- the taxes are there, the value of the taxes are supposed to be more easy to collect but the enforcement, there are many shops that are you know, keep two books and you want a VAT receipt or now, you have that option.

 MS. SERAME: Mm-hmm.

 MR. ADDISON: And if you want -- you don't want to pay VAT, they will issue that receipt for you.

 MR. ORDU: Yeah.

 MR. ADDISON: So, and I think that now, the revenue agencies are beginning to clamp down --

 MR. ORDU: Okay.

 MR. ADDISON: -- on those types of practices and it is helping.

 MR. ORDU: Great. I think there is one form -- question. Yeah?

 QUESTIONER: Yes, we have an online question, this is from the Associate Professor Jörgen Levin with the Nordic Africa Institute.

 MR. ORDU: All right.

 QUESTIONER: The question is, why African policymakers are so eager to tax mobile transfers, yes, it is easy, but are there no concerns that it is a regressive tax and that the tax reduces investments in SME and the agricultural sector?

 MR. ORDU: Great. Thank you very much. In a way, the timing is just perfect, right? Because of what we were just talking about. Do you want to take that very quickly, and then? Yeah.

 MR. NCUBE: Well, it’s a tradeoff so when you increase or introduce mobile taxes, they reduce somewhere else.

 MS. SERAME: Yeah.

 MR. NCUBE: So, in Zimbabwe, we reduced VAT, we reduced copper tax, so it’s given tech.

 MR. ORDU: Yeah.

 MR. NCUBE: So, the trick is you tax small on the side where it is easy to collect --

 MR. ORDU: Mm-hmm.

 MR. NCUBE: -- and tax less where it is difficult, more difficult to collect. That’s the trick, so that’s what we did.

 MS. SERAME: Mm-hmm.

 MR. ORDU: Interesting. Any other experience on that? No?

 MR. ADDISON: Mobile taxes didn’t do too well in Ghana, as I said.

 MR. ORDU: In Ghana? (Laughter).

 MR. ADDISON: When we tried it, and people changed their behaviors --

 MR. ORDU: Right.

 MR. ADDISON: -- and we were beginning to see lower you know, numbers --

 MR. ORDU: Right.

 MR. ADDISON: -- in terms of transactions. So, it’s being really looked at and --

 MR. ORDU: Okay.

 MR. ADDISON: -- probably, the rates that were introduced at 1.5 percent was too high. So --

 MR. ORDU: Yes.

 MR. ADDISON: -- the idea is to bring the rates down, and probably, that should improve it.

 MR. ORDU: Great. I think --

 MR. ATINGI-EGO: I’m sorry, I would --

 MR. ORDU: Sorry, go ahead, Uganda, yeah.

 MR. ATINGI-EGO: Yeah, I think to promote, really, these digital financing, cashing out of vehicle (phonetic) system is disruptive.

 MR. ORDU: Hmm.

 MR. ATINGI-EGO: So, if I were to give any advice on this taxation, any cashing out should be taxed --

 MS. SERAME: Mm-hmm.

 MR. ATINGI-EGO: -- so that people are encouraged to remain in the vehicle system.

 MS. SERAME: Yeah.

 MR. ORDU: Mm-hmm.

 MR. ATINGI-EGO: And that is what will grow the digital financing.

 MR. ORDU: Mm-hmm. Right.

 MR. ATINGI-EGO: Yeah.

 MR. ORDU: Okay. The microphone, the young lady over there, and these two guys, the lady in red and then, the gentleman in front of him. Yeah? All right, thank you.

 MS. KEELER: Hi, good morning, my name is Rachel Keeler, I work for Dalberg Advisors here in D.C.

 MR. ORDU: Mm-hmm.

 MS. KEELER: I have a question to all of you. What do you see as the potential for digital data systems to provide more real-time data to enable you to make policy decisions and to implement policies effectively, in response to a lot of these shocks?

 MR. ORDU: Mm-hmm.

 MS. SERAME: Mm-hmm.

 MR. ORDU: Good question.

 MS. KEELER: Thank you.

 MR. ORDU: Botswana, you want?

 MS. SERAME: I think, I think it’s given --

 MR. ORDU: Right.

 MS. SERAME: -- it’s something that we’ve been looking at to see how much government should be involved in that space, or whether we can just bring it in the private sector.

 MR. ORDU: Mm-hmm.

 MS. SERAME: But certainly, it is a requirement --

 MR. ORDU: Hmm.

 MS. SERAME: -- for us to be able to move.

 MR. ORDU: Mm-hmm. Any?

 MR. NCUBE: I cannot say that I agree there that we need some kind of big data --

 MR. ORDU: Yeah.

 MS. SERAME: Mm-hmm.

 MR. NCUBE: -- notions and so forth, and --

 MR. ORDU: Yeah.

 MR. NCUBE: -- and we are investing in storage capacity as well.

 MR. ORDU: Mm-hmm.

 MR. NCUBE: You know, both private and public in terms of data storage capacity. And we need more real-time data and a lot of data.

 MS. SERAME: Yeah.

 MR. NCUBE: Yeah, absolutely. So, we -- I can only agree, really, with the question in a way, especially, in this respect.

 MR. ORDU: Yeah.

 MR. ATINGI-EGO: Just to add to what the Honorable Professor said apart from data for real-time basis for formulating and assessing the impact on economic policy --

 MR. ORDU: Mm-hmm.

 MR. ATINGI-EGO: -- I think it also cuts -- cuts down so much on these survey costs, right?

 MR. ORDU: Mm-hmm.

 MR. ATINGI-EGO: Because you have all these points of sales, you have all these e-data in a big platform --

 MR. ORDU: Yeah, right.

 MR. ATINGI-EGO: -- right? So, you don't have to really send the numerators to border posts and all kinds of things. And then it comes to time lag.

 MR. ORDU: Mm-hmm.

 MR. ATINGI-EGO: So, in terms of costs, in terms of timeliness, and in times of quick assessment --

 MR. ORDU: Uh-huh.

 MR. ATINGI-EGO: -- of the impact of the policies, and also, of the mission is very, very important. So, that’s where we should be going.

 MR. ORDU: Absolutely. Okay, the lady in red?

 MR. ADDISON: I mean, we have also found that --

 MR. ORDU: Okay.

 MR. ADDISON: -- to be very important in Ghana. We are looking at even getting a national ID data system in the financial sector. We have developed what they call the online regulatory system for submitting data.

 MR. ORDU: Mm-hmm.

 MS. SERAME: Okay.

 MR. ADDISON: And this covers all the financial institutions --

 MS. SERAME: Yeah.

 MR. ADDISON: -- in Ghana. Literally, real-time data and there is some variety in all the transactions through that system. And the Central Bank has oversight, you know? I mean, directs us to this real-time data. That has helped a lot.

 MR. ORDU: Great. Thank you.

 MS. RYDER: Thank you very much, Honorable Ministers, and Governors, for your insights. I am Hannah Ryder for Development Reimagined, we are an international development consultancy based in -- or headquartered in China. And we have a number of international partnerships, of course, as African countries. I wanted to get your views, Ministers and Governors, on what -- do we have the U.S./Africa Summit coming up, for instance, last year was the forum on China-Africa cooperation. We have a lot of partners wanting our engagement. What’s your view on what we could be trying to get the most out of those relationships, and in particular, on a finance -- on a financial angle, what would you be aiming for, ideally? For example, from the U.S./Africa Summit, or from other partnerships, including China?

 MR. ORDU: All right, thank you. Good question. In fact, let me add to that because I alluded at the -- in my introductory remarks that in the 2009 crisis, brother Mthuli will remember, we were both in Tunis.

 MR. NCUBE: Exactly.

 MR. ORDU: Okay, so, finance ministers, central bank governors, meeting ahead of any global meetings.

 MR. NCUBE: Mm-hmm.

 MR. ORDU: You know, before coming to Washington for -- they meet first.

 MR. NCUBE: Sure.

 MR. ORDU: And then we have these common positions. And as the young lady said --

 MR. NCUBE: Mm-hmm.

 MR. ORDU: -- we have our Presidents are all arriving here in December.

 MS. SERAME: Mm-hmm.

 MR. ORDU: And they have gone to China, they have gone to Turkey, they have gone to India, they have gone to even London, you know? They -- do we really go with a common position, or I think it is related to what the young lady is saying. Any thoughts?

 MS. SERAME: I am not sure that we go with a common position, but --

 MR. ORDU: Right.

 MS. SERAME: -- I think as different groupings, for example, (inaudible) --

 MR. ORDU: Yes.

 MS. SERAME: -- would have a common kind of agenda where what we want to achieve and where we are driving it.

 MR. ORDU: Right.

 MS. SERAME: But I think what is important when we engage, we must be very clear as African countries, what is it that we want to get out of those things?

 MR. ORDU: Right.

 MS. SERAME: I will give you an example. We went to one summit as Botswana, we engaged with a particular entity.

 MR. ORDU: Mm-hmm.

 MS. SERAME: And then, that is very high level. And then when it got to implementation, the terms were different.

 MR. ORDU: Hmm.

 MS. SERAME: From what we thought we were getting.

 MR. ORDU: Yes.

 MS. SERAME: So, we were very clear. No, that's not what we agreed on so we would rather not go there. So, we must be very clear, what is it we want to get? And have our own terms --

 MR. ORDU: Mm-hmm.

 MS. SERAME: -- and this is, we are very clear, this is what we are going to get. If you can’t get this, then it doesn’t work for us.

 MR. ORDU: Mm-hmm. Makes sense. Any other thoughts?

 MR. ADDISON: Maybe I can mention one thing that all African countries would be looking for, is --

 MR. ORDU: Mm-hmm.

 MR. ADDISON: -- really the flow of investment and private sector capital from the --

 MR. ORDU: Mm-hmm.

 MR. ADDISON: -- U.S. That’s what they are looking for. But also, they are looking for -- just to not be punished should they --

 MR. ORDU: Oh.

 MR. ADDISON: -- you know, for some of them, some of the countries, if they have got stronger ties, maybe with China, maybe with Russia --

 MR. ORDU: Mm-hmm.

 MR. ADDISON: -- with some other country and so forth. They just want to welcome everyone.

 MR. ORDU: Yeah.

 MR. ADDISON: And I think they want to send a message to the U.S. that they welcome the U.S., and U.S. companies, as much as they welcome any company from anywhere in the world, and they want just more capital to flow from the U.S. into Africa.

 MS. SERAME: Mm-hmm.

 MR. ORDU: Okay.

 MR. ADDISON: Into any sector, in fact.

 MR. ORDU: Yeah.

 MS. SERAME: Mm-hmm.

 MR. ADDISON: That’s really, a simple planned message from the African Leadership.

 MR. ORDU: Sure. I think you have been very patient. We will take this, oh, no, I think it was you, and then you. Could we have microphone to those, please? Great thank you. Over there.

 MR. DEMASSI: Good morning, everyone. Thank you for joining us. My name is Nick DeMassi, I work at the U.S. Treasury Department in Revenue Collections. And my question for you is that, here in the U.S., the Federal Reserve has been raising interest rates --

 MS. SERAME: Mm-hmm.

 MR. DEMASSI: -- at a very aggressive pace. And that has sent the value of the U.S. dollar to very, very high valuations.

 MR. ORDU: Mm-hmm.

 MR. DEMASSI: And since the U.S. dollar is such a global currency --

 MR. ORDU: Mm-hmm.

 MR. DEMASSI: -- I’m wondering if you could, speak to how those developments, both with the higher interest rates here, and the value of the dollar, how has that impacted the finances and the investment, of particularly, foreign direct investments in your countries?

 MR. ORDU: Yes.

 MR. DEMASSI: Thank you.

 MR. ORDU: Great. Very quick, very quick, here, go on.

 MR. ADDISON: Yes, I think that’s a very important issue. (Inaudible) was in Brussels and the African Central Bank Governors posed this question to him because he had given the forward guidance on what we are going to be doing to you know, the Fed fund’s rate. And any time they tighten their policy rate, we -- we feel the impact.

 MS. SERAME: Mm-hmm.

 MR. ADDISON: To you know, our capital outflows, I mean, in Ghana, we have seen a lot of portfolios you know, investments move out into --

 MS. SERAME: Mm-hmm.

 MR. ADDISON: -- U.S. instruments because they are more attractive in terms of the rates that are available here. That would mean that the currency depreciates and feeds into the inflation problem --

 MS. SERAME: Mm-hmm.

 MR. ADDISON: -- that we had. But I think this is - this is the situation that we find ourselves.

 MS. SERAME: Yes, all of us --

 MR. ORDU: Very quickly.

 MS. SERAME: -- I think just to add on to that, that I think as much as -- and it’s not just the U.S., it happens everywhere. We even have to have a chat with our central banks to see, how much can you relink (phonetic) those interest rates, at some point?

 MR. ORDU: Right.

 MS. SERAME: You have to consider in that sense. So, all I can say is that as much as we can increase interest rates, we also need to be also, very innovative --

 MR. ORDU: Right.

 MS. SERAME: -- and creative in how we address some of these challenges.

 MR. ORDU: Wow, great job. Thank you. All right, I think that’s pretty much it. Very quickly if it is brief.

 QUESTIONER: Yes, it will be. My name is Fernando Lodeil (phonetic) Intel Corporation, responsible for Global Affairs in Africa and Latin America. We are doing many initiatives in Africa, one of them is partnering with Smart Africa and we commission at AfriLabs and with university to map the deep startups in Africa --

 MR. ORDU: Yeah.

 QUESTIONER: -- all the countries. What they are doing and why kind of innovation is being developed there? What kind of a vertical they are working with? The ecosystems there, or not? We have a funding available now, and then what is the regulatory framework we should work with --

 MR. ORDU: Oh.

 QUESTIONER: -- to facilitate the innovation to flourish there? Our belief is that Africa can leapfrog this, right? So, there is an advantage, they do not have legacy that --

 MR. ORDU: Mm-hmm.

 QUESTIONER: -- that float these possibilities to, to increase and play a big role in the economic --

 MR. ORDU: Mm-hmm.

 QUESTIONER: -- environment there. So, does it resonate with you as a kind of the right approach to do and --

 MS. SERAME: Mm-hmm.

 QUESTIONER: -- any other guidance that we should offer to companies like Intel?

 MR. ORDU: Very quickly.

 MR. ATINGI-EGO: It resonates completely.

 MR. ORDU: Okay.

 MR. ATINGI-EGO: We like the idea of Intel supporting innovation hubs in Africa.

 MR. ORDU: Right.

 MR. ATINGI-EGO: We are trying to do the same things as government, and we thought that the private sector was missing in the room.

 MS. SERAME: Mm-hmm.

 MR. ATINGI-EGO: So, yeah, if they have Intel, that’s perfect.

 MR. ORDU: Great.

 MR. ATINGI-EGO: That’s a great partnership.

 MS. SERAME: Great.

 MR. ATINGI-EGO: To help us clear those independent innovation ecosystems and innovation --

 MS. SERAME: Mm-hmm.

 MR. ATINGI-EGO: -- which is where you are --

 MR. ORDU: Right.

 MR. ATINGI-EGO: -- and that really allows us to tap onto talent that we see in the innovation space in the whole of Africa.

 MS. SERAME: Mm-hmm.

 MR. ATINGI-EGO: So, we look forward to more interactions going forward.

 MS. SERAME: Yes.

 MR. ORDU: So, to bring this to a close, I would like to ask each of you one word or two, at the end of these annual meetings, what would success look like for you? Let’s start with Michael.

 MR. ATINGI-EGO: Yeah, thank you so much. I think my take is that we -- we have this need to continue with the macroeconomic and financial stability because if we lose that --

 MR. ORDU: Mm-hmm.

 MR. ATINGI-EGO: -- we are headed to the rocks.

 MR. ORDU: Yes.

 MR. ATINGI-EGO: So, I know that there are concerns about the rising interest rates, but we need to rein in inflation.

 MR. ORDU: Yeah.

 MR. ATINGI-EGO: The cost delaying the rein in of inflation is much more expensive than bringing nothing at all. And then secondly, we have talked to a number of the private sector players --

 MR. ORDU: Mm-hmm.

 MR. ATINGI-EGO: -- particularly, fund managers and everything. We’ve explained to them the economic conditions in our countries and whatever you saw --

 MR. ORDU: Mm-hmm.

 MR. ATINGI-EGO: -- we hope that they are going to continue investing in our countries. And then, finally, the aspects of capacity --

 MR. ORDU: Development.

 MR. ATINGI-EGO: -- development, I think are very key. In the margin areas --

 MR. ORDU: Yeah.

 MR. ATINGI-EGO: -- there are so many margin areas that are going to affect the mandates of central banks.

 MR. ORDU: Mm-hmm.

 MR. ATINGI-EGO: For example, the issue of fintechs, climate change --

 MR. ORDU: Uh-huh.

 MR. ATINGI-EGO: -- the issue of cybersecurity --

 MR. ORDU: Right.

 MR. ATINGI-EGO: -- the issue you know, there are so many things that are going to affect you know, the method of central banks. SO, what kind of capacity development do we need to prepare ourselves?

 MR. ORDU: Right.

 MR. ATINGI-EGO: All right? And then, the whole aspect of innovation --

 MR. ORDU: Right.

 MR. ATINGI-EGO: -- to take advantage of the technological developments.

 MR. ORDU: Right, yes. Mthuli, success for you?

 MR. NCUBE: Two quick things, one is just sharing information with other policy makers, learning from them, sharing experiences. You learn so much even just from this Panel of us four, already we can see where we are in relation to each other, and I am learning a lot.

 MR. ORDU: Yes.

 MR. NCUBE: Secondly, we are about to go into the market to issue a bond --

 MR. ORDU: Yeah.

 MR. NCUBE: So, we are talking to a few investors, if we can get some of -- you know, coming out of interactions here in Washington, the better. So, two quick things from me.

 MR. ORDU: Fantastic, sister Peggy?

 MS. SERAME: Thank you, for us, I think one, for all these areas, be it food crisis, climate change, I think as the global community, we need to agree on very specific interventions --

 MR. ORDU: Yeah.

 MS. SERAME: -- of what needs to be done by whom and by when.

 MR. ORDU: Yeah.

 MS. SERAME: So that the first and foremost for Botswana. There are a number of engagements that we are having --

 MR. ORDU: Mm-hmm.

 MS. SERAME: -- so hopefully, I will be able to carry back home some results for follow-throughs in terms of investments --

 MR. ORDU: Mm-hmm.

 MS. SERAME: -- and areas for partnerships.

 MR. ORDU: Great, thank you. Ernest?

 MR. ADDISON: Well, I think we’ve heard it all, I mean, the challenges are common across our countries, and for me, I think that going from here, the need to collaborate --

 MR. ORDU: Right.

 MR. ADDISON: -- and have forums where we can, you know, share experiences and learn from each other will be critical and I like the idea of what was done at the African Development Bank.

 MR. ORDU: Right.

 MR. ADDISON: Prior to meeting, seeing now if you could bring --

 MR. ORDU: Yeah.

 MR. ADDISON: -- policymakers from Africa to there, to take a common position.

 MR. ORDU: Absolutely.

 MR. ADDISON: And then, present these issues --

 MR. ORDU: Right.

 MR. ADDISON: -- to the global community.

 MR. ORDU: Sure. Thank you, all, very much. On behalf of Brookings, thank you, all for coming.

 MR. ADDISON: Thank you.

 MR. ORDU: I appreciate it and have a great day. Thank you.

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