ECONOMIC RECOVERY AND GROWTH:

TACKLING MULTIPLE HEADWINDS

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ESSAY

VIEWPOINT

Priority actions to address Africa's economic recovery

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As we begin 2023, Africa's development is threatened by multiple crises. This time is distinctly different from past episodes, first in the increased frequency of crises, as well as the persistence and deepening of climate and conflict crises. While in 2008/2009 Africa was able to use debt to weather the financial crisis, today, rapidly rising global interest rates and the absence of a well-functioning framework for comprehensive debt reduction and relief, threaten to cut access to international financial markets for many countries. Moreover, deglobalization trends could limit Africa's ability to use international trade to drive growth.

While the external environment is precarious and may remain that way for some time given the evolving geopolitical tensions, domestic policy actions do matter, and Africa's policymakers are not helpless. The time to act is now, in order to regain lost ground and move towards prosperous economies and resilient, inclusive societies.

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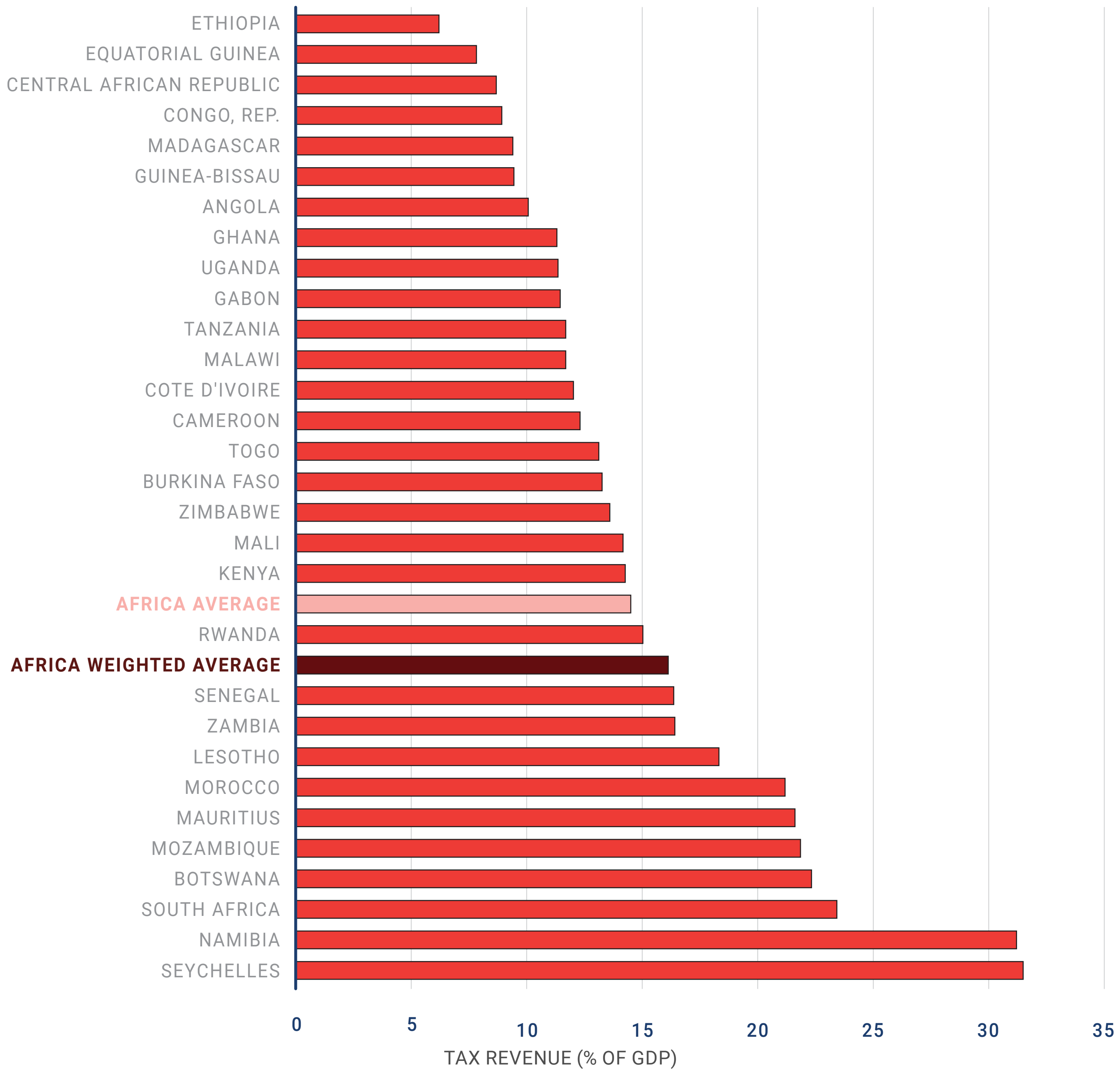
Raise more domestic revenues and spend more efficiently

This is foundational to any credible home-grown solution. The continent collects less revenue than can be generated domestically at current levels of income, with tax revenue as a share of GDP averaging 16.1 percent of GDP for sub-Saharan Africa as a whole—see Figure 1. Strengthening tax administration and expanding tax sources to real estate, sugary products, and eventually carbon, are important opportunities to significantly raise domestic revenue. It is also important to eliminate excessive inefficiencies in both recurrent and capital spending. Countries need to move away from expensive (and often regressive) large-scale generalized subsidies and towards more selective, well-targeted approaches including technology-enabled social protection programs and high value investments such as research and development and infrastructure. Targeted programs allow governments to support the most vulnerable, while effectively supporting specific strategic objectives, and eliminating wasteful expenditure. Public investment programs need to be thoroughly reviewed to weed out poorly conceived investments and ensure limited resources are truly supportive of long-term growth, while strengthening programs that build long-term public investment capacity. Commodity exporters have a huge opportunity to fully leverage current commodity windfalls to build macroeconomic buffers and invest in flagship programs that will address long-term challenges. Finally, African countries need to develop deep domestic (or regional) financial markets, anchored by high savings from national pension funds—and regional sovereign wealth funds more broadly—which will require addressing regulatory constraints..

FIG.1

MOBILIZING DOMESTIC REVENUE WILL BE A KEY PRIORITY AS AFRICA'S TAX-TO-GDP RATIO REMAINS COMPARATIVELY LOW

Most African countries experienced a decline in nominal tax revenues in 2020. The capacity for African tax systems to gather revenue varies widely by country. At 16.5 percent of GDP, however, Africa's average tax-to-GDP is lower than other regions, such as Asia and Pacific (19.1 percent), Latin America and the Caribbean (21.9 percent), and OECD countries (33.5 percent).



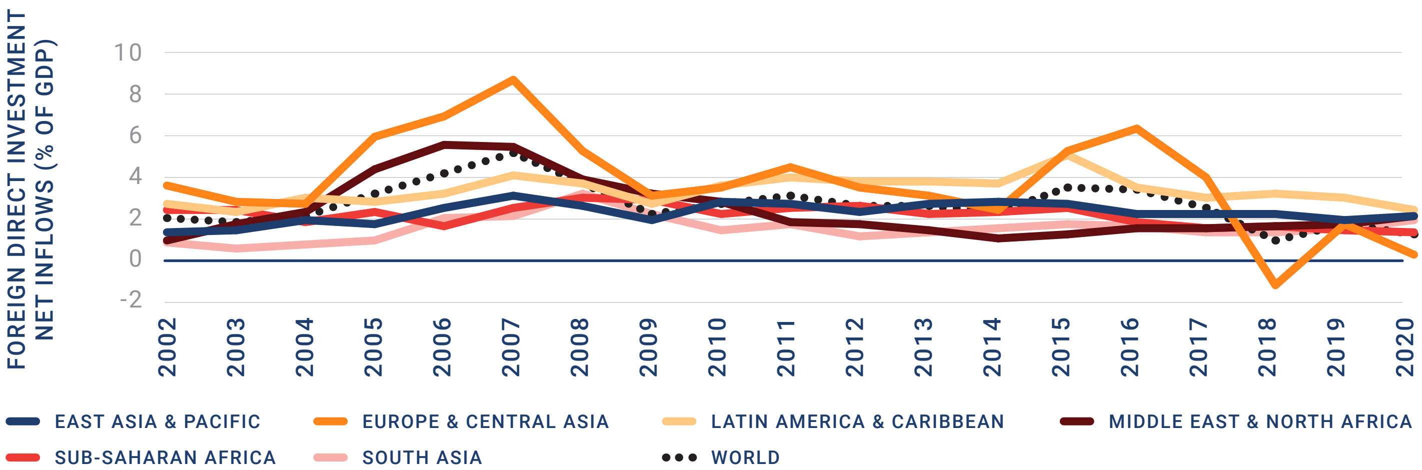
Note: Data from 2020 or latest year.
Source: World Bank. 2022. World Development Indicators. OECD. 2022. Revenue Statistics in Africa.

Enable African entrepreneurship to flourish and support modern competitive economies

African entrepreneurial talent is evident across the continent. Yet it remains largely untapped.[1] African economies are also largely informal and operating at low levels of productivity—making it challenging to provide the requisite number of decent jobs for poverty reduction and to grow the middle class.[2] Policymakers can enable the emergence of a more formal, competitive domestic private sector by building competitive markets characterized by stable, transparent, and fair regulatory regimes. Much can be done in the near term and complemented with more medium-term reforms. This will also support foreign direct investment (FDI) inflows which remain at low levels compared to other developing regions—see Figure 2. A related opportunity is enabling the private sector to play a much greater role in closing key energy, transport, and digital infrastructure gaps—which is essential for competitiveness. In energy, private sector participation in off-grid solutions is already contributing to increased energy access in some countries. The private sector is also delivering huge gains in financial inclusion through use of digital technology, widespread connectivity using mobile phones, and telemedicine. Policymakers can help address constraints to scaling up these successes and extending them across the continent. In order to close the infrastructure access gaps, governments will also need reforms to strengthen the performance and financial viability of public sector utilities.

FIG.2 **FDI NET INFLOWS (% OF GDP)**

Sub-Saharan Africa's foreign direct investment inflows have been below the global average for much of the last two decades. The region experienced its strongest inflows between 2007 and 2015, when FDI grew by 2.6 percent per year. Since 2015, however, sub-Saharan Africa's FDI growth has been more subdued, growing at just 1.6 percent per year.



Source: World Development Indicators. 2022.

1 Fox, Louise, Philip Mader, James Sumberg, Justin Flynn, and Marjoke Oosterom. 2020. "Africa's 'youth employment' crisis is actually a 'missing jobs' crisis." The Brookings Africa Growth Initiative.

2 Coulibaly, B., Gandhi, D., and Mbaye, A. (2019). "Job creation for youth in Africa Assessing the potential of industries without smokestacks." Africa Growth Initiative Paper 22. Washington, DC: Brookings.

Tap Africa's huge demographic bulge

Africa's population is the most youthful globally, with about 60 percent below 25 years.[3] The time is now to turn this youth bulge into a demographic dividend to drive growth and development. Investing in the human capital of Africa's youth is fundamental. Action is needed first to address the significant human capital losses from COVID-19, and to implement clear plans to tackle the silent learning crisis in the region. Children in sub-Saharan Africa are, on average, learning for only five out of the eight years in school due to weaknesses in education systems. A second area for attention is providing jobs for the rapidly growing numbers of unemployed youths.[4] Technical and vocational educational training (TVET) programs, in partnership with the private sector, alongside well-designed apprenticeship programs need to be expanded and strengthened to provide requisite labor market skills.[5] The entrepreneurial talent of Africa's youth, especially in the startup sector, will also need to be supported to thrive. Finally, the high fertility rate on the continent (4.8 against 2.4 globally), which drives up household consumption and reduces per capita investments in human capital, needs to be tackled. A multipronged approach including keeping girls in school, which will likely reduce child marriages and teenage pregnancy, improving access to family planning programs, and enhancing support to women's labor force participation is needed.

Accelerate the rollout of the African Continental Free Trade Area (AfCFTA)

This bold initiative by African leaders is a historic opportunity to integrate the continent. Trade within the continent is currently low, compared to intra-continental trade in other regions. A truly integrated continent will support broad improvements in competitiveness over time and is likely to build resilience to global shocks and mitigate, in part, the impacts of deglobalization.[6] Implementation of the AfCFTA could also reduce food security risks by promoting intraregional agricultural trade. As of May 2022, 54 out of 55 countries have signed the AfCFTA and 44 have deposited their instruments of ratification.[7] Already the Pan-African Payment and Settlement System (PAPSS), led by the Africa Export-Import Bank in partnership with the AfCFTA Secretariat and launched on January 13th, 2022 after a successful trial in six West African countries, is a step in the right direction.[8,9] PAPSS enables African importers and exporters to settle intra-area trade obligations in their respective national currencies. Policymakers now need to focus on accelerating implementation, supporting trade facilitation, and strengthening regional connectivity, particularly in the key corridors.

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3 United Nations. 2022. World Population Prospects. United Nations Department of Economic and Social Affairs Population Division.

4 Heitzig, Chris and Landry Signé. "Seizing the momentum for effective engagement with Africa." 2022. The Brookings Institution. Initially prepared for the National Intelligence Council.

5 Ibid.

6 Mold, Andrew. "The economic significance of intra-African trade—getting the narrative right." The Brookings Africa Growth Initiative.

7 Tralac. 2022. AfCFTA Ratification Barometer. The Trade Law Centre.

8 Ogbalu III, Mike. 2022. "Boosting the AfCFTA: The role of the Pan-African Payment and Settlement System." Chapter Five of Foresight Africa 2022. The Brookings Africa Growth Initiative.

9 Africa Growth Initiative. 2022. Foresight Africa Podcast. Episode 8: "New tools for easing cross-border trade in Africa." The Brookings Africa Growth Initiative.

Managing the crises will demand a great deal from African policymakers. It will require political will and determination, as well as sound, well-informed judgement.

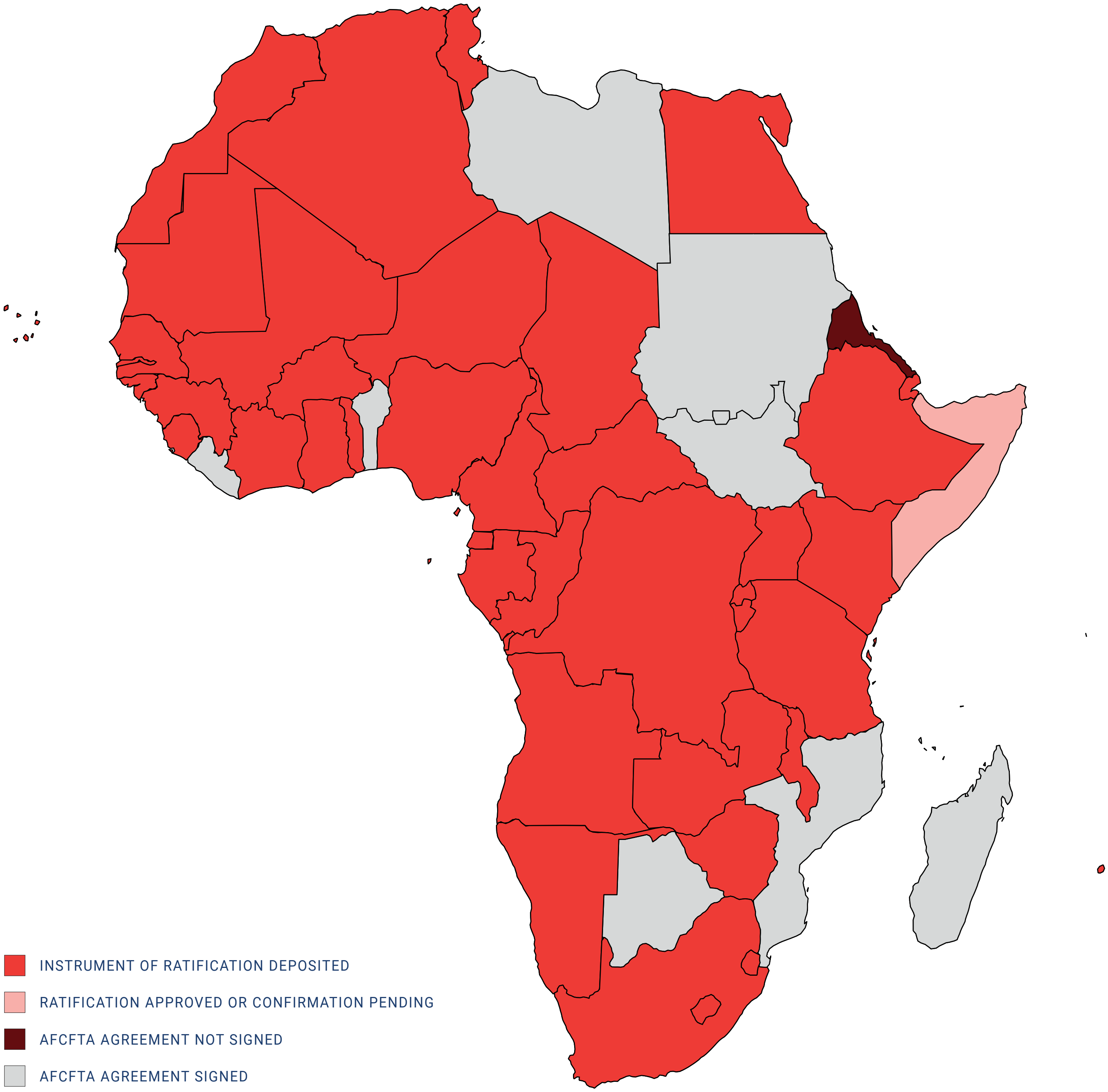
Invest in developing Africa's forward-looking mineral repositories

Several African countries have huge deposits of resources and minerals such as cobalt, lithium, copper, manganese, and nickel which will be key to achieving green transitions. As this transition takes hold globally, the increase in demand will present opportunities for African producers to capture market share and accelerate development. Also, the market for these minerals will likely be different than those for oil and gas. Three issues merit the attention of policymakers. First, is supply management: Leaders and policymakers need to define clear, credible strategies and plans for developing these resources and maintaining investments into the sector. Second, is a strategy for value addition. To use these resources as a springboard for economic transformation, a plan for local value addition, technology and knowledge transfer, and employment generation is needed. This will require difficult negotiations with often very sophisticated multinational corporations, where individual countries may be at a disadvantage. This is an area where regional coordination and cooperation, especially considering AfCFTA, can be helpful. Third, is revenue management: Investing the proceeds from these minerals wisely by putting in place effective mechanisms and frameworks to channel revenues to clearly defined and well-designed investments.

African countries are facing multiple global headwinds while their economies are still bearing the scars of a once-in-a century pandemic. Alone, each of these crises would normally present daunting challenges. But their combined impacts could be catastrophic. We believe that Africans can turn this moment of adversity into an opportunity: To accelerate development by drawing on the internal strengths of their respective nations. Managing the crises will demand a great deal from African policymakers. It will require political will and determination, as well as sound, well-informed judgement. It will also require a willingness to learn and to adapt, patience, and the ability to balance short- and long-term goals.

FIG.3 **AFCFTA RATIFICATION**

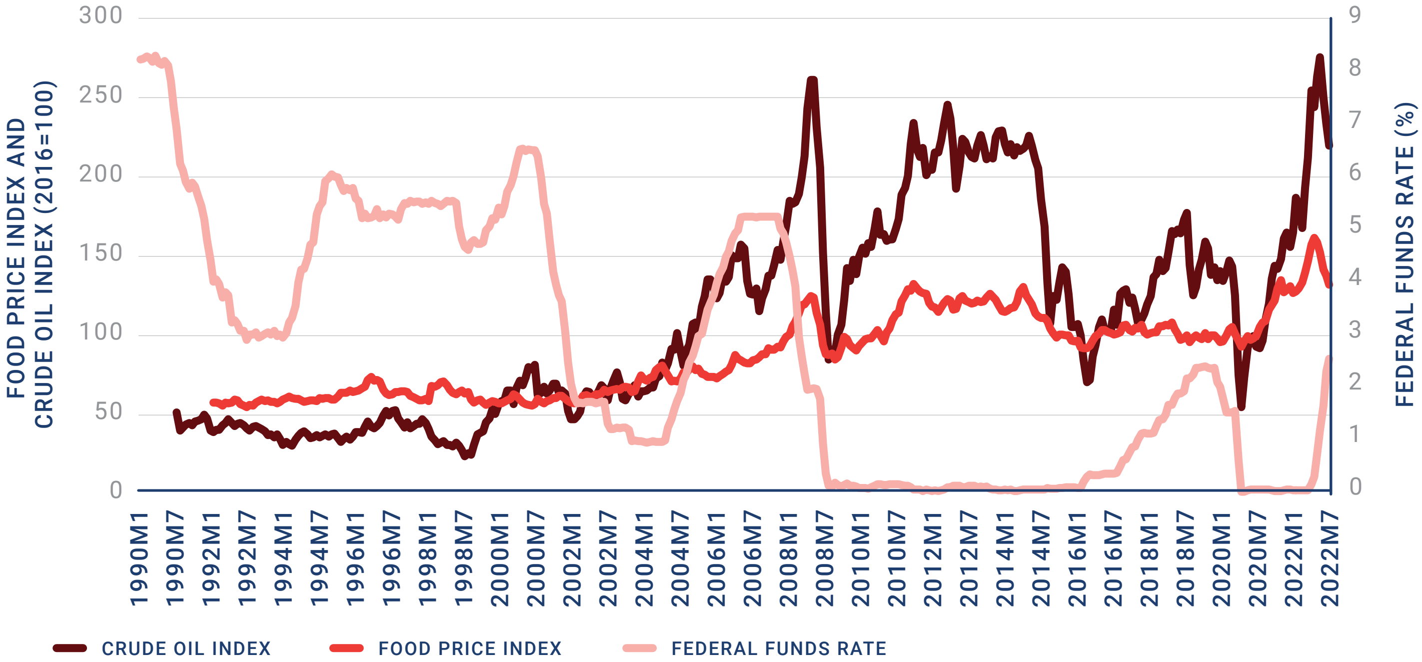
Trading under the African Continental Free Trade Area (AfCFTA) commenced on 1 January 2021 for the countries that have submitted their instruments of ratification. However, 11 countries have yet to deposit their instruments of ratification, thereby limiting the coverage of the AfCFTA.



Source: Tralac. 2022.

FIG.4 **SHOCK TO FOOD, FUEL AND FINANCE: HIGH COMMODITY PRICES COUPLED WITH RISING INTEREST RATES POSE A UNIQUE CHALLENGE FOR AFRICA**

The last time food and oil prices spiked the way they did in 2022 was during the aftermath of the Great Recession. Back then, the federal funds rate, a proxy for global liquidity, was less than one-quarter of 1 percent. Africa, therefore, could weather the high cost of commodities by borrowing at reasonable rates. But now, with the federal funds target range reaching 4 percent, Africa may not be able to rely on debt to finance costly commodities, or cope with elevated debt costs.



Source: IMF. 2022. World Economic Outlook database, October 2022. International Monetary Fund. St. Louis Federal Reserve. 2022. FRED Economic Data. Board of Governors of the Federal Reserve System (US).

African economies and overlapping crises: How to respond to the rising global headwinds?

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African economies under multiple headwinds

The COVID-19 pandemic triggered a profound setback after a quarter-century of economic and social progress. Insecurity and political instability are becoming pervasive across Africa. The Russian-Ukrainian war is exposing millions of people to food insecurity, and the most vulnerable are the hardest hit as a large share of their income goes to food and transport spending. This is compounded by a harsh drought in the horn of Africa[1] that has affected food supply and food security. In parallel to these shocks that will likely have lasting consequences, African economies still suffer from several structural challenges including the effects of climate change.

As of the end of October 2022, the COVID-19 pandemic cost the lives of around 175,000 people, with more than 9 million reported cases in the continent according to the World Health Organization (WHO).[2] Thanks to effective policies and "good luck," the health impact is lower than initially predicted. However, even though Africa is less affected compared to the other regions of the world, the economic impacts remain one of the highest. The real Gross Domestic Product (GDP) declined by 1.8 percent in 2020[3]—for the first time in more than 25 years—pushing 23 million people into extreme poverty according to the World Bank,[4] exacerbating inequality, and shrinking fiscal space. Africa's Human Development Index also fell for the first time in nearly three decades.[5] The recovery itself is dragged and uneven because of unequal access to vaccines and slow vaccination progress, protracted conflicts and political instabilities, and the Russian-Ukrainian war. GDP growth is expected to slow down in 2022 (3.7 percent) compared to 2021 (4.8 percent).

According to Institute for Economics and Peace (IEP)'s Global Terrorism Report 2022, six out of the 10 countries most impacted by terrorism in the world are in Africa.[6] Four of the six deadliest countries are located in Africa (Mali, Niger, Somalia, and Burkina Faso) and they accounted for 77.3 percent of total terrorism deaths in 2021 (3,223 deaths). This terrorist insecurity triggers political instability. Between 2020 and 2021,

1 NASA-Earth Observatory. 2022."Worst Drought on Record Parches Horn of Africa". National Aeronautics and Space Administration.

2 WHO. 2022. "WHO Coronavirus (COVID-19) Dashboard." World Health Organization.

3 IMF. 2021. "Regional Economic Outlook Sub-Saharan Africa". International Monetary Fund.

4 Abay Kibrom A., Nishant Yonzan, Sikandra Kurdi, and Kibrom Tafere. 2022. "Africa might have dodged a bullet, but systemic warnings abound for poverty reduction efforts on the continent." World Bank Blogs.

5 UNDP. 2022. Human Development Report 2021/22 https://hdr.undp.org/content/human-development-report-2021-22.

6 IEP. 2022. "Economics and Peace Global Terrorism Report Measuring The Impact Of Terrorism". Institute for Economics & Peace.

About 30 percent of Kenya's imported wheat comes from Russia and Ukraine, and in 2021, 44 percent of Cameroon's fertilizer imports came from Russia. As a result, 346 million people (a quarter of Africa's total population) are facing severe food insecurity.

at least six successful and one attempted coup were perpetrated in Africa[7] (two in Burkina Faso, one in Chad, two in Mali, one in Guinea, one in Sudan, and one attempted coup in Guinea-Bissau).[8] This political instability not only impedes economic recovery, but sets back more than 30 years of democratic progress.

The Russian-Ukraine war further compounds the challenges to economic recovery. The war and subsequent economic sanctions against Russia increased energy prices, triggered food inflation, tightened financial conditions, and caused global uncertainty. Brent oil price went above the $100/barrel mark for the first time since 2014, creating a ripple effect on other prices and challenging the green energy transition.

Although the imports from Ukraine and Russia—as a share of Africa's total imports—are small, many countries rely on these countries for critical imports including wheat and fertilizers. For example, about 30 percent of Kenya's imported wheat comes from Russia and Ukraine, and in 2021, 44 percent of Cameroon's fertilizer imports came from Russia.[9] As a result, 346 million people (a quarter of Africa's total population) are facing severe food insecurity.[10] In Kenya, the supply disruption and the increase in wheat price will affect the production and the price of bread, which is the third most consumed food item in the country.

Moreover, the pandemic and war in Ukraine have created a highly polarized world—unprecedented since the Cold War, which undermines the international community's capability to come together and address the world's most pressing issues. Under such circumstances, how can African policymakers properly navigate the multiple headwinds?

How African countries can deal with multiple headwinds

Addressing food insecurity diligently

Africa is home to 60 percent of the world's uncultivated arable land. This contrasts sharply with the African continent's incapacity to feed itself.[11] In 2022, the African population will be equivalent to the Chinese and Indian populations. Figure 5 displays the historical evolution and projections of the population of Africa, China, and India based on the U.N.'s medium fertility scenario. As shown on the graph, Chinese and Indian populations reach a tipping point and will decrease over the coming years.

7 The Conversation. 2022. "Vague de coups d'État en Afrique : on les appelle désormais des réinterprétations constitutionnelles."

8 Assogba, Henri. 2022. "Vague de coups d'État en Afrique : on les appelle désormais des « réinterprétations constitutionnelles." The Conversation.

9 Sen, Ashish Kumar.2022. "Russia's War in Ukraine Is Taking a Toll on Africa." United Nations Institute of Peace."

10 FAO, ECA, and AUC. 2021. "Regional Overview of Food Security and Nutrition 2021: Statistics and trends." Food and Agriculture Organization.

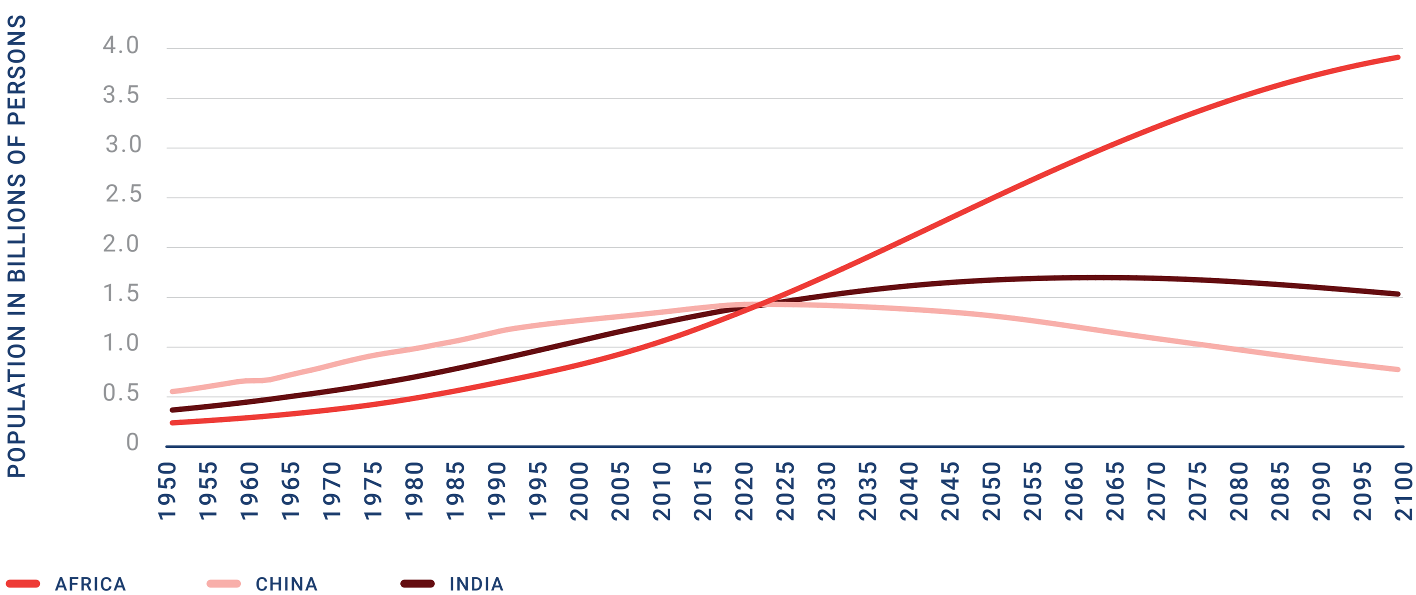
11 Plaizier, Wim. 2016. "2 truths about Africa's agriculture." World Economic Forum, Davos.

By contrast, the African population will continue to grow over the next eight decades. In less than 40 years, the African population is expected to be greater than the Chinese and Indian populations combined. Feeding this population under climate change is one of the greatest challenges for Africa.

Beyond the short-term emergency to address the threat of food insecurity caused by the Russian-Ukrainian war, African countries have an opportunity to draw lessons from this crisis and bring their agricultural sector up to par. This includes, but is not limited to, investing in supporting technologies, building fertilizer factories, and building climate resilience by investing in climate-smart agriculture and adaptation. Food security and climate change should be developed into a strategic policy design. Education is also key to improving agricultural labor productivity. Failing to feed a young and fast-growing population can turn the expected demographic dividend into a demographic time bomb.

FIG.5 **HISTORICAL POPULATION AND PROJECTIONS BASED ON THE UN'S MEDIUM-FERTILITY SCENARIO: AFRICA, CHINA, AND INDIA**

By the time Africa's Agenda 2063 comes to a close, Africa will have as many inhabitants as China and India combined. It will also have a third of the world's working-age population.



Source: United Nations World Population Prospects 2022. 2022.

Fostering macroeconomic stability

The pandemic and the successive negative shocks dramatically deteriorated macroeconomic fundamentals in many African countries, particularly the sovereign debt balance. As of February 2022, 23 African countries were either in debt distress or at risk of it.[12] Fiscal space and sound macroeconomic conditions will be key to properly respond to the various shocks faced by African economies. Improving efficiency in public spending, and mobilizing more domestic revenue by increasing tax administration efficiency, can contribute to building fiscal space and a sound macroeconomic framework, which is fundamental to sustaining economic recovery. However, achieving this (i.e., improving tax revenue collection and public spending efficiency) may entail structural reforms including technology adoption and fighting against corruption.

Inclusive and equitable recovery policies

Governments need to take adequate measures to avoid setbacks in democratic progress. To support an inclusive recovery, governments should engage in reducing people's vulnerability and developing social safety nets.

Crises and recovery are uneven within and between countries. While the most vulnerable are hit the hardest, they also experience slower recovery than the others. To ensure that no one is left behind, recovery policies need to be inclusive and equitable. For instance, governments should pay attention to people falling into extreme poverty due to the COVID-19 pandemic and to those at risk of falling under the poverty line, and design policies that could help people to bounce back. Governments can also leverage digital financial services to improve access to finance for the most vulnerable population.

People's vulnerability, political unrest, and political instability

Insecurity, vulnerability, and social unrest hinder political stability and development prospects. The current food insecurity and terrorism in the Sahel heighten the risk of social unrest on the continent. Governments need to take adequate measures to avoid setbacks in democratic progress. To support an inclusive recovery, governments should engage in reducing people's vulnerability and developing social safety nets.

12 Harry Verhoeven. 2022. "China has waived the debt of some African countries. But it's not about refinancing". The Conversation.

Staying the course: Strengthening fundamentals despite adversity

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The COVID-19 pandemic hit at a time when the Democratic Republic of Congo (DRC) had already initiated its program for structural change and transformation. In that respect, 2019 was a year to remember—the elections led to the first-ever peaceful change of leadership, which was an important step in the political history of the country. **Very early on, the new course was set by the elected government, and priorities were identified**: Protect the most vulnerable by increasing investments in health and education; strengthen growth prospects by capitalizing on a vibrant mining sector while increasing efforts towards diversification (both vertical and horizontal); build fiscal buffers to improve the external situation; and increase domestic revenue mobilization and improve spending quality to finance deeply needed infrastructure.

Despite the pandemic, the Congolese economy remained dynamic, **achieving positive economic growth in 2020 even while growth in sub-Saharan Africa turned negative**. This exceptional growth was due to good performance and windfalls in the mining sector, which remained resilient through the crisis, growing at almost 10 percent in 2020.[1] However, growth in the secondary (manufacturing) sector turned negative, while the tertiary (services) sector coped only marginally due to restrictions introduced across the country in reaction to the global health crisis. Unlike these other sectors, no major mines closed owing to the limited spread of COVID-19 to the mining regions.[2]

Thinking long term: Strengthen fundamentals, implement structural policies, and build buffers

The DRC has been working on strengthening the fundamentals to achieve sustainable and lasting results. It aims to accomplish this through a systematic method—identify the bottlenecks, find solutions, and bring everyone together to implement action plans. A striking example is the recent efforts by the Ministry of Finance to accelerate revenue mobilization, which benefited a lot from the implementation of performance contracts that set up clear and ambitious targets. On the external side, international reserves reached approximately $4 billion in August 2022, from around $900 million in 2019—an increase of 344 percent.[3]

In addition, this ambitious agenda and strong performance has been achieved thanks to the renewed engagement of DRC with international stakeholders. The government's reform mindset is anchored by the IMF's $1.52 billion Extended Fund Facility program, which also acts as a catalyst for additional financing from other

1 World Bank. 2022. "Democratic Republic of Congo: Economic Update." 7th Edition. World Bank Group.
2 IMF. 2021. Democratic Republic of Congo IMF Country Report. No. 21/168. International Monetary Fund.
3 IMF. 2022. Democratic Republic of Congo Article IV Consultation. IMF Country Report No. 22/210. International Monetary Fund.

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donors.[4] Moreover, the DRC is working on strengthening its communication with international stakeholders, bilateral partners, and investors to improve the level of information on the dynamism of DRC. For example, a conference was organized in September 2022 in Kinshasa around country risk (the DRC Country Risk Conference) to discuss the risks and opportunities of the Congolese economy. We aim at having such interactive and engaging discussions on a yearly basis, giving us the opportunity to identify challenges and design solutions.

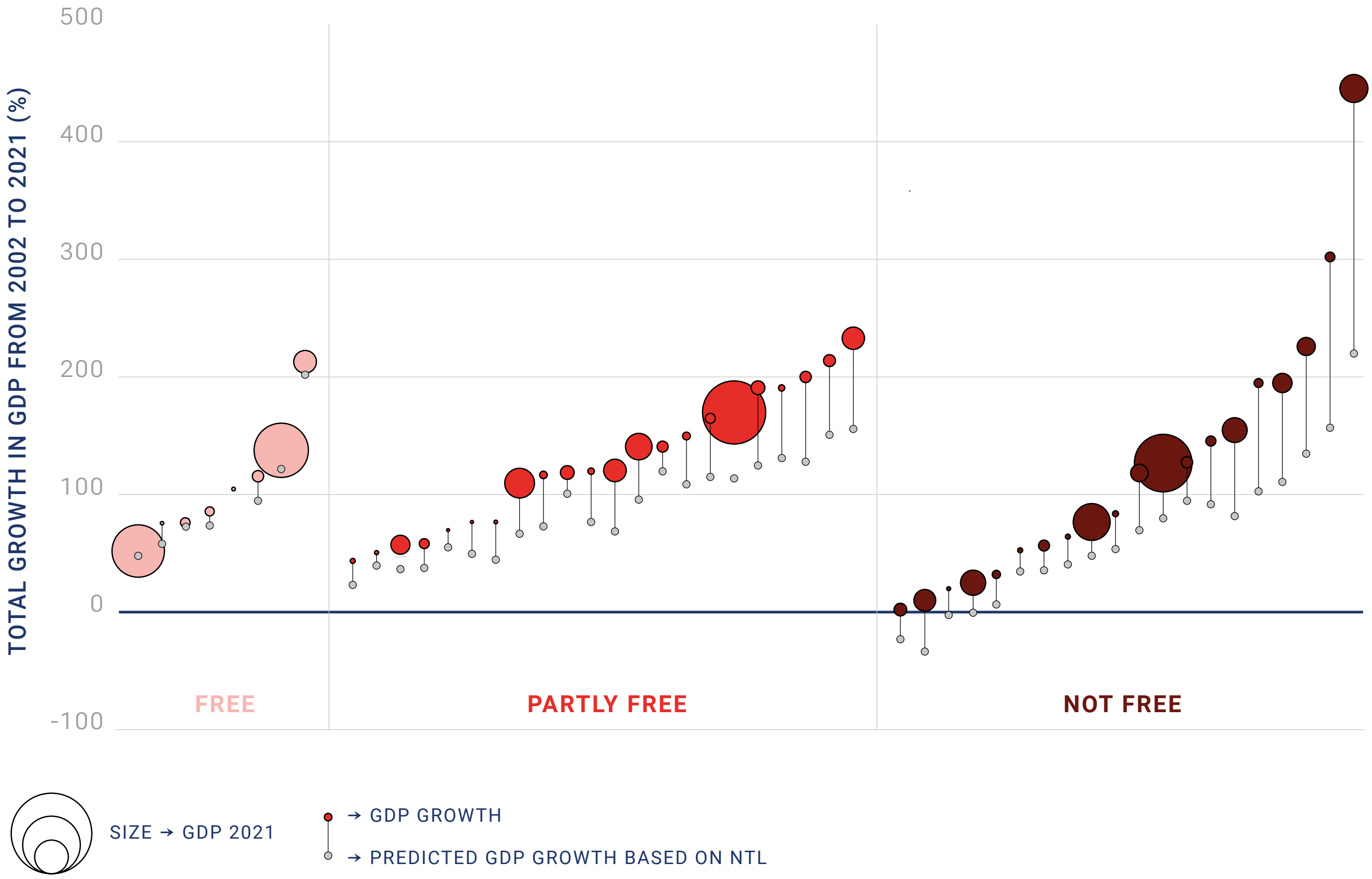
Preparing for future shocks

The continent has experienced a succession of shocks throughout the past few years, which has been both an eye-opener and a call for action. Our pre-crisis shared goals remain valid, but both the external and domestic situations have changed. Past development progress has been eroded because of the crisis, and a significant share of our population has been pushed into poverty. Nevertheless, inclusive and sustainable growth remains a priority. Moreover, as countries embark on a clean, renewable energy transition, we see a world where increasingly; the dynamics in terms of supply and demand—and more specifically regarding energy resources—have changed. Several countries in the region have an important role to play in that respect. DRC, thanks to its massive endowment in natural resources, remains at the forefront of this chance to harness the green transition. It is now urgent to seize this opportunity.

4 Ibid.

FIG.6 COUNTRIES THAT HAVE HIGHER PERSONAL, CIVIL, AND ECONOMIC FREEDOM REPORT GDP FIGURES THAT ARE MORE ALIGNED WITH NIGHTTIME LIGHTS DATA

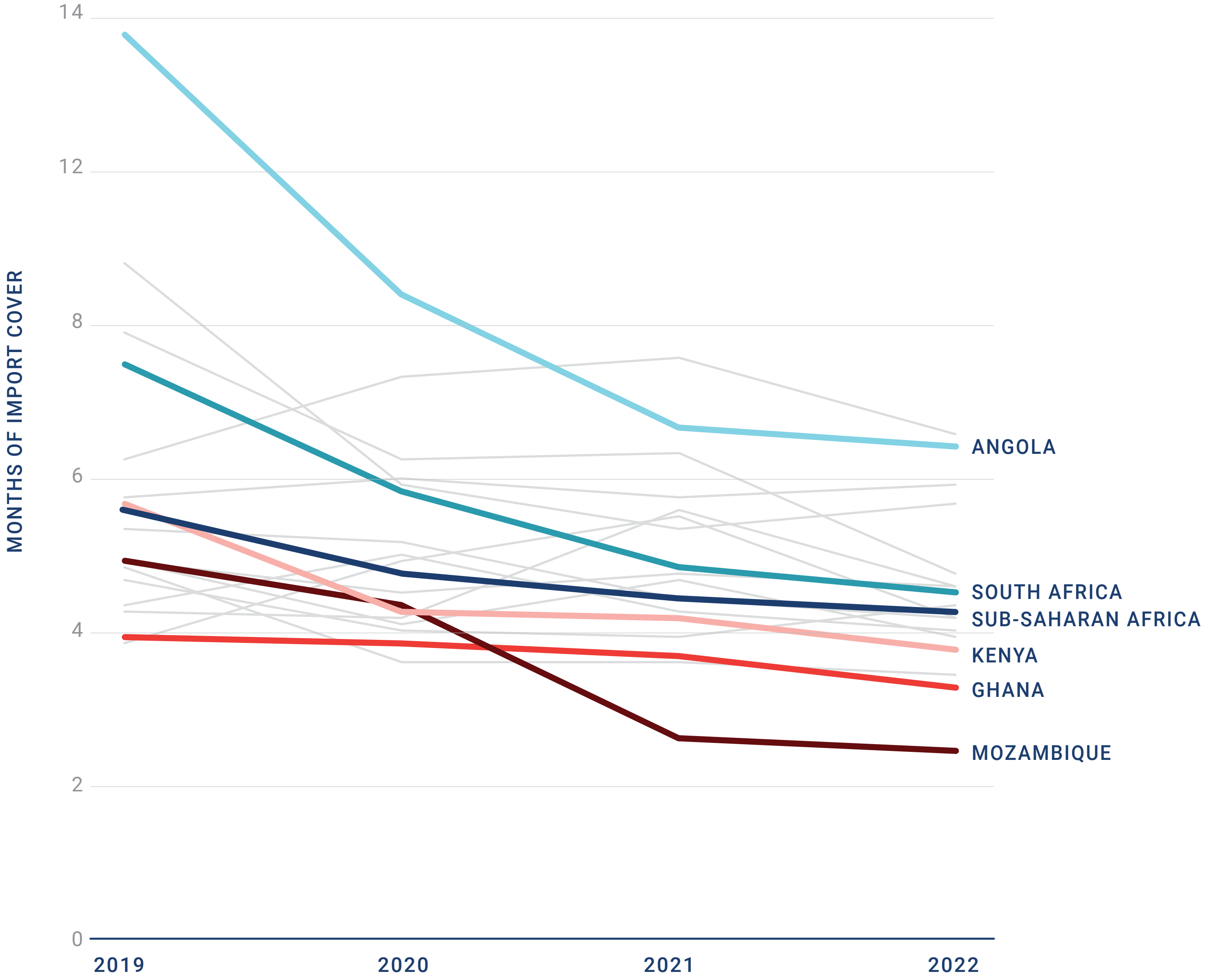
Nighttime lights can be used to as a proxy for economic growth and can be a useful measurement tool in fragile states or contexts that face barriers to accurate accounting. Recent research suggests that national accounts data correspond well with nighttime lights estimates, but only in countries defined as "free" by the Freedom House's Freedom in the World Index. Countries that are less free according to the index demonstrate disparities between reported economic growth numbers and those figures suggested by nighttime lights data.



Note: Openness is defined according to Freedom House's Freedom in World Index (FiW).
A **Free country** is one where there is open political competition, a climate of respect for civil liberties, significant independent civic life, and independent media.
A **Partly Free** country is one in which there is limited respect for political rights and civil liberties. Partly Free states frequently suffer from an environment of corruption, weak rule of law, ethnic and religious strife, and a political landscape in which a single party enjoys dominance despite a certain degree of pluralism.
A **Not Free** country is one where basic political rights are absent, and basic civil liberties are widely and systematically denied.
More information about the analytical methodology of the FiW index can be found here: https://freedomhouse.org/sites/default/files/2020-02/FIW%202012%20Booklet.pdf
Source. Estimates produced as part of Martinez, L. 2022. How Much Should We Trust the Dictator's GDP Growth Estimates? Journal of Political Economy, Vol. 130 (10), pp 2731-2769. Graphic design inspired by The Economist. 2022. "A study of lights at night suggests dictators lie about economic growth."

FIG.7 **COLLECTIVELY, SUB-SAHARAN AFRICA HAS DRAWN DOWN MORE THAN 25% OF ITS FISCAL BUFFERS SINCE 2019**

While on average, sub-Saharan Africa's foreign reserves have shrunk in attempts to stabilize exchange rates and finance key expenditures, there is a range of experiences at the country level. Angola, for instance, has gone from being able to cover nearly 14 months of imports to now being able to cover just seven. Other countries, such as South Africa and Mozambique, have used up more than 40 percent of their reserves. Some countries—such as The Gambia and Sierra Leone—have had success padding their reserves.



Note: Graph only displays countries with pre-pandemic reserves between 4 and 14 months worth of imports of goods of services. The sub-Saharan African average reflects all countries contained in the IMF's data.
Source: IMF. 2022. Africa Regional Economic Outlook, October 2022. International Monetary Fund.

Nigeria in 2023: Bridging the productivity gap and building economic resilience

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Worse still, 80 percent of workers are employed in sectors with low levels of productivity—agriculture and non-tradable services. This means that the kind of jobs needed to generate income growth and lift many Nigerians out of poverty are not available in large numbers.

The last seven years (2015–2021) have been tough for Nigerians. During this period, GDP growth averaged 1.1 percent as the country experienced two economic recessions. Unemployment and underemployment rates increased to an all-time high of 56.1 percent in 2020,[1] pushing 133 million Nigerians into multidimensional poverty,[2] according to the latest data from the National Bureau of Statistics. Likewise, economic growth has not been inclusive, and Nigeria's economy faced key challenges of lower productivity, and the weak expansion of sectors with high employment elasticity.

Another key feature of Nigeria's economy in the last seven years has been the shift of economic activity towards agriculture and a slowdown of the manufacturing sector. As a share of GDP, agriculture expanded from 23 percent in 2015 to 26 percent in 2021, while manufacturing declined from 9.5 percent to 9 percent respectively. During this period, non-oil exports as a share of non-oil GDP averaged 1.3 percent while manufactured goods as a share of total exports remained low at 5.2 percent in 2021.[3] Part of the problem facing the economy is the neglect of the manufacturing sector. Essentially, Nigeria is not producing enough, for both local consumption and export. The consequences of having a weak manufacturing base for a country with such a large population are evident in its foreign exchange shortages, limited number of jobs created to accommodate workforce entrants, and an import bill that can hardly be met (nor sustained) by current export earnings.

Worse still, 80 percent of workers are employed in sectors with low levels of productivity—agriculture and non-tradable services.[4] This means that the kind of jobs needed to generate income growth and lift many Nigerians out of poverty are not available in large numbers. As Nigeria approaches the general elections in 2023, there is immense pressure on political leaders to tackle these economic challenges and implement policies that will deliver an inclusive and competitive economy.

The new administration, working with stakeholders, needs to develop an agenda for economic and social inclusion. At the heart of such agenda must be improving the lives of the average Nigerian. This agenda must also include a practical strategy on how to structurally transform the economy, moving labor and economic resources from low productivity sectors to high productivity sectors.

1 NBS. 2020. "Labor Force Statistics: Unemployment and Underemployment Report (Q4 2020)". Nigeria Bureau of Statistics.
2 NBS. 2022a. Nigeria Multidimensional Poverty Index. Nigeria Bureau of Statistics.
3 NBS. 2022b. Foreign Trade in Goods Statistics (Q3 2022). Nigeria Bureau of Statistics.
4 NBS. 2017. "Labor Force Statistics Vol. 2: Employment by sector report (Q3 2017)". Nigeria Bureau of Statistics.

As Nigeria approaches the general elections in 2023, there is immense pressure on political leaders to tackle these economic challenges and implement policies that will deliver an inclusive and competitive economy.

At the top of the productivity ladder is the tradable services sector, which has the potential to improve incomes and raise overall productivity. The challenge with this sector, however, is its inability to accommodate labor in large numbers. Nevertheless, the sector is important, given Nigeria's young population who are increasingly driving technological revolution across various sectors on the African continent. To leverage the full potential of this sector, the government will need to design and implement national skills programs aimed at upskilling young Nigerians, to ensure many more embrace digital skills and capabilities.[5]

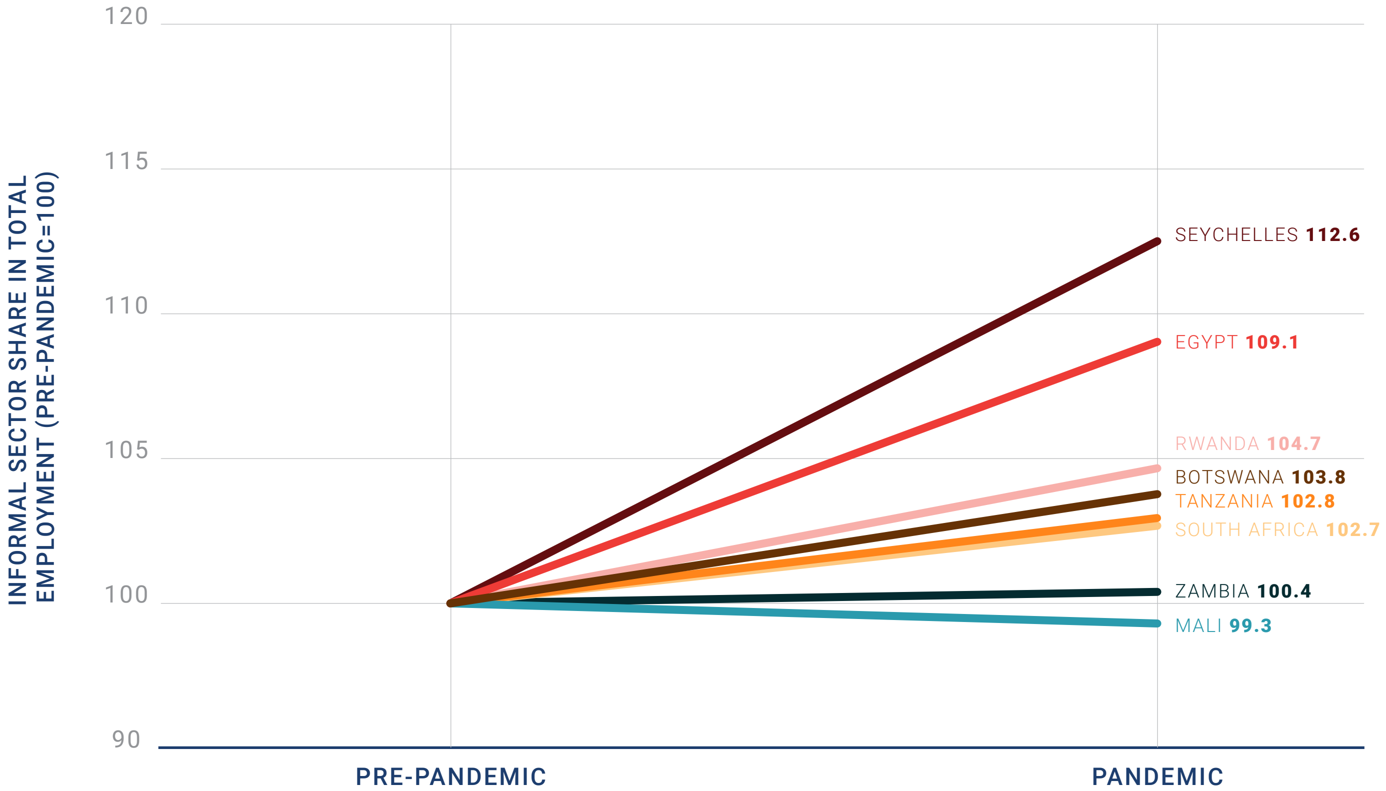
At the middle of the productivity ladder sits manufacturing. The sector has a much higher productivity level than agriculture and can accommodate, in large numbers, the kind of labor that is abundant in the country. Nigeria's rising population (which is projected to reach 428 million by 2050),[6] the existence of mineral resources, and the adoption of a single market in Africa—the African Continental Free Trade Area (AfCFTA)—present a case for why manufacturing would thrive in Nigeria. The priority, therefore, for the incoming government must be to address the burgeoning infrastructure deficit and inadequate power supply, which limit the competitiveness of the manufacturing sector. In addition, the government will need to develop an industrial policy that seeks to support the scale, efficiency, and competitiveness of local firms within the manufacturing sector; bearing in mind that developing the sector is key to building economic resilience against vulnerability and future shocks. Such policies must be integrated with Nigeria's AfCFTA strategy and support transition of small-scale firms that are often the drivers of job creation in the country.

5 Ekeruche, Mma Amara et al. 2022. "Employment creation potential of industries without smoke-stacks (IWOSS): A Nigeria case study."

6 U.S. Census Bureau. 2022. International Database. United States Census Bureau.

FIG.8 **AFRICA'S INFORMAL SECTOR HAS GROWN DURING THE PANDEMIC**

Agricultural workers account for most of the increase in informal sector workers. Many non-agricultural workers, especially women, have dropped out of the labor market due to inability to find a job or increased domestic responsibilities.



Source: ILOSTAT. 2022. Informal employment rate by sex and economic activity (%) database.
Note: Pandemic data are from the most recent year (2021 or 2020).

Africa’s sovereign finance toolbox: Building resilience for a sustainable future

NICOLE KEARSE

Head of Sovereign Finance, African Legal Support Facility, African Development Bank

Africa has been greatly impacted by the economic fallout from the COVID-19 pandemic. The war in Ukraine, surging global inflation, and rising interest rates have put further pressure on African governments, many of whom now face extreme liquidity challenges, impaired debt repayment capacity, and threats of debt distress and default.

Clearly, African governments must respond to the impact these incidents are having on their finances and economies. For many, that means evaluating whether they should restructure their debt, and if so, how.

Yet, the focus must go beyond responding to the current crises.

Crisis often offers an opportunity to evaluate the cause of the crisis, the effectiveness of various solutions, and most importantly, future prevention options. African governments must thus use the recent spate of crises as an opportunity to reflect on, gain new perspective around, and reassess their current approaches to borrowing and financing more broadly.

Among available innovations, **climate, green and blue bonds, and loans** offer countries much needed finance as well as assistance with achieving the U.N. Sustainable Development Goals (SDGs). **Debt for nature swaps**, **debt for climate swaps**, and **debt for health swaps** can also support governments with many of the same sustainable development objectives. These progressive schemes should be considered by African governments as they look for ways to build back better.

Moreover, governments should ensure that any new lending is resilient to, or insured against, future climate, nature, and health emergencies—for example, by negotiating instruments that allow for short-term debt deferrals in the incidence of climate or other related shocks (such as a pandemic or a drought). Such provisions would allow governments to reallocate finances to domestic disaster relief, without the risk of defaulting.

Governments should also explore alternatives to borrowing for development finance. Here, **sovereign wealth funds** can help to foster self-reliance and allow countries to deploy income from natural resources and other assets to finance infrastructure development, environment-friendly strategies, and other projects that catalyze growth.

Clearly, effective debt management is the bedrock upon which sustainable financing rests. To lessen the impact of future crises, debt management capabilities in Africa must improve. This includes having, and knowing how to use, the most up-to-date debt management systems. In addition, debt managers must have a clear understanding of when, how, and where to borrow—including considerations of when and whether

African governments must thus use the recent spate of crises and as an opportunity to reflect on, gain new perspective around, and reassess their current approaches to borrowing and financing more broadly.

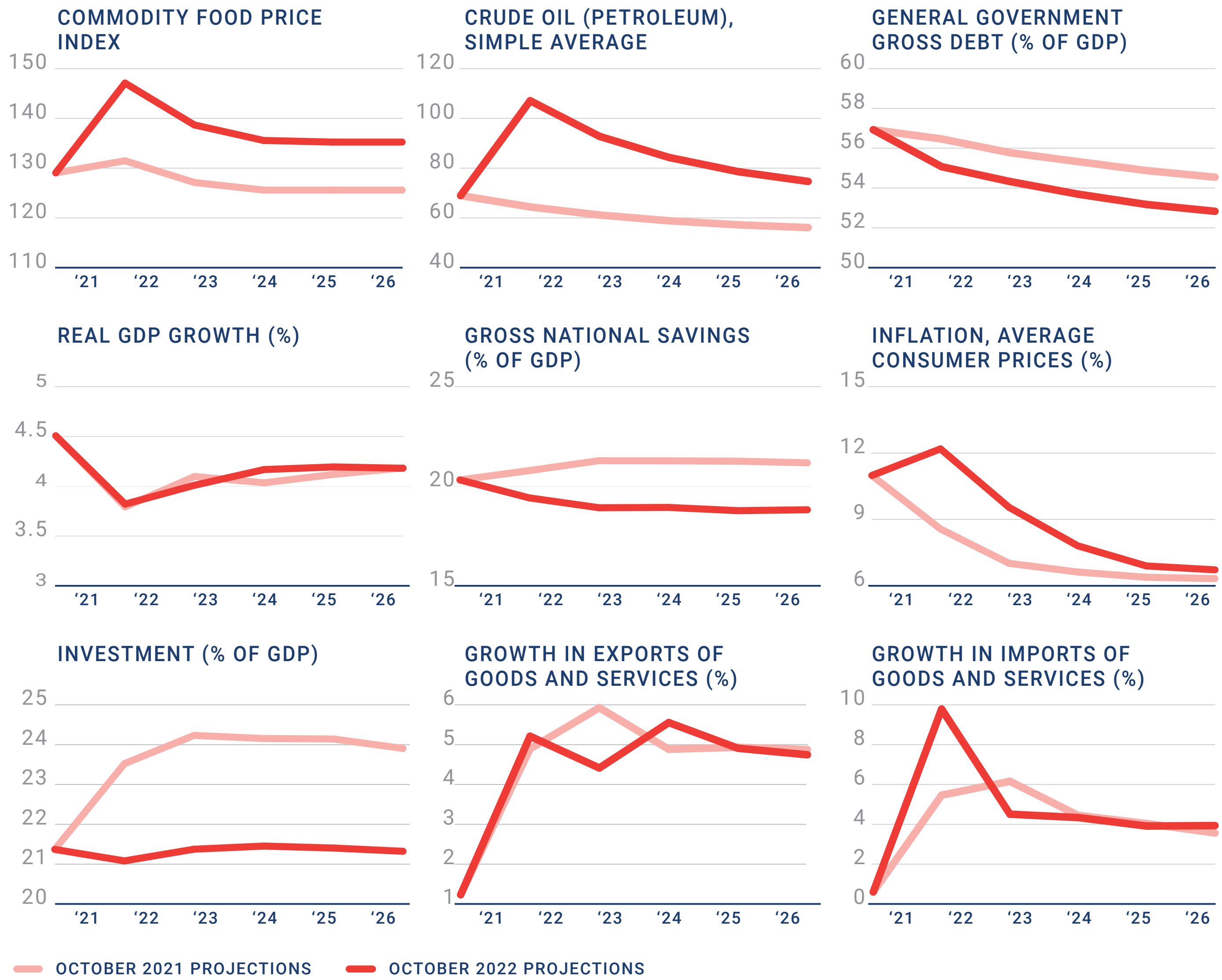
domestic debt should be employed over external debt, matching debt maturities to projects, and negotiating contracts that are resilient and "restructurable" if needed. This general understanding must be accompanied by robust and enforceable legal frameworks within countries.

In this regard, the African Legal Support Facility (ALSF) assists African governments to navigate the complexities of managing sovereign debt prudently. The ALSF provides comprehensive advisory services, knowledge resources, and capacity building required to achieve debt sustainability—including in connection with new debt, debt management strategies, debt relief and restructuring, sovereign wealth funds, and sovereign finance generally.

FIG.9

RECENT CHANGES IN THE GLOBAL ECONOMY, SUCH AS RUSSIA'S WAR IN UKRAINE AND RISING INFLATION, HAVE MADE SUB-SAHARAN AFRICA MORE SELF-RELIANT

Comparing IMF projections in October 2022 with those made in October 2021 gives us a glimpse of how events such as the war in Ukraine and monetary tightening of global reserve currencies have changed the outlook of key macroeconomic indicators for Africa. African governments are facing larger expenditure needs, in part due to higher food and fuel prices, and face higher inflation and lower rates of investment. These factors have combined for a slightly more modest growth projection for the next two years.



Note: Values in 2021 for October 2021 projections have been replaced by those observed in the October 2022's World Economic Outlook.
Source: IMF. 2022. World Economic Outlook database. International Monetary Fund.

The banking sector as a partner in Africa's recovery: A perspective from Ecobank Group

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An analysis of sub-Saharan Africa's (SSA) challenging economic situation confirms the following: There is no silver bullet for recovery; it is a long road ahead. But the good news is we have walked this path before and know the way. In these times of economic challenge, promptness and clarity of decisions will shorten the road to recovery and build confidence, which is essential. Economic problems do not age well, and the damage is compounded when allowed to fester.

Increased inflation in SSA, doubling in certain countries, is significantly fueled by rising food prices caused by insecurity, climate change, and supply chain disruptions from the Russia-Ukraine war. Policymakers, while executing contractionary anti-inflation campaigns, must provide incentives for increased domestic food production, agro-processing, and value chain interventions, as well as storage facilities. Producing and processing what we eat has direct economic impact and secures the lives of an estimated 140 million food-insecure Africans.[1] Furthermore, harnessing the power and ingenuity of the youth for agriculture will address increasing unemployment in the region.

The promise of the African Continental Free Trade Area (AfCFTA)—including accelerating structural transformation and increasing shared prosperity—is real but requires intentionality. Increasing the capacity for real-time cross border digital payments and settlements in SSA currencies is critical for the realization of this promise. As a financial services company, present in 35 SSA countries, Ecobank has invested in enabling settlement of transactions in real time across our operating countries, fulfilling our economic and financial integration mandate. Continuing to unlock policy bottlenecks, including convertibility limits, will boost intra-African trade.

Technology continues to be an effective enabler of multi-sectoral growth in SSA, promoting homegrown solutions, attracting investments, and enabling businesses to scale. While recognizing its additionality for the private sector, we should not ignore the transformational opportunity it provides for government, in revenue and data collection, efficient resource allocation, and accountability. Policymakers should encourage and increase investments in technology and promote innovation.

SSA's debt burden has been on an upward trajectory. The situation was compounded during the pandemic as countries borrowed to keep their economies afloat. Currency depreciations have increased the debt service burden. Prompt fiscal consolidation necessitating discipline, revenue mobilization, prioritized spending, and greater efficiency in public spending is a must. Indeed, broad application of subsidies is no

1 World Bank. 2022. "Putting Africans at the Heart of Food Security and Climate Resilience." World Bank Group.

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longer sustainable. When necessary, in the interest of the most vulnerable, subsidies must be targeted, timebound, transparent, and closely monitored. In these challenging times, even the friendliest donor partner is struggling, therefore SSA countries would have to bring more self-help initiatives to the table.

Our greatest asset in SSA remains our people, without whom recovery would be illusory. A phenomenon common to all SSA countries is the hemorrhaging of talent, constituting the middle class. This voluntary emigration is largely triggered by the fierce competition for talent globally. SSA countries must be intentional about incentivizing talent to remain competitive. It has taken SSA considerable time and effort to rebuild its middle class, which it is now at risk of losing. The long-term effects are sure to be devastating.

SSA countries have a great opportunity to build forward better and sustainably, incorporating greener strategies into recovery plans, being inclusive across gender, age, and ethnicity, and involving the private sector. The financial services industry is a critical enabler of economic recovery. Policymakers must engage industry players to design more accommodative policies enabling the industry to effectively meet the needs of the people.

At Ecobank, we are conscious that the challenging economic times provide an opportunity to once again manifest our raison d'etre and the reason we are trusted by the continent and its friends—our DNA is Pan-African and being true to our mandate makes us encourage Africans to dream, while we accompany them to succeed and create value across the continent. As mentioned earlier, producing what we eat is critical for our recovery. Ecobank therefore allocates capital to agricultural production and agro-processing for domestic consumption and export. Recently, we formed a partnership with Mastercard's Farm Pass platform to digitize agricultural value chains in Africa and empower millions of smallholder farmers through digital and financial inclusion.

Ecobank has experienced firsthand the transformational effect of technology—to scale, go beyond borders, accelerate change, as well as collect and mine data, among others. The Group therefore runs an annual innovation challenge to promote homegrown African solutions leveraging technology and providing incubation opportunities and financial support as part of the Ecobank Fintech Fellowship. We also seek opportunities and finance digital transformation projects for governments embarking on digital transformation and automation projects, particularly targeting processes that unlock the provision of public services. Our focus on technology continues to yield results including the engagement with younger Africa. Our Fintech Partnership is playing a defining role in developing Africa's fintechs and providing an attractive alternative for Africa's youth. The Ecobank's Pan-African banking sandbox offers an amazing opportunity for fintechs to access Ecobank's APIs to build and test their products. We also provide an online marketplace as well as a unique gateway to our 33 operating countries in Africa.

We are intentional about attracting and retaining talent, either through our Management Trainee Program, the Ecobank Academy, the Innovation Race, which encourages in-house innovations through an effective rewards and incubation system, compensation and benefits policies, and the flexible technology-enabled work arrangements.

On a greener and more sustainable path to recovery, Ecobank is distilling from its experience from raising from the markets $350 million by issuing tier 2 sustainability bonds last year. Even though the market has evolved, the experience remains valuable as we plan the funding for a greener and more sustainable recovery.

Finally, we continue to engage all critical stakeholders in structuring appropriate responses to address certain of the debt sustainability challenges on the continent. Ecobank as well as its peers will need to make their advisory and structural capacity available as we work our way to recovery. For banks, as we consider various options, it is paramount that the banking system and customer funds are preserved.

FIG.10 REGIONAL ECONOMIC COMMUNITIES VARY IN THEIR DIMENSIONS OF INTEGRATION

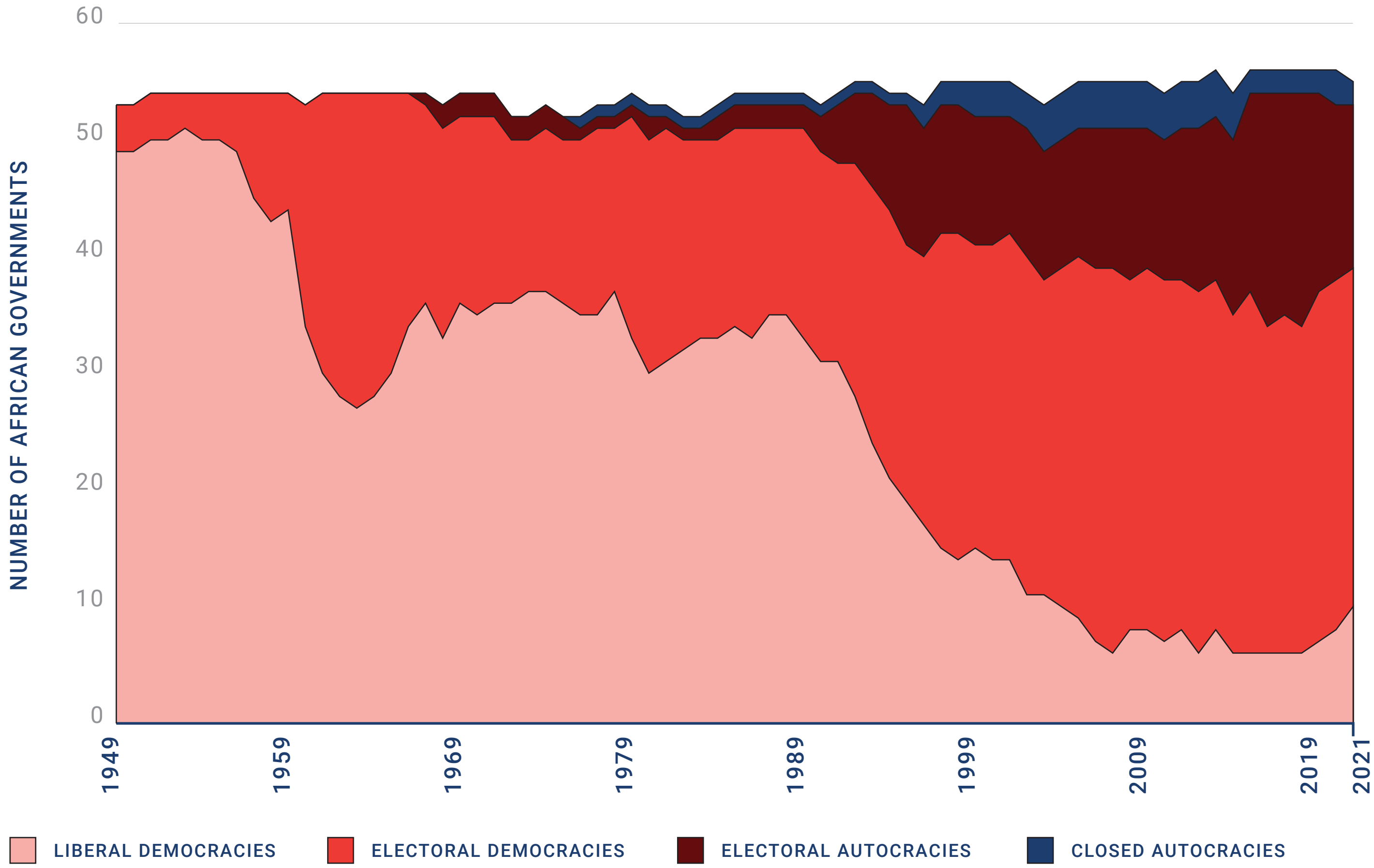
The African Union uses a large collection of indicators to rank the eight official regional economic communities (RECs) on various dimensions of integration. The Economic Community of West African States (ECOWAS), for instance, scored highly in labor market integration due to its common passport and permitting free movement of persons. The Southern African Development Community, meanwhile, scored well in its financial integration thanks to its customs union.

REC	OVERALL	FREE MOVEMENT OF PERSONS	SOCIAL INTEGRATION	TRADE INTEGRATION	FINANCIAL INTEGRATION	MONETARY INTEGRATION	INFRASTRUC-TURE INTEGRATION	ENVIRON-MENTAL INTEGRATION	PUBLIC AND INSTITUTIONAL INTEGRATION
ECOWAS	0.74	1.00	0.79	0.84	0.60	0.56	0.53	0.67	0.93
EAC	0.73	0.96	0.79	0.85	0.66	0.65	0.70	0.58	0.77
COMESA	0.68	0.67	0.60	0.79	0.73	0.60	0.66	0.62	0.73
ECCAS	0.62	0.62	0.58	0.64	0.55	0.58	0.62	0.75	0.60
SADC	0.61	0.58	0.59	0.67	0.81	0.65	0.70	0.67	0.46
CENSAD	0.54	0.53	0.41	0.50	0.51	0.62	0.66	0.51	0.55
IGAD	0.53	0.56	0.42	0.49	0.46	0.63	0.61	0.65	0.53
AMU	0.52	0.62	0.48	0.51	0.44	0.56	0.58	0.47	0.52

Source: African Union. 2022. African Integration Report: Putting Free Movement of Persons at the Centre of Continental Integration. African Union.

FIG.11 DEMOCRATIC DECLINE IN AFRICA

Since independence, nation-states of Africa have been gravitating away from closed autocracies and toward electoral systems and liberal democracies. Since 2018, however, there has been the most sustained reversal of this trend since independence, with four African governments becoming closed autocracies.



Note: Our World in Data defines political regimes in the following way.
In **closed autocracies**, citizens do not have the right to choose either the chief executive of the government or the legislature through multi-party elections.
In **electoral autocracies**, citizens have the right to choose the chief executive and the legislature through multi-party elections; but they lack some freedoms, such as the freedoms of association or expression, that make the elections meaningful, free, and fair.
In **electoral democracies**, citizens have the right to participate in meaningful, free and fair, and multi-party elections.
In **liberal democracies**, citizens have further individual and minority rights, are equal before the law, and the actions of the executive are constrained by the legislative and the courts.
Source: Our World in Data. 2022. Based on Lührmann et al. 2018. and V-Dem (v12).

Self-organizing Nigeria: The antifragile state

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Many observers of Nigeria, the most populous African country, believe she should have been a failed state. To the surprise of these political analysts and economists around the world, Nigeria is not. Since attaining independence in 1960, the country has at many junctures staggered close to dangerous precipices—but fortunately, it has never reached the tipping point.

Why is Nigeria not yet a failed state? The public sector essentially provides none of the key necessities that are found in other nations—be it education, health, security, power, or infrastructure—and yet Nigeria moves forward.

Our basic thesis is that Nigerians' self-organizing impulse is what has been preventing Nigeria from becoming a failed state and is indeed behind whatever successes (and there are many) individual Nigerians and Nigeria are achieving.[1]

Despite the chaos and disorder in the nation's public sector, the volatile nature of the economy, and societal stressors of various dimensions, Nigerians find impetus to organize life by themselves and for themselves. And this, they do, in every sphere of existence, at individual and group scale.

Millions of Nigerians display self-organizing impulses **as they go about their daily business (not in easy circumstances to be sure) trying to earn a living, get an education, create a career path, find a spouse, raise children, and just generally, make meaning of life.**

Of course, all societies possess this self-organizing impulse. However, what distinguishes Nigerians in this dimension, is the sheer scale of self-organization. Faced with undeniably harsh living conditions, failed by a public sector that does not deliver what it should, Nigerians have developed an outsized capability in self-organizing.

How does this self-organizing concept impact the economic development of the nation? In a myriad of ways, but here are two examples:

- In the power sector, it is often repeated that Nigeria has only about 5,000 MW of generating capacity, clearly insufficient for a country of 200 million.[2] This is of course absurd. And yet, Nigerians produce at least double as much electricity through self-organization than through the capacity of the large-scale grid suppliers.[3] Much of this is through diesel generators, so not ideal to be sure, but more and more is from renewables like solar (including widespread adoption of mini-grids) and organic waste-to-power. This ability to self-organize and generate power on a small-scale, sets Nigeria up extremely

1 Neill, Elizabeth and Andrew S. Nevin. 2021. "Flourishing in Canada: How to Get the Good Life." The Institute for Flourishing.
2 USAID. 2022. Nigeria Power Africa Fact Sheet. United States Agency for International Development.
3 Nevin, Andrew S. et al. 2022. "Nigerians: A Self Organising People."

well for the time when all Nigerians can have access to power that is mainly produced in situ.

- The incredibly powerful Nigerian diaspora is of course another self-organizing phenomenon. The government of Nigeria plays essentially no role. There is no coordination between the countries receiving the diaspora and Nigeria (as is the case for example, with the Philippines). The emigres take on all the necessary tasks to emigrate; researching, applying, finding a job, organizing their departure, etc. And yet despite no government involvement, Nigerian brains (via the diaspora) are now the largest export earned for Nigeria, larger than the actual oil proceeds that reach the country.[4]

Under Taleb's definition, when a system with antifragile tendencies or qualities is subjected to volatility and stress, not only is it resilient, but it also thrives despite the hostilities and contradictions.

And while it is obvious that Nigerians display a high degree of resilience, we believe that the consequences of self-organizing go further.

"Antifragility" is a systems concept coined by Nassim Taleb (famous author of *The Black Swan*). In his most recent book, *Antifragile: Things That Gain from Disorder,* Taleb posits that, "some things benefit from shocks; they thrive and grow when exposed to volatility, randomness, disorder and stressors, and love adventure, risk, and uncertainty."[5] However, as Taleb notes, "in spite of the ubiquity of the phenomenon, there is no word for it." Appreciating the limitations of the English language, he introduces the term "antifragile" as the exact opposite of fragile. He says, "let us call it antifragile. Antifragility is beyond resilience or robustness. The resilient resists shocks and stays the same; the antifragile gets better."

Under Taleb's definition, when a system with antifragile tendencies or qualities is subjected to volatility and stress, not only is it resilient, but it also thrives despite the hostilities and contradictions.

This is a perfect description of Nigerians and Nigeria. For policy, this has profound implications: Policies that acknowledge and embrace this self-organizing impulse are much more likely to be successful. This means state-led development, should allow non-state actors room to have an impact, and avoid complex, centralized programs that have been shown to fail in the past, and are almost certainly going to fail in the future.

Put simply, to govern Nigeria effectively, less is more.

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4 Nevin, Andrew S. and Chiwueze Ihebuzor. 2022. "Nigerian Brain Exports: The Optimal Path to Growing the Nigerian Economy." PricewaterhouseCoopers.

5 Taleb, Nassim. 2022. "Antifragile: Things that Gain from Disorder." Book. Random House.

In search of new ideas for Africa's recovery: Sports and creative industries as game changers?

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WILL MBIAKOP

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The year 2022 witnessed unprecedented phenomena. Several Africans—Gotytom Gebreslase, Sharon Lokedi, Victor Kiplangat, Tamarit Tola, and many others—swept the World's marathons records. However, the COVID-19 pandemic, and the resulting control measures implemented in several countries, led to many high-level sports competitions being cancelled or postponed; for example, the Dakar 2022 Youth Olympic Games was moved to 2026. The inability to hold traditional and amateur sports events have had a serious effect on public health overall, including mental health, sparking a revolution whereby athletes began to talk more openly about stress, mental overload, and performance anxiety.

In addition, Africa, home to the fastest growing economies before the crisis, is no longer on track to meet the Sustainable Development Goals (SDGs).[1] COVID-19 deepened interdependence between SDGs, making them harder to achieve, especially SDG 10 (reducing inequality) and SDG 5 (gender equality)—as the pandemic had a disproportionate impact on poorer countries, and heavier burdens (such as care work) fell to women.

As policymakers contemplate actions to speed up recovery and build resilience, we argue that sports and creative businesses should play a central feature in this effort.

The sports economy worldwide is estimated at 5 percent of GDP, but only 0.5 percent in Africa.[2] If exploited, Africa's sports and creative industries can offer policymakers innovative solutions. Especially, as regards job creation, and providing employment to the 15 million people entering the job market annually.

How can the industry do this?

By leveraging the two-for-one concept: Past studies have shown that a 1 percent growth in the economy delivers a 2 percent job increment in this sector (these ratios are calculated using data from 48 African countries and adjusted to the reality of the sports economy in Africa by the authors).[3] There are between 30 and 50 job types, in sports and creative industries, respectively. These jobs do not fade away with the first major shock.

1 Nwuke, Kasirim. 2021. "Africa faces a hard choice on the SDGs under COVID-19." Africa in Focus blog. The Brookings Africa Growth Initiative.

2 Diop, Makhtar and Rémy Rioux. 2022. "Économie du Sport en Afrique: Réalités, Défis, Opportunités." Economica.

3 Léautier, Frannie A. and Kobena T. Hanson. 2017. "Jobless Economic Growth: Lessons from Africa." Africa Portal.

The sports economy worldwide is estimated at 5 percent of GDP, but only 0.5 percent in Africa. If exploited, Africa's sports and creative industries can offer policymakers innovative solutions.

Second, policymakers can use these industries to tackle multiple crises—jobs, poverty, and climate risks. Sports diplomacy—defined as communication, representation, and negotiation in or through the prism of sports—has proven effective in building inclusive and cohesive societies.[4] Moreover, sports and the creative industry can support better mental health and well-being, both important for productivity.

Finally, policymakers can be "true to the game" by leveraging culture and traditions to celebrate identity and reap commercial value in sports, textiles, and jewelry. Creative sectors allow deeper connection with culture, are not easily copied, and provide great economic potential. Supporting grassroots sports (versus elite or pro-sports) has powerful distributional effects. Fortunately, technology has made reaching wide audiences easier, generating higher rates of success when talent is discovered.

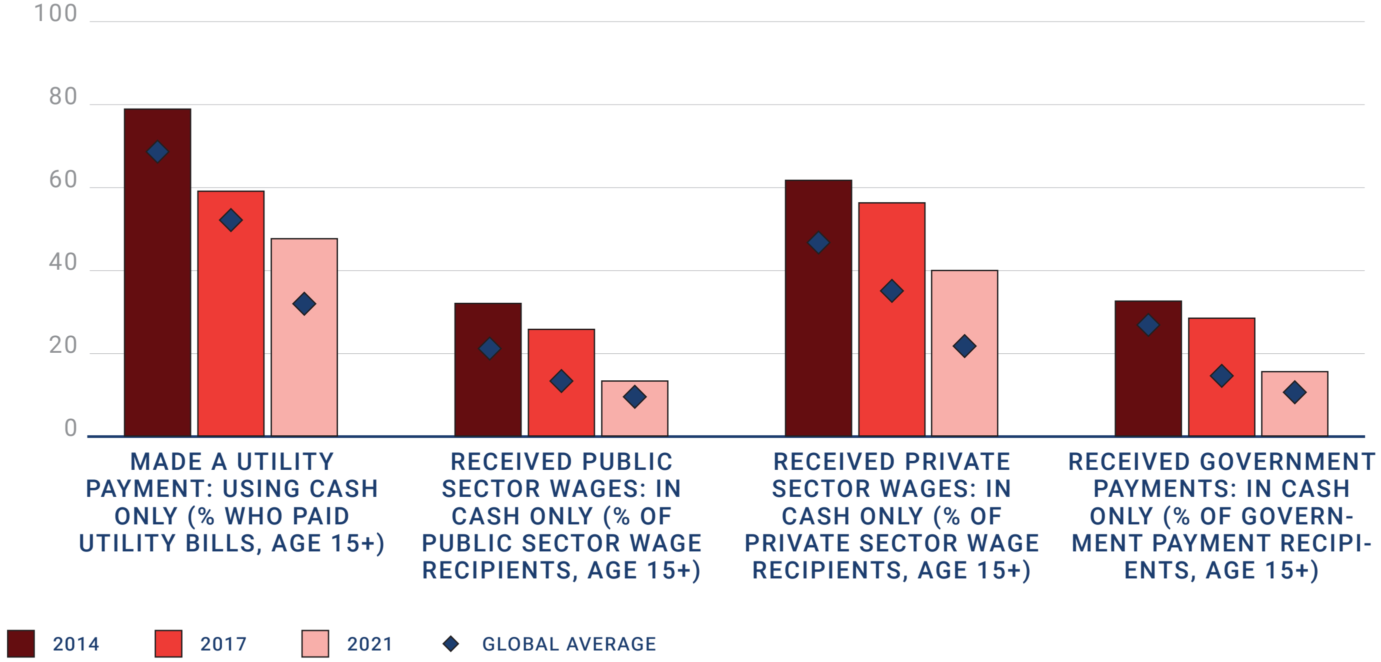
However, potential pitfalls must be highlighted. First, avoid "build it and they will come" policies with infrastructures denuded from the rest of the ecosystem. Like the many sports stadiums left largely unused. Second, policymakers must remain mindful of how these sectors move the needle in human capital development. Also, align the requisite public policies needed for progress from grassroots participation to professional sports, and even to international sporting events.[5] And finally, support investment instruments to render these sectors performant.

4 Murray, Stuart. 2020. "Sports Diplomacy: History, Theory and Practice." Oxford Research Encyclopedia of International Studies. Oxford University Press.

5 Sandy, Robert, Peter J. Sloane, and Mark S. Rosentraub. 2004. "Government and sports policy." In: The Economics of Sport. Palgrave, London.

FIG.12 **SUB-SAHARAN AFRICA HEADED TOWARD A CASHLESS SOCIETY**

Sub-Saharan Africa is following the global trend toward a cashless society. In 2021, only 40 percent of private wage earners and 13 percent of public wage earners were paid in cash, a much smaller share than in 2014. Recent data support reports of digital payments accelerating during the pandemic.



Note: Dataset includes respondents age 15+ from 153 countries, including 41 from sub-Saharan Africa. The countries included in sub-Saharan Africa include Angola; Benin; Botswana; Burkina Faso; Burundi; Cameroon; Central African Republic; Chad; Comoros; Democratic Republicof Congo; Republic of Congo; Côte d'Ivoire; Eswatini; Ethiopia; Gabon; The Gambia; Ghana; Guinea; Kenya; Lesotho; Liberia; Madagascar; Malawi; Mali; Mauritania; Mauritius; Mozambique; Namibia; Niger; Nigeria; Rwanda; Senegal; Sierra Leone; Somalia; South Africa; South Sudan; Sudan; Tanzania; Togo; Uganda; Zambia; Zimbabwe.
Source: World Bank. 2021. Global Findex Dataset. World Bank Group.