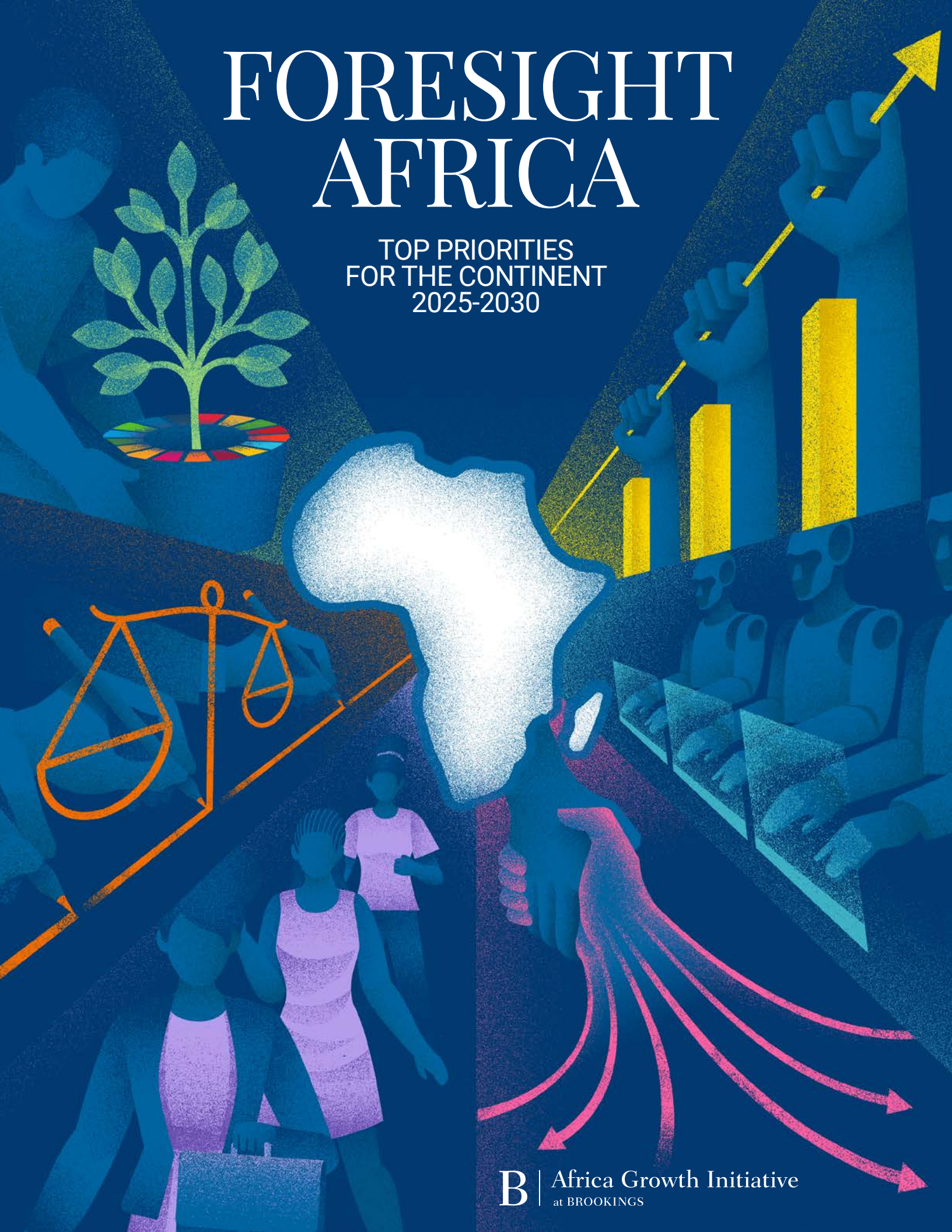


# FORESIGHT AFRICA

TOP PRIORITIES  
FOR THE CONTINENT  
2025-2030



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# FORESIGHT AFRICA

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2025-2030

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## Foreword

**CECILIA ELENA  
ROUSE**

President, Brookings  
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The world is at a crossroads as economic shifts, geopolitical instability, climate disruptions, emerging technologies, political polarization, and societal inequalities reshape the way people, societies, nations, and regions interact in the pursuit of inclusive and sustainable prosperity. In this complex context, Africa plays a role often overlooked in global conversations: The continent is home to some of the world's fastest-growing economies, the world's fastest-growing population, some of the biggest reserves of natural resources and critical minerals, accelerated digitalization, and rising partnerships and competitions between traditional and emerging powers.

The Africa Growth Initiative (AGI) at Brookings recognizes the significance of Africa in a complex and interconnected world, and through rigorous research, nuanced analysis, and innovative policy recommendations, fosters dialogue and actionable solutions on the region's challenges while spotlighting its unique opportunities for the world and advancing U.S.-Africa relations in a competitive geopolitical and geoeconomic environment. Founded in 2008, AGI brings together a network of scholars and African think tanks to provide high-quality,

impactful, and nonpartisan policy research on pressing issues. This initiative showcases the very best that Brookings has to offer in terms of open-minded inquiry, diverse perspectives, and scholastic rigor.

At the heart of AGI's success over the last 15 years has been the initiative's flagship annual report, *Foresight Africa*, which uses the occasion of the New Year to draw the world's focus to critical issues and opportunities shaping the African continent through research and analysis, as well as to engage high-level policymakers. Over the years, the *Foresight Africa* report has grown to be one of the most-read and most-downloaded Brookings publications, demonstrating the report's significant reach and impact while highlighting the critical importance of Africa, and the need for reliable, insightful analysis on the region.

With the 2030 deadline for achieving the Sustainable Development Goals (SDGs) fast approaching, this year's *Foresight Africa* report is a special edition (2025-2030), and offers an exceptional, visionary, and forward-thinking assessment of the important priorities poised to shape Africa's trajectory over the next five years.

We approach this year's *Foresight Africa* report with a great sense of responsibility, recognizing the continent's growing role in shaping inclusive global prosperity. By the year 2100, Africa will be home to nearly 40% of the world's population, up from 18.3% in 2025 and 25% in 2050. This demographic shift makes the continent's sustainable development a priority not just for Africans, but for the entire global community, since Africa's sustainable development has direct implications for global stability and prosperity.

*Foresight Africa: Top priorities for Africa 2025-2030* explores these opportunities and challenges in depth, offering valuable recommendations and strategies for policymakers and stakeholders to harness Africa's potential and drive meaningful, positive change. We at Brookings pride ourselves in tackling some of the most challenging issues of our generation head-on, with the intention of being a call to action and guiding light to policymakers, leaders, and global stakeholders who are committed to a better future.

As President of Brookings, it is a privilege to contribute to this flagship publication. Africa's development is not only a regional priority but a global imperative. The United States has much to gain from a strong, resilient, and thriving Africa, just as Africa benefits from the engagement of global partners. Our interconnected futures demand shared solutions to challenges such as climate change, global health threats, and sustainable economic growth. Writing this foreword is both a reflection of Brookings' commitment to Africa and my personal belief in the power of knowledge to drive positive change.

This year's special edition exemplifies the fulfillment of this mission, and it is my sincere hope that you will engage deeply with it and consider how its insights might inform your own work or the work of others committed to Africa's dynamic future. The stakes are high, and the opportunities are great.

Sincerely,

**CECILIA ELENA ROUSE**

President, The Brookings Institution



*Letter from the Editor*

## Foresight Africa 2025-2030: Five years to deliver Africa's promise

### Introduction

#### **LANDRY SIGNÉ**

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With 2030 on the horizon, now is a critical time to assess the progress, gaps, and road ahead in achieving the Sustainable Development Goals (SDGs), the African Union's Agenda 2063, and other top policy and development priorities for Africa, U.S.-Africa relations, and the continent's broader global partnerships.

2025 will serve as a critical juncture for Africa's trajectory, one shaped by a convergence of factors: new political leadership in both the African Union (AU) and the United States, the urgent imperative to meet the looming 2030 deadline for the SDGs, the need to modernize and renew the African Growth and Opportunity Act (AGOA) set to expire in September 2025,

the demand to accelerate the implementation of the African Continental Free Trade Area (AfCFTA), an escalating climate crisis, and the reverberations of conflict and global economic instability. These dynamics require bold and coordinated policy action to address Africa's unique challenges while leveraging its vast potential.<sup>1</sup>

This year, *Foresight Africa*—the flagship annual report of Brookings' Africa Growth Initiative—is celebrating its 15th anniversary with a special issue, focusing on the next five years (2025-2030) rather than just one. As one of the Brookings Institution's most-read and downloaded publications, and as one of the world's most influential publications on Africa, we are dedicated to our role in feeding policy conversations, shaping agenda-setting, and contributing to successful policy implementation—in Washington D.C., across Africa, and around the globe.

This special edition shares cutting-edge insights into the major trends, challenges, opportunities, and actionable strategies for Africa to achieve inclusive and sustainable development priorities, including the SDGs, over the next five years. Contributors include heads of state and government, global institutions, continental and multilateral institutions, and cabinet ministers, as well as leading Brookings scholars and other high-profile policymakers, business figures, and civil society leaders.

*Foresight Africa 2025-2030* comes at a pivotal time in history for Africa, the U.S., and the world.<sup>2</sup>

## Africa

Africa has shown incredible resilience amidst global economic challenges, with its GDP expected to grow at an annual rate of 4.2% in 2025—up from 3.1% in 2023.<sup>3</sup> The continent is undergoing rapid transformation as its population grows and becomes more urban; meanwhile, its economies are digitalizing and becoming more service-oriented. By 2050, Africa will be home to about 25% of the global population and \$16.12 trillion in combined consumer and business spending.<sup>4</sup> Africa is also undergoing the Fourth Industrial Revolution, with rapid adoption and effective deployment of technologies that can help solve some of its most complex economic and social challenges.<sup>5</sup> Yet this overall positive economic outlook can mask regional and local discrepancies that present unique policy challenges. African debt has soared to its highest point in over a decade, with 20 African countries in or at risk of debt distress.<sup>6</sup> Among the top 20 most fragile countries in the world, 14 are now located in

1 Landry Signé. *Realizing Africa's Potential: A Journey to Prosperity*. (Washington, D.C.: Brookings Institution Press, 2025).

2 Signé. *Realizing Africa's Potential*.

3 African Development Bank, "African Economic Outlook 2024," African Development Bank Group (Abidjan: African Development Bank Group, May 16, 2024), <https://www.afdb.org/en/documents/african-economic-outlook-2024>.

4 Signé. *Realizing Africa's Potential*; Landry Signé. *Unlocking Africa's Business Potential: Trends, Opportunities, Risks, and Strategies* (Washington, D.C.: Brookings Institution Press, 2020)

5 Landry Signé. *Africa's Fourth Industrial Revolution* (Cambridge: Cambridge University Press, 2023).

6 "African Debt," *ONE Data & Analysis* (blog), accessed December 29, 2024, <https://data.one.org/topics/african-debt/>.

Africa (according to the 2024 Fragility Index).<sup>7</sup> The time is right to maximize impact to solidify and accelerate a positive trajectory for the continent, including with the implementation of the AfCFTA.

## Africa-U.S. relations

The Biden administration made important strides in achieving mutual goals, from increased engagement through the U.S.-Africa Leaders Summit and the first U.S. presidential visit to sub-Saharan Africa since 2015<sup>8</sup> to tangible actions, including finalizing over 1,695 deals valued at \$63.5 billion<sup>9</sup> and more than \$4 billion in U.S. investment in the Lobito Trans-Africa Corridor.<sup>10</sup> As of 2025, the second Donald Trump administration will bring its own approach to engagement with the continent, one that offers both challenges and opportunities. The next four years hold opportunities to turbocharge private sector engagement and, with key strategies, leverage global economic and mineral competition to achieve mutually beneficial goals. Despite the United States' waning influence on the continent thanks to accelerated engagement by countries such as China, Russia, Brazil, the Gulf States, and more, it still maintains a competitive advantage in areas key to African development and democracy.

How, or to what extent, the Trump administration will go about creating a comprehensive strategy and leveraging these advantages (including reauthorization and modernization of AGOA) has yet to be determined, making this year's *Foresight Africa* even more relevant to U.S. policymakers by providing analysis and actionable policy options.

## Africa's global relations

On the global stage, Africa will be at the forefront in 2025 thanks to South Africa's leadership of the G20 and the African Union's second year of permanent membership. Additionally, with less than 6% of the SDGs on track in Africa,<sup>11</sup> and 17% on track globally,<sup>12</sup> these next five years will require concentrated and accelerated action and partnerships to overcome these gaps. Africa's vast supply of critical minerals, dynamic youth population, rapidly growing

7 "Fragile State Index," 2024, [https://public.tableau.com/views/fsi-2024-rankings/DashboardRankings?embed=y&showVizHome=no&host\\_url=https%3A%2F%2Fpublic.tableau.com%2F&embed\\_code\\_version=3&tabs=no&toolbar=yes&animate\\_transition=yes&display\\_static\\_image=no&display\\_spinner=no&display\\_overlay=yes&display\\_count=yes&language=en-US&loadOrderID=0](https://public.tableau.com/views/fsi-2024-rankings/DashboardRankings?embed=y&showVizHome=no&host_url=https%3A%2F%2Fpublic.tableau.com%2F&embed_code_version=3&tabs=no&toolbar=yes&animate_transition=yes&display_static_image=no&display_spinner=no&display_overlay=yes&display_count=yes&language=en-US&loadOrderID=0).

8 Shola Lawal, "Biden in Angola: What's behind the Last-Ditch Africa Trip?," *Al Jazeera*, accessed December 19, 2024, <https://www.aljazeera.com/news/2024/12/2/biden-in-angola-whats-behind-the-last-ditch-africa-trip>.

9 Alon Berman, "New Data Shows Significant Growth in U.S.- Africa Trade and Investment Engagement," *Prosper Africa* (blog), September 4, 2024, <https://www.prosperafrica.gov/news/new-data-shows-significant-growth-in-u-s-africa-trade-and-investment-engagement/>.

10 The White House, "Readout of the Lobito Trans-Africa Corridor Summit," The White House, December 4, 2024, <https://www.whitehouse.gov/briefing-room/statements-releases/2024/12/04/readout-of-the-lobito-trans-africa-corridor-summit/>.

11 "2024 Africa Sustainable Development Report" (The African Union; African Development Bank; United Nations Development Programme; the United Nations Economic Commission for Africa, July 16, 2024), <https://www.undp.org/africa/publications/2024-africa-sustainable-development-report#:~:text=For%20Africa%2C%20less%20than%20six,picture%20of%20the%20continent%27s%20performance>.

12 Franck Kuwonu, "2024 SDG Report Highlights Stalled Progress and Growing Inequities as 2030 Deadline Approaches," *Africa Renewal*, June 28, 2024, <https://www.un.org/africarenewal/magazine/june-2024/2024-sdg-report-highlights-stalled-progress-and-growing-inequities-2030-deadline>.

economies, and expanding influence in multilateral arenas mean the continent will be central to developing and deploying innovative solutions to global challenges.

It is against this continental, bilateral, and global backdrop that this year's *Foresight Africa* seeks to elevate African voices and move beyond policy and development rhetoric toward concrete strategies and actions. As we celebrate 15 years of the publication of *Foresight Africa*, this year's edition has the potential to shape the direction of Africa's future, especially as new leadership in the AU and the U.S. provide a plethora of new policy opportunities and challenges. Given the urgency of bridging the gap between policy intention and policy outcomes, this year's collection of essays and viewpoints focuses on a diverse range of cutting-edge issue areas, and is packed with creative and actionable policy options that can boost both African and global prosperity, which are inextricably linked.

## Overview of *Foresight Africa* 2025-2030

Achieving this promise requires bold, strategic choices rooted in African agency, innovative policies, and strong global partnerships.<sup>13</sup> This year's report explores six critical themes, shedding light on the opportunities and obstacles that will define Africa's future and underlie the policies needed to propel its progress over the period between 2025 to 2030 and beyond.

Africa's economic future depends on its ability to chart its own course. **Chapter 1** examines the urgent need for African nations to harness their internal strengths and reduce reliance on external forces to drive sustainable growth from within. The chapter's contributors challenge conventional development paradigms and highlight how self-determination, regional collaboration, private sector development, and innovation can drive transformative growth. With a keen eye to the future and a combination of perspectives from African leaders at the continental, regional, and national levels, this chapter highlights how Africa's diversity of strengths—from rising intra-African trade to rich deposits of critical minerals, human capital, and continental financial institutions—can drive its push to meet the SDGs and the Agenda 2063 goals.

Can Africa achieve the SDGs by 2030? With just five years left, **Chapter 2** assesses the continent's progress over the past decade, providing a nuanced analysis of where Africa stands in order to explore viable strategies for accelerating progress. The chapter identifies what has worked, what hasn't, and what must change to meet the SDG targets on time. This chapter does not shy away from the complexity of the challenges ahead but instead proposes creative pathways for the future to ensure that Africa is on track to achieve development goals. As both a reflection on the past decade and a roadmap for the next five years, its contributors make a call to action for bold, results-driven policies to ensure that no one is left behind in Africa's development journey.

<sup>13</sup> Signé. *Realizing Africa's Potential*.

The key to African prosperity lies with its people—especially its youth and women who have been a driving force for entrepreneurship and innovation over the past decades. **Chapter 3** explores how to transform Africa’s demographic advantage into greater economic and social prosperity by investing more in women and youth through education, skills training, and entrepreneurship and by dismantling structural biases and barriers that limit their participation in leadership and decisionmaking roles. This chapter argues that empowering African youth and women is both a moral and economic imperative. Through analyses of the challenges and opportunities that these communities face, this chapter highlights the links between economic, social, and environmental prosperity. A brighter future for Africa means ensuring that its youth and women are at the center of its development story.

Turning policy into action and real-world impact through successful implementation is key to meeting citizens’ aspirations, and it requires effective governance, which has long been recognized as a cornerstone of sustainable development. **Chapter 4** dives into the state of governance across Africa, with particular focus on how, and to what extent, African governments are meeting the priorities and needs of African citizens. Drawing on survey data and case studies, the chapter highlights the crucial links between accountability, transparency, and development outcomes, underscoring the importance of citizen engagement in building institutions that deliver for the people they serve. It offers unique perspectives on bridging the gap between policy intention and policy outcome to accelerate the successful implementation of African goals, and dives into key interconnected topics such as the rule of law, employment, fragility, and the connections between debt, development, and democracy, offering a profoundly future-oriented outlook on African governance.

Additionally, artificial intelligence and other emerging technologies are reshaping the world, and Africa is at the forefront, playing a leading global role in their development and deployment now and into the future. **Chapter 5** examines how emerging technologies can address some of the continent’s most pressing challenges, including economic, environmental, social, and governance issues. Alongside opportunities, the chapter warns of risks, including the digital divide, and calls for strategic investments in digital infrastructure and skills development. The message is clear: Emerging technologies, when paired with strategic policies, can be a game changer for Africa’s development, making it possible to achieve desired outcomes and improve livelihoods.

Importantly, Africa’s role on the global stage is transforming as the continent increases its voice in key international forums. **Chapter 6** explores how African leaders can leverage their growing presence on the global stage, including the African Union’s new membership in the G20, South Africa’s G20 presidency, and relationships with partners such as the United States, China, and multilateral institutions to drive the continent’s priorities. Contributors discuss strategies for achieving the African development agenda related to trade deals, foreign investment, and global collaboration, recognizing the potential challenges ahead. The chapter emphasizes that successful global partnerships must be built on mutual respect, shared benefits, and a commitment to empowering African countries to shape their own economic futures.

Together, these six chapters tackle key pieces of the puzzle and offer a comprehensive vision for Africa's next chapter—a future driven by African leadership, bold innovation, and inclusive growth. The unparalleled insight offered by this year's contributors will shape policy discourse across Africa and among its partners, with the potential to transform economies. By embracing its strengths, empowering its people, and forging partnerships that focus on African priorities, the continent can achieve the prosperity it so deeply deserves.

Sincerely,

**LANDRY SIGNÉ**

Editor, Foresight Africa 2025-2030



# 1

## Africa's inner strength: Unlocking a more prosperous future

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# Leveraging Africa's inner strength to realize its full economic potential

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Africa is increasingly recognized as the next frontier for global economic growth.<sup>1</sup> Its potential is vast, characterized by diverse natural resources, a burgeoning youth population, and untapped innovation. The question is no longer whether Africa will rise to meet the demands of a rapidly globalizing world, but how it will do so while building on its inherent strengths. It is home to the world's youngest and fastest-growing population,<sup>2</sup> fast-growing cities,<sup>3</sup> and bold innovations in everything from fintech to clean energy. These present abundant opportunities for robust, inclusive growth that harnesses its vast human potential and natural resources to increase prosperity, not just in Africa but across the world.<sup>4</sup>

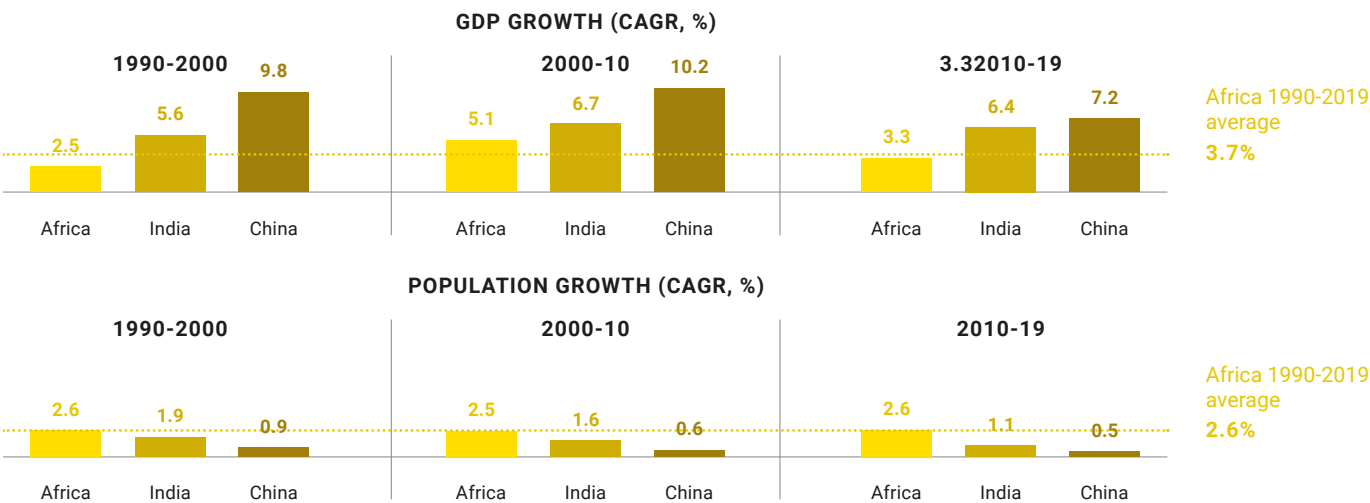
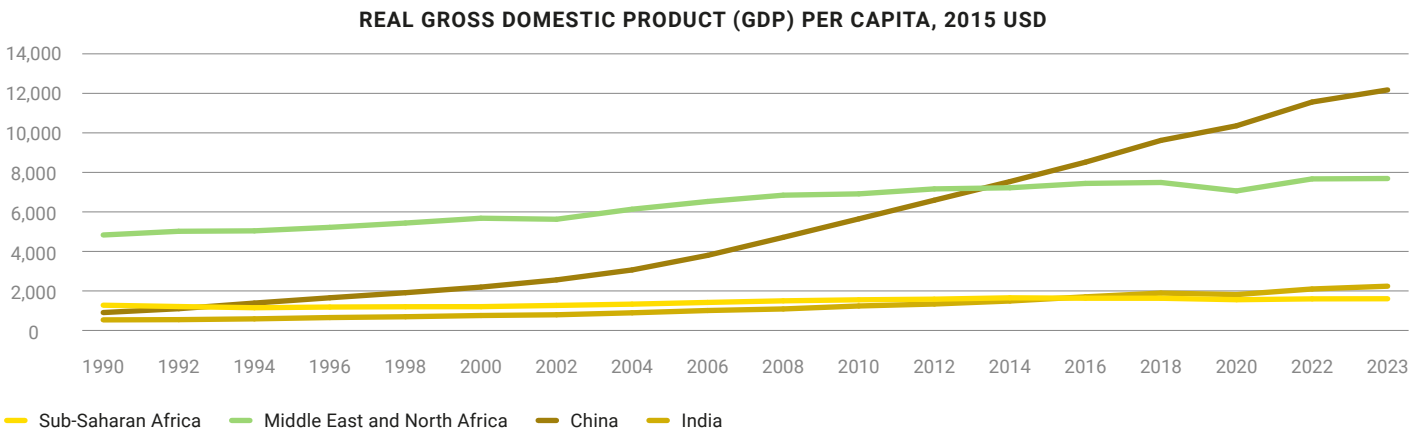
However, we approach these opportunities from a challenging starting point. Today, 60% of Africa's population lives in poverty, the result of per capita income growth that has averaged just 1.1% a year for the past several decades (Figure 1).<sup>5</sup> Unemployment of African youth sits at over 25% and more than 85% of Africans live with severe or moderate food insecurity.<sup>6</sup> Low economic productivity across all sectors resulted in a 35% reduction in GDP growth over the last decade.<sup>7</sup> Governance and the regional and national institutions at its foundations remain challenged across many parts of the continent. Investments in infrastructure and many critical social services (e.g., education and health) have fallen behind as fiscal headroom in many countries is under pressure.

- 1 Landry Signé, *Realizing Africa's Potential: A Journey to Prosperity* (Washington D.C.: Brookings Institution Press, 2025); Mayowa Kuyoro et al., "Reimagining Africa's Economic Growth" (McKinsey & Company, June 5, 2023), <https://www.mckinsey.com/mgi/our-research/reimagining-economic-growth-in-africa-turning-diversity-into-opportunity>; Landry Signé, *Unlocking Africa's Business Potential: Trends, Opportunities, Risks, and Strategies* (Washington, D.C.: Brookings Institution Press, 2020).
- 2 Victor Gaigbe-Togbe et al., "World Population Prospects 2022: Summary of Results" (New York: United Nations Department of Economic and Social Affairs, 2022) [https://www.un.org/development/desa/pd/files/wpp2022\\_summary\\_of\\_results.pdf](https://www.un.org/development/desa/pd/files/wpp2022_summary_of_results.pdf).
- 3 Nirav Patel, "Figure of the Week: Africa Is Home to the 10 Fastest Growing Cities in the World," *Brookings* (blog), accessed December 4, 2024, <https://www.brookings.edu/articles/figure-of-the-week-africa-is-home-to-fastest-growing-cities-in-the-world/>.
- 4 Signé, *Realizing Africa's Potential*.
- 5 Kuyoro et al., "Reimagining Africa's Economic Growth."
- 6 "Statistics Division (ESS) | Food and Agriculture Organization of the United Nations," FAO, accessed December 4, 2024, <https://www.fao.org/about/who-we-are/departments/statistics-division/en/>.
- 7 Kuyoro et al., "Reimagining Africa's Economic Growth."

FIGURE 1

AFRICA'S REAL GDP PER CAPITA

Africa's real GDP per capita has grown only 1.1% annually since 1990



Note: Data includes 47 countries with consistent data for 1990-2019, excluding Djibouti, Eritrea, Liberia, Libya, Somalia, South Sudan, and São Tomé and Príncipe. Line graph divides African countries between sub-Saharan Africa and the Middle East and North Africa regions. Source: World Bank, United Nations Department of Economic and Social Affairs, Population Division.

The question is no longer whether Africa will rise to meet the demands of a rapidly globalizing world, but how it will do so while building on its inherent strengths.

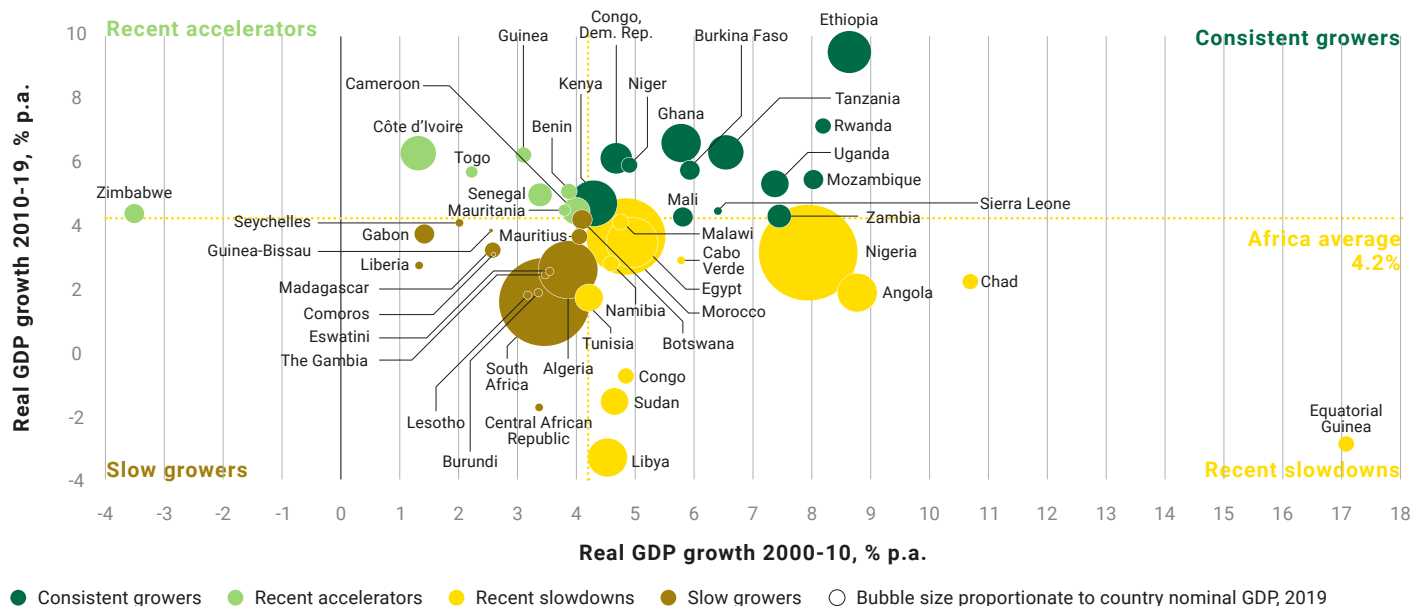
It is important to note, however, that these continent-wide statistics obscure successes in many of its constituent countries that, while uneven, can serve as models to establish productivity as the foundation of Africa's economic growth.<sup>8</sup> Nearly half of Africa's people live in countries where annual GDP growth between 2010 and 2019 exceeded 4.2%, the continent's average growth rate since 2000.<sup>9</sup> These countries were largely midsize economies and together accounted for just over one-quarter of total African GDP. They tend to be smaller, non-resource economies in east and west Africa (Figure 2).

8 Signé, *Realizing Africa's Potential*.  
9 Kuyoro et al., "Reimagining Africa's Economic Growth."

**FIGURE 2**

## AFRICAN ECONOMIES' REAL GDP GROWTH 2000-2010 AND 2010-2019

*Wide variation in economic performance across the continent makes it clear there is no “one Africa”*



Note: Illustration does not show Equatorial Guinea (34th largest economy: 17.1% p.a. 2000-10; -2.9% p.a. 2010-19) and Zimbabwe (20th largest economy, -3.5% p.a. 2000-10; and 4.4% p.a. 2010-19). Africa average calculated based on 49 economies that have completed GDP data in 2000-19 (Djibouti, Somalia, South Sudan, São Tomé and Príncipe, Eritrea excluded). 2019 used instead of 2020 to mitigate one-off COVID-19 impact, however, country groupings broadly robust to change in year-end. Shares of population and nGDP as of 2019.  
Source: World Bank.

The global context is also pertinent: Tepid global GDP growth of ~3.3% in 2023,<sup>10</sup> increasing inflation, recovery from the impact of COVID-19, increased geopolitical volatility, impact of climate shocks, a rapidly aging global population and the potentially seismic impact of technology on the workforce all conspire to create opportunities and challenges for the African continent.

To realize its full economic potential, Africa must harness its diversity, leverage its strategic assets, and mitigate emerging challenges that come with globalization.<sup>11</sup> Indeed, the continent is already in transition, for example Africa's economies are shifting rapidly from agriculture and extraction to services. Reflecting that shift, employment in services increased from 30% to 39%.<sup>12</sup> Services also secured its place as the major driver of the continent's economic output, growing to 56% in the last decade compared with 50% in the 2000s as it captured shares from the extractive industries (Figure 3).<sup>13</sup>

10 "World Economic Outlook, April 2024: Steady but Slow: Resilience amid Divergence" (Washington, D.C.: International Monetary Fund, April 2024), <https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>.

11 Signé, *Realizing Africa's Potential*.

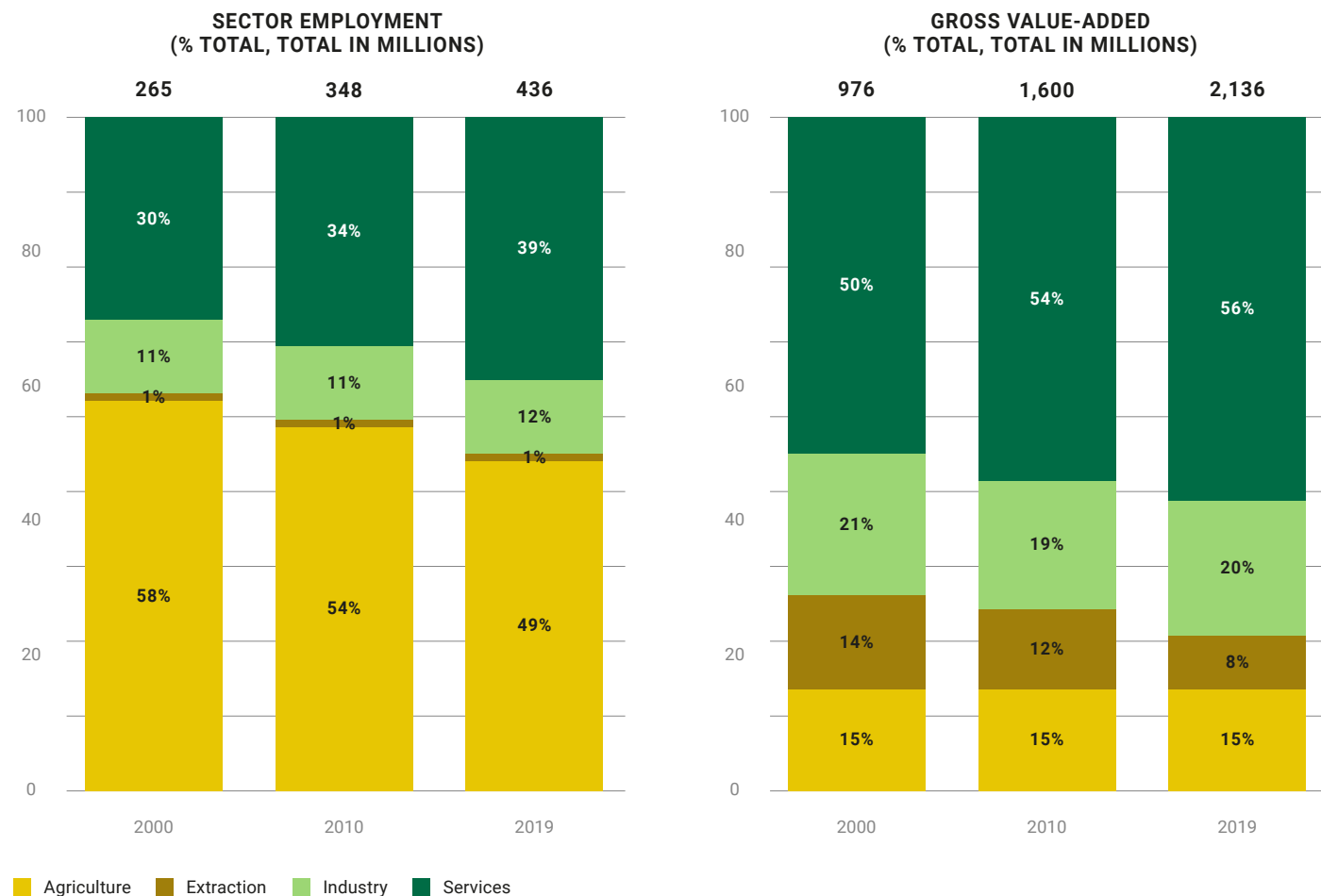
12 "McKinsey African Companies Database," n.d.

13 Kuyoro et al., "Reimagining Africa's Economic Growth."

**FIGURE 3**

## SECTOR EMPLOYMENT AND GROSS VALUE-ADDED

*Africa is experiencing a fundamental shift away from agriculture and extraction and toward services*



Note: Includes manufacturing, construction, and utilities. Figures may not sum to 100 because of rounding.  
Source: MGI Africa Productivity Model.

Given this backdrop, we explore how Africa's assets can position it for success in a globalized world, the lessons learned from successful initiatives, and key imperatives to set the continent on a path for success.

## Africa's unique strengths: A catalyst for growth

**Africa is not one monolith but a continent rich in varying resources, human capital, and economic capacities.**

Africa's strength lies in its diversity—geographically, economically, and culturally. Africa is not one monolith but a continent rich in varying resources, human capital, and economic capacities. The diversity of Africa's economies, whether through its rich mineral wealth, dynamic agricultural landscapes, or the accelerating digital economies, positions the continent uniquely in the global marketplace. A few of these unique attributes are highlighted below:

### 1. *Natural resources: Africa's wealth in raw materials*

Africa possesses approximately 30% of the world's known mineral reserves such as gold, cobalt, and diamonds.<sup>14</sup> Additionally, African-sourced materials are critical for transition to a low carbon economy—60% of the world's production of Manganese, ~70% of Cobalt, and 70% of Iridium occurs on the continent.<sup>15</sup> Given the right infrastructure and trade policies, these resources can power industries both on the continent and globally.

The key to unlocking this potential lies in value addition. Historically, African nations have relied on exporting raw materials, but the future lies in creating local industries that can process and export finished goods. Countries such as Botswana have made strides by developing diamond-cutting and polishing industries rather than exporting rough stones.<sup>16</sup> As the continent builds processing facilities and develops regional value chains, it can retain more wealth within the continent while creating jobs and raising living standards.

### 2. *Human capital: Africa's youth population*

By 2050, Africa will account for at least one-quarter of the global workforce. With a median age of 19.7 years, Africa is home to the world's youngest population.<sup>17</sup> This young population can serve as both producers and consumers in the global economy, driving demand for goods and services while also forming a talent pool that the world would increasingly look to for innovation, entrepreneurship, and the digital economy. Given the changing global population growth dynamics, the imperative to make sure that our young population is educated and has the relevant skills is no longer an African one but a global one.

### 3. *Digital economy: A growing tech hub*

Africa is experiencing a technological revolution, with rapid growth in mobile device penetration, fintech, and e-commerce.<sup>18</sup> The number of internet users for example, has grown by 17% annually since 2013.<sup>19</sup> Mobile money services such as M-Pesa in Kenya have revolutionized financial services, allowing millions of Africans to participate in the formal economy.<sup>20</sup> Africa's tech startup scene, with the number of startups tripling in less than two years—particularly in countries like Nigeria, Kenya, and South Africa—is gaining global attention and investment.<sup>21</sup> By fostering innovation ecosystems and ensuring regulatory frameworks that support technology adoption, Africa can lead the digital economy in developing markets.

14 "African Natural Resources Centre: Catalyzing Growth and Development through Effective Natural Resources Management" (Abidjan: African Development Bank, 2016).

15 "Mineral Commodity Summaries," 2021.

16 Blessing Ernest, "Driving Value Addition in Botswana's Diamond Industry," *African Leadership Magazine* (blog), June 10, 2024, <https://www.africanleadershipmagazine.co.uk/driving-value-addition-in-botswanas-diamond-industry/>.

17 Gaigbe-Togbe et al., "World Population Prospects 2022: Summary of Results."

18 Landry Signé, *Africa's Fourth Industrial Revolution* (Cambridge: Cambridge University Press, 2023).

19 "World Development Indicators | DataBank," 2024, <https://databank.worldbank.org/source/world-development-indicators>.

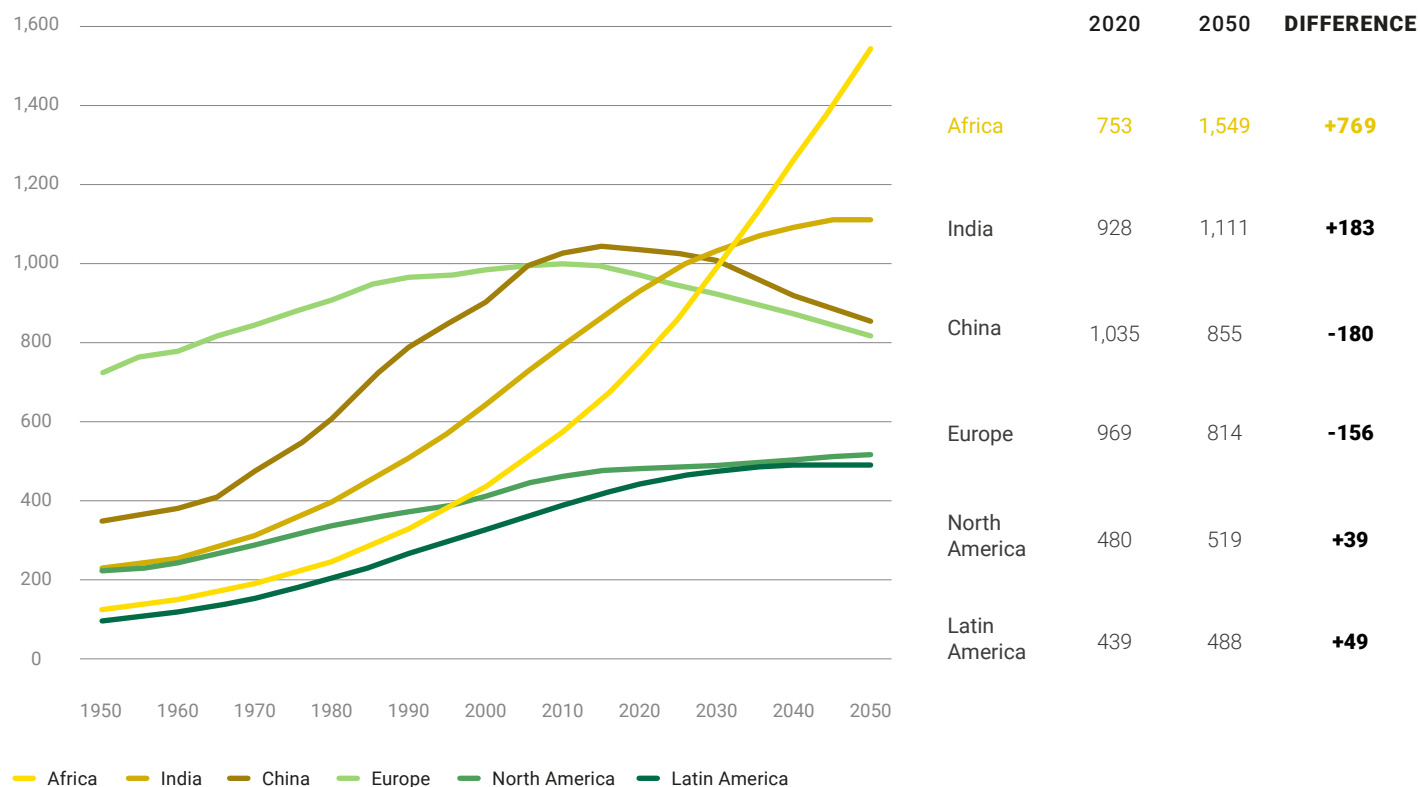
20 "M-Pesa," M-Pesa, accessed January 1, 2025, <https://www.m-pesa.africa/>.

21 Max Flötto et al., "Fintech in Africa: The End of the Beginning" (McKinsey & Company, August 30, 2022), <https://www.mckinsey.com/industries/financial-services/our-insights/fintech-in-africa-the-end-of-the-beginning>.

**FIGURE 4**

**SIZE OF WORKING AGE POPULATION (15 - 64 YEARS OLD)**

*By 2050, Africa will add 796 million people to the global workforce and be home to the largest and youngest population globally*



Note: In millions. Latin America includes the Caribbean.

Source: United Nations Population Prospects 2022 (medium variant scenario used for forecasted years).

**4. Urbanization and thriving cities**

The future of Africa lies in its vibrant cities. Africa is the fastest-urbanizing place on earth, with more than 500 million people likely to leave the countryside between now and 2040.<sup>22</sup> Most will move to the continent's largest cities, increasing the need for better infrastructure to enable these migrants to thrive. Also by 2040, the number of cities with over 5 million inhabitants will grow from 12 to 31.<sup>23</sup> Africa's "second cities," those with the second-largest population in each country, are generally much smaller than their largest counterpart. Among a set of the largest countries on the continent, only four of 14 have a second city larger than half the size of their primary city.<sup>24</sup> Investment in these smaller second cities could take the pressure off their larger cousins, spreading rising productivity and incomes more broadly.

<sup>22</sup> Kuyoro et al., "Reimagining Africa's Economic Growth."

<sup>23</sup> Kuyoro et al., "Reimagining Africa's Economic Growth."

<sup>24</sup> Kuyoro et al., "Reimagining Africa's Economic Growth."

## Challenges ahead: Navigating global and local dynamics

While Africa has immense potential, several challenges remain on the horizon.

### 1. *Global economic volatility*

Africa's economies are highly vulnerable to external shocks, such as fluctuations in commodity prices, global recessions, and changes in trade and economic policies by major economies like the U.S. and China. For example, during the early phase of the pandemic, global demand plummeted, causing sharp declines in prices—particularly in oil, which dropped by more than 50%. This also occurred in the context where Africa's volume share of the global commodity trade reduced by almost half, from 7% in 2010 to 4% in 2019.<sup>25</sup> Global debt levels have reached historic highs, driven by pandemic-related government spending and borrowing. According to the IMF, global public debt rose to nearly 94% of global GDP in 2021.<sup>26</sup> Rising interest rates in developed economies pose a significant challenge for countries with high levels of debt, particularly in Africa, where fiscal headroom is limited. Africa's net external debt, while low by global standards, increased by 24% to 57% of GDP by 2019.<sup>27</sup> Debt-servicing costs doubled, and current-account balances halved. Just three years later, in 2022, the region's average debt-to-GDP ratio stood at 67%.<sup>28</sup> Debt servicing has continued to hamstring governments in 2024 when it accounted for 13.6% of government expenditure across Africa.<sup>29</sup> Building economic resilience through diversification and fostering domestic demand will be critical in mitigating these risks.

### 2. *Increased political instability*

Political instability also increased across the continent and continues to grow, even in countries with faster-growing economies. 30% of Africa's population was affected by unstable political events such as coups that brought instability during the 2010s, compared with 4% in the 2000s.

### 3. *Slowing economic growth and challenged productivity*

Since 2010, Africa's economic progress slowed due to a confluence of factors ranging from waning demand for commodities to deteriorating economic fundamentals in the continent's largest economies. All these developments coincided with and contributed to a steep decline in Africa's annual productivity growth, which fell from 2.2% in the 2000-10 decade to 0.8% in the last decade.<sup>30</sup> Africa's economy is now the least productive relative to emerging market peers today (Figure 5).

25 Kuyoro et al., "Reimagining Africa's Economic Growth"; Marcos Poplawski-Ribeiro et al., "2024 Global Debt Monitor" (Washington, D.C.: International Monetary Fund, December 2024), <https://www.imf.org/external/datamapper/GDD/2024%20Global%20Debt%20Monitor.pdf>.

26 Roberto Perelli et al., "2022 Global Debt Monitor" (Washington, D.C.: International Monetary Fund, December 2022).

27 "Global Debt Database," accessed December 4, 2024, <https://www.imf.org/external/datamapper/datasets/GDD>.

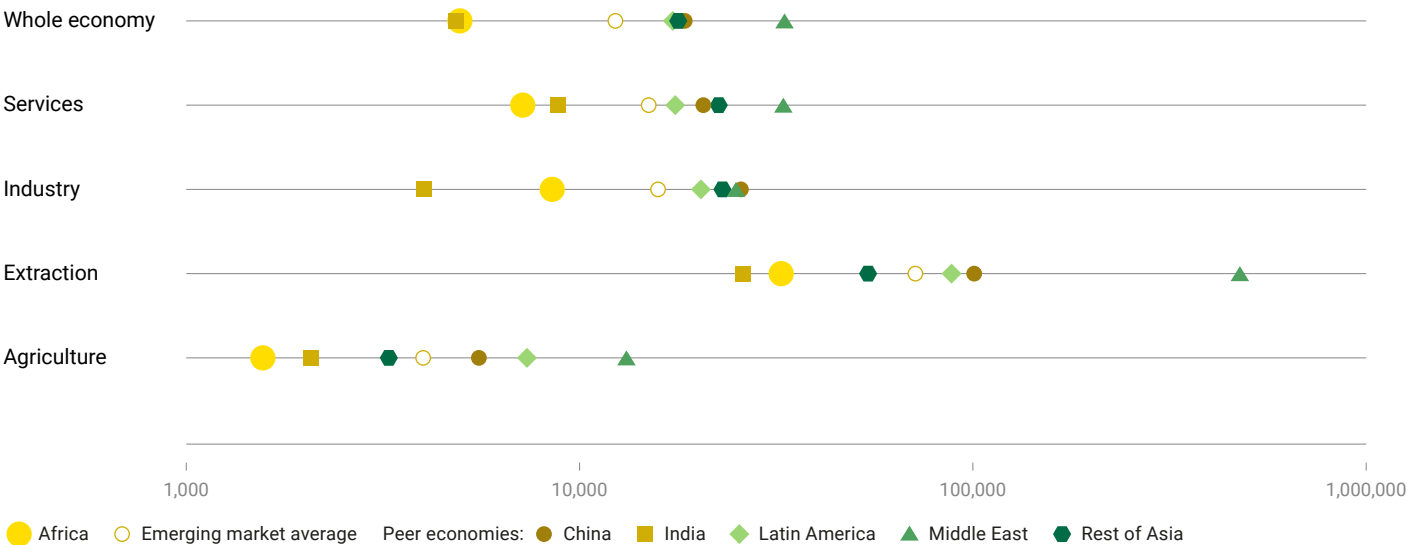
28 "Global Debt Database."

29 Sara Harcourt, Jorge Rivera, and Fiona Robertson, "African Debt," *ONE Data & Analysis* (blog), accessed December 6, 2024, <https://data.one.org/topics/african-debt/>.

30 Kuyoro et al., "Reimagining Africa's Economic Growth."

**FIGURE 5**  
**REAL PRODUCTIVITY BY INDUSTRY AND REGION/COUNTRY**

*Across all sectors, Africa's level of productivity lags the emerging market*



Note: In 2019 USD. Real productivity is calculated by adjusting outputs and inputs for inflation and dividing output by input to get a productivity ratio.  
Source: World Bank, United Nations Department of Economic and Social Affairs, Population Division.

4. *Climate change and environmental sustainability*

Looking to the future, climate change may pose a new challenge to growth on the continent as Africa faces the potential for increasing weather-related acute events. By 2050, nearly 900 million people may face climate hazards.<sup>31</sup> The transition to a global low-carbon economy could also impact Africa's reliance on fossil fuel exports, which comprise 16% of its GDP. However, opportunities in green industries exist, and the continent must develop new businesses, secure investment, and build expertise to capitalize on the net-zero shift.

**Charting a sustainable path: Fostering productive growth in Africa**

Looking ahead, Africa's economic growth must be driven by productivity. Africa's rich diversity and growing population should be harnessed to build a productivity-focused economy, unlocking its full potential through innovation, value-added industries, and the development of human capital. This shift will ensure more resilient, sustainable growth that capitalizes on the continent's internal strengths and capabilities. A few critical areas to consider include:

31 Lyes Bouchene et al., "Green Africa: A Growth and Resilience Agenda for the Continent" (London: McKinsey and Company, November 2021), <https://data.europa.eu/doi/10.2760/173513>.

### 1. *Investing to enhance resource productivity and tap into new opportunities*

Extraction will be a part of the continent's development going forward. Investment is therefore needed to raise the sector's productivity. More broadly, as the world undertakes the energy transition, the types of natural resources it needs are changing, and Africa is well-positioned to become a significant supplier. Benefiting from both newly sought after and traditional resource exports is, however, not a given. Lessons learned from Africa's historic reliance on extraction can be used to institutionalize best practices and strengthen governance to ensure that resource wealth is directed to minimizing the sector's impact on the environment and spreading prosperity more broadly throughout African society. Investments in value addition will be crucial to maximize the continent's benefits from its abundant natural resources.<sup>32</sup>

### 2. *Leveraging digital innovation*

To fully harness Africa's economic potential, embracing digital technologies across all sectors is crucial.<sup>33</sup> Digital innovations can enhance competitiveness, improve customer experiences, and increase productivity. Data analytics offer significant growth opportunities in Africa's data-scarce environment. For governments, leveraging digital tools can boost efficiency, revenue collection, and service delivery. Additionally, developing a skilled African workforce tailored to local needs and global demands is vital. 230 million digital jobs could be created, of which over 10 million could be created through Tech and Business Process Outsourcing hubs.<sup>34</sup> There are also enormous indirect job creation opportunities, including 650 million opportunities for digital training, translating into a \$130 billion opportunity.<sup>35</sup>

### 3. *Improving regional integration*

Africa trades far more with other countries than with itself. In 2022, intraregional trade in Africa stood at only 14%,<sup>36</sup> significantly lower than in other regions globally. Having more coordinated and aligned strategies across countries and regions, such as pharmaceutical manufacturing strategies that span entire African regions, can build resilience and improve productivity. The African Continental Free Trade Area (AfCFTA) presents an important opportunity,<sup>37</sup> and its implementation should be accelerated by adapting established models such as the North American Free Trade Agreement, the European Union, the Association of Southeast Asian Nations, and others. Through the elimination of tariffs and the harmonization of standards, AfCFTA has the potential to transform Africa from a collection of small, fragmented markets into a cohesive, competitive region. Similarly, Africa can also better leverage its Regional Economic Communities to support collaboration across national boundaries that will increase productivity and economic growth.

32 Signé, *Realizing Africa's Potential*.

33 Signé, *Africa's Fourth Industrial Revolution*.

34 Alejandro Caballero et al., "Executive Summary: Digital Skills in sub-Saharan Africa: Spotlight on Ghana" (Washington, D.C.: International Finance Corporation, 2019).

35 Caballero et al., "Executive Summary: Digital Skills in sub-Saharan Africa: Spotlight on Ghana."

36 Anthony Coleman et al., "African Trade Report 2022: Leveraging the Power of Culture and Creative Industries for Accelerated Structural Transformation in the AfCFTA Era," *Transforming Africa's Trade* (Cairo: African Export-Import Bank, 2020).

37 AfCFTA, "About the AfCFTA," accessed December 3, 2024, <https://au-afcfta.org/about/>.

#### 4. *Exploring opportunities to benefit from the global net-zero agenda*

While climate change poses challenges for Africa, the global transition to net-zero presents significant opportunities. Capturing these will require developing bankable projects, securing capital, and building technical expertise. African nations are also exploring their own net-zero pathways, aiming to expand energy access, reduce air pollution, and improve urban mobility while promoting economic growth. Eight green manufacturing opportunities have been identified that together could generate up to \$2 billion in revenue a year in total and create 700,000 new jobs by 2030.<sup>38</sup> However, challenges include the high initial costs of climate technologies and limited fiscal space. Large-scale support is essential to finance climate projects and protect vulnerable communities affected by the transition.

#### 5. *Harnessing the power of the African private sector*

As of 2022, Africa had ~350 companies making over \$1 billion in revenue. Of these, over 80% were from the private sector.<sup>39</sup> Capitalizing on the strengths of these institutions will be essential to unlocking Africa's productive potential. By mobilizing capital, fostering innovation, and building infrastructure, the private sector can drive economic growth across key industries while partnerships with governments can help develop capital markets and promote environments that attract long-term investments. Additionally, the private sector plays a pivotal role in creating jobs, training talent, and unlocking regional trade through supporting initiatives such as the AfCFTA.<sup>40</sup> This collaboration can help Africa build a resilient, diversified economy that thrives in a global market.

## Conclusion: Africa's moment on the global stage

Africa stands at a pivotal moment in its economic journey. By leveraging its inherent strengths—natural resources, human capital, digital innovation, and regional integration—Africa can unlock its full potential. However, realizing this potential will require addressing the challenges of global economic volatility, climate change, and political instability. With the right policies in place, Africa can not only become a global economic player but also set a model for inclusive, sustainable growth in the 21st century.

38 Lyes Bouchene et al., "Africa's Green Manufacturing Crossroads: Choices for a Low-Carbon Industrial Future," *McKinsey & Company* (blog), September 27, 2021, <https://www.mckinsey.com/capabilities/sustainability/our-insights/africas-green-manufacturing-crossroads-choices-for-a-low-carbon-industrial-future>.

39 McKinsey African Companies Database. Companies making over 1 billion dollars in revenues are active across most sectors, with particularly strong representation (about 70 percent) in oil and gas, mining, retail and consumer goods, financial services, manufacturing, and telecommunications.

40 Signé, *Realizing Africa's Potential*.

# Africa's moment: Seizing the opportunity for transformation

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**To claim that the future belongs to Africa is a reality backed by every socioeconomic indicator. But to turn this potential into progress, Africa must strategically position itself to seize the moment.**

By 2030, one-fifth of the world's population will live in Africa, with the majority being young people.<sup>1</sup> The continent's mineral wealth remains largely untapped,<sup>2</sup> its arable land can feed the world, and most importantly, Africa is largely peaceful today.

To claim that the future belongs to Africa is a reality backed by every socioeconomic indicator. But to turn this potential into progress, Africa must strategically position itself to seize the moment.

The good news is we are making strides. The realization that Africa's socioeconomic transformation lies in the hands of its people is now widespread. No one else will do it for us. Attempts to develop the continent without ownership and leadership by Africans have not fared well.<sup>3</sup> We understand our challenges and aspirations better than anyone.

Recent crises—such as the COVID-19 pandemic, the Russia-Ukraine war, and internal political weaknesses—have exposed vulnerabilities, including trade imbalances, skyrocketing inflation, and slowed growth.<sup>4</sup> However, these challenges have also provided valuable lessons.

For instance, the inequitable distribution of COVID-19 vaccines highlighted the urgent need to invest in local vaccine manufacturing.<sup>5</sup> Rwanda, in partnership with BioNTech, is playing its part by establishing a cutting-edge mRNA-enabled vaccine manufacturing plant, setting a precedent for the continent.<sup>6</sup>

- 1 Michael Geiger and Moulaye Ibrahim Bamba, "What Hong Kong and Singapore Can Teach Africa on How to Become an Economic Powerhouse," World Economic Forum (blog), January 5, 2021, <https://www.weforum.org/stories/2021/01/hubs-africa-growth-potential-economics/>.
- 2 Louise Margolin, "DRC, South Africa, Botswana...Who Has the Greatest Potential in Critical Minerals?," The Africa Report (blog), accessed December 3, 2024, <https://www.theafricareport.com/333508/drc-south-africa-botswana-who-has-the-greatest-potential-in-critical-minerals/>.
- 3 Joaquin Matamis, "Africa's Future: Rethinking Development Based on the African Experience," Stimson Center (blog), September 1, 2023, <https://www.stimson.org/2023/africas-future-rethinking-development-based-on-the-african-experience/>.
- 4 Matamis, "Africa's Future."
- 5 Harvey Mogoje, "How Has the African Vaccine Manufacturing Landscape Changed in the Last Year?," Clinton Health Access Initiative (blog), October 18, 2024, <https://www.clintonhealthaccess.org/report/how-has-the-african-vaccine-manufacturing-landscape-changed-in-the-last-year/>.
- 6 BioNTech, "BioNTech Achieves Milestone at mRNA-Based Vaccine Manufacturing Site in Rwanda," December 18, 2023, <https://investors.biontech.de/news-releases/news-release-details/biontech-achieves-milestone-mrna-based-vaccine-manufacturing-0#:~:text=KIGALI%2C%20Rwanda%2C%20December%2018%2C,Company's%20site%20in%20Kigali%2C%20Rwanda.>

To secure Africa's future, Africa must seek solutions from within. The African Continental Free Trade Area (AfCFTA) is a testament to this unity, connecting 1.3 billion people across 54 countries with a combined GDP of over \$3.4 trillion. With the political will for reform and steady implementation, the AfCFTA is set to be a game-changer for trade, investment, and economic integration across the continent.<sup>7</sup>

On the global stage, Africa has started to leverage its influence effectively. Whether it's advocating for a unified position on climate action,<sup>8</sup> reforming international financial systems,<sup>9</sup> or amplifying our voices within global platforms,<sup>10</sup> Africa is demonstrating that it can shape its destiny.

Rwanda's journey offers valuable lessons. Our socioeconomic transformation is being driven by ownership—developing homegrown solutions rooted in our culture and tailored to our unique challenges.<sup>11</sup> While partnerships are crucial, they are most productive when aligned with our vision and goals.

Yet, challenges remain. We need significant investment in productive sectors to create opportunities for our young population. Expanding energy access,<sup>12</sup> building robust digital financial ecosystems,<sup>13</sup> and navigating a fragmented global economic system are urgent priorities.<sup>14</sup>

With just five years left to achieve the Sustainable Development Goals, Africa must act decisively. In a world marked by weakening multilateralism, rising trade barriers, geopolitical tensions, and increasing climate disasters, Africa must strengthen its global positioning. Most importantly, we must resist being instrumentalized and keep the improved wellbeing of our people as the ultimate prize.

Africa's moment is now. We are ready to collaborate and lead.

7 "About the AfCFTA," AfCFTA, accessed December 3, 2024, <https://au-afcfta.org/about/>.

8 Inger Andersen, "African Climate Leadership at COP29 and Beyond," <https://www.unep.org/news-and-stories/speech/african-climate-leadership-cop29-and-beyond>.

9 "Finance and Foreign Ministers Call for Remaking the International Financial System in the Interest of Developing Countries," United Nations, July 26, 2024, <https://www.un.org/en/finance-and-foreign-ministers-call-for-remaking-the-international-financial-system>.

10 Ovigwe Eguegu, Hannah Ryder, and Trevor Lwere, "Africa's Design for a Reformed UN Security Council," Center for Strategic and International Studies, October 1, 2024, <https://www.csis.org/analysis/africas-design-reformed-un-security-council>.

11 "Home Grown Solutions," Rwanda Governance Board, accessed December 3, 2024, <https://www.rgb.rw/1/home-grown-solutions>.

12 "Energizing Rwanda's Development," Sustainable Energy for All, September 10, 2024, <https://www.seforall.org/publications/energizing-rwandas-development>; "Increasing Energy Investment in Africa is Vital for the Continent's Sustainable Economic Growth," IEA, June 15, 2024, <https://www.iea.org/news/increasing-energy-investment-in-africa-is-vital-for-the-continents-sustainable-economic-growth>.

13 Patient Rambe, "Digital Payments for Deepening Financial Inclusion and Democratising Financial Ecosystems in Africa," in *Blockchain, Metaverse, and Digital Payments* (London: Routledge, 2024); Eric Gacuruzwa, "Rwanda's Five-Year FinTech Strategy: Aiming to Lead Africa's Digital Future," FurtherAfrica (blog), November 29, 2024, <https://furtherafrica.com/2024/11/29/rwandas-five-year-fintech-strategy-aiming-to-lead-africas-digital-future/>.

14 Spencer Feingold, "Economic Fragmentation Rises with Global Tensions: Experts," World Economic Forum (blog), June 26, 2024, <https://www.weforum.org/stories/2024/06/economic-fragmentation-global-tensions-experts/>.

# Leveraging mining for accelerated development

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Since African countries began gaining independence, the world has spoken of the African resource curse—the phenomenon of nations that struggle economically despite being rich in natural resources.<sup>2</sup> Studies show that African countries with natural resources experience challenges that include diminished health,<sup>3</sup> lower levels of education,<sup>4</sup> and democratic challenges.<sup>5</sup> However, the existence of natural resources itself is not a curse. Botswana is one nation that has seemingly overcome the resource curse through careful and strategic resource management, allowing its government to create regulations and tax mining companies to efficiently reallocate resources to development needs.

Botswana's discovery of diamonds in 1967 resulted in the government implementing sustainable mining regulations within two years.<sup>6</sup> The Botswanan mining sector stands as a unique socioeconomic development model, showcasing its ability to convert natural resources into avenues for growth, diversification, and prosperity. This has been achieved through the creation of a legal framework that outlines inclusive resource exploitation by vesting ownership of minerals through governmental partnerships.

This results in substantial rents that have been reinvested to address the nation's development needs.<sup>7</sup> Government partnerships with mining companies such as Debswana—a 50-50 partnership with De Beers—allows for mining profits to go directly to the government to be redistributed to Botswana's citizens through government programs and the investment in public goods.<sup>8</sup>

- 1 We extend our gratitude to Nichole Grossman, Research Analyst at Brookings Africa Growth Initiative, for her outstanding research and editorial support.
- 2 Pr Atangana Ondo Henri, "Natural Resources Curse: A Reality in Africa," *Resources Policy* 63 (October 1, 2019): 101406, <https://doi.org/10.1016/j.resourpol.2019.101406>; Joseph R Biden et al., "Committee on Foreign Relations," n.d.; Kazeem Bello Ajide, "Is Natural Resource Curse Thesis an Empirical Regularity for Economic Complexity in Africa?," *Resources Policy* 76 (June 1, 2022): 102755, <https://doi.org/10.1016/j.resourpol.2022.102755>.
- 3 Kazeem Bello Ajide et al., "Infectious Diseases and Health Outcomes' Implications of Natural Resource Curse in Africa," *Resources Policy* 81 (March 1, 2023): 103394, <https://doi.org/10.1016/j.resourpol.2023.103394>.
- 4 Pelle Ahlerup, Thushyanthan Baskaran, and Arne Bigsten, "Gold Mining and Education: A Long-Run Resource Curse in Africa?," *Journal of Development Studies* 56, no. 9 (September 2020): 1745–62, <https://doi.org/10.1080/00220388.2019.1696959>.
- 5 Alex O. Acheampong et al., "Sub-Saharan Africa's Tragedy: Resource Curse, Democracy and Income Inequality," *Social Indicators Research* 168, no. 1–3 (August 2023): 471–509, <https://doi.org/10.1007/s11205-023-03137-2>.
- 6 Atsushi Iimi, *Did Botswana Escape from the Resource Curse?* (Washington, D.C.: International Monetary Fund, 2006), <http://ebookcentral.proquest.com/lib/aul/detail.action?docID=3014488>.
- 7 Chasca Twyman, "Participatory Conservation? Community-Based Natural Resource Management in Botswana," *The Geographical Journal* 166 (December 2000): 323–35.
- 8 "Debswana – Mining Diamonds, Enriching the Nation," accessed January 7, 2025, <https://www.debswana.com/>.

**Botswana's established expertise in resource contract negotiations and natural resource management sets it as a key player in critical mineral mining.**

Looking to the future, Botswana's established expertise in resource contract negotiations and natural resource management sets it as a key player in critical mineral mining. These materials are indispensable for renewable energy technologies, electric vehicles, and other components of the green economy. The renaissance of industrial policy offers a unique opportunity not only for raw material mining but for value chain development and beneficiation within the mineral sector and through the implementation of the Africa Continental Free Trade Area.<sup>9</sup>

## Vision 2063 and critical minerals leadership

As Africa advances towards the African Union's Vision 2063 goals of achieving inclusive and sustainable development, the mining sector must evolve to include a robust focus on the continent's abundant endowment of critical minerals needed for the global transition to a green economy. To prepare for the changing economy, we all need to invest in the development of new technologies and the human capital needed to deploy them. We should work together to find ways to regulate the industry to provide the safest and most profitable approach to critical mineral mining that advances all African economies. A few key areas to focus on are as follows.

1. Good governance and transparency: Studies show that countries who are unable to improve their economic well-being despite significant natural resources often suffer from high levels of corruption.<sup>10</sup> Creating mining regulations through an inclusive process that includes a method for transparent monitoring of mining activities is the best way to ensure citizen safety while promoting development.
2. Reinvestment of resource rents: Mining should be appropriately taxed by local and national governments so that citizens across the country can benefit indirectly from these economic initiatives through government programming and long-term development projects<sup>11</sup> In addition to using these funds for development needs, establishing sovereign wealth funds can provide the much-needed service of stabilizing economies against commodity price fluctuations that can severely hamper economic growth. By reinvesting rents in ways that diversify economies, countries can reduce dependency on mineral exports and build resilience.

9 Muhammad Uzair Ali and Ying Wang, "Is Participation in Global Value Chains a Blessing or a Curse for Green Total Factor Productivity in Belt and Road Initiative Countries?," *Journal of Cleaner Production* 426 (November 10, 2023): 138963, <https://doi.org/10.1016/j.jclepro.2023.138963>.

10 Philippe Le Billon and Aled Williams, eds., *Corruption, Natural Resources and Development: From Resource Curse to Political Ecology* (Cheltenham, UK: Edward Elgar Publishing, 2017); Erwin Bulte and Richard Damania, "Resources for Sale: Corruption, Democracy and the Natural Resource Curse," *The B.E. Journal of Economic Analysis and Policy* 8, no. 1 (2008), <https://doi.org/10.2202/1935-1682.1890>.

11 Kafayat Amusa and Mutiu Abimbola Oyinlola, "The Effectiveness of Government Expenditure on Economic Growth in Botswana," *African Journal of Economic and Management Studies* 10, no. 3 (2019): 368–84, <https://doi.org/10.1108/AJEMS-03-2018-0081>.

3. Development of a continental critical materials strategy: Given the enormity of the industry and the increasing global need for critical minerals, it would be in Africa's best interest to develop a continent-wide strategy toward their management.<sup>12</sup> A focus on value-addition through processing and manufacturing these minerals locally would greatly benefit African economies.
4. Community engagement and benefit-sharing: Inclusivity is key to a strong sustainable mining strategy. Communities directly affected by mining should have a voice in, and receive direct benefits from, the process. Benefit-sharing mechanisms have been shown to be effective in the development of local communities. Inclusive decisionmaking also helps minimize conflict between the community and the mining companies while holding the latter accountable to agreed-upon sustainable mining practices.<sup>13</sup>
5. Promotion of sustainable and ethical mining practices: Africa disproportionately shares the burdens of climate change despite their minimal contributions to the issue.<sup>14</sup> Mining practices should not add to these challenges. Minimizing environmental degradation through government regulation should be a goal of all mining endeavors for the health and safety of Africa's citizens.<sup>15</sup>
6. Investment in research and innovation: Research and innovation regarding mining technologies must focus on the needs of African nations.<sup>16</sup> Partnerships with local, regional, and global research institutions can help create mining techniques that eliminate common environmental concerns and minimize community impact.
7. Strengthening regional cooperation: Regional cooperation toward the strategies discussed above is essential to facilitate knowledge-sharing, technology and infrastructure development, and best practices in mineral governance. In this way, all African nations can overcome the resource curse.

Africa has the opportunity to leverage its natural resources to create prosperity, reduce inequality, and enhance their negotiating power on the global stage. However, to do so successfully requires a reimagining of the current state of critical resource management that focuses on collective adherence to best practices for a sustainable future. Working from exemplars such as Botswana, together, we can achieve this goal.

12 "Africa's Critical Mineral Resources, a Boon for Intra-African Trade and Regional Integration," *ECA*, December 22, 2024, <https://www.uneca.org/stories/africa%E2%80%99s-critical-mineral-resources%2C-a-boon-for-intra-african-trade-and-regional-integration>.

13 Twyman, "Participatory Conservation?"

14 "Africa Faces Disproportionate Burden from Climate Change and Adaptation Costs," *World Meteorological Association*, September 2, 2024, <https://wmo.int/news/media-centre/africa-faces-disproportionate-burden-from-climate-change-and-adaptation-costs>.

15 Kennedy O. Ouma, Agabu Shane, and Stephen Syampungani, "Aquatic Ecological Risk of Heavy-Metal Pollution Associated with Degraded Mining Landscapes of the Southern Africa River Basins: A Review," *Minerals* 12, no. 2 (February 2022): 225, <https://doi.org/10.3390/min12020225>.

16 Moshood Onifade et al., "Advancing toward Sustainability: The Emergence of Green Mining Technologies and Practices," *Green and Smart Mining Engineering* 1, no. 2 (June 1, 2024): 157–74, <https://doi.org/10.1016/j.gsme.2024.05.005>.

# Trade and Africa's development goals: A window of opportunity

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These are difficult times for global trade. Despite the resilience displayed through successive crises, the world economy continues to be vulnerable to geopolitical tensions,<sup>1</sup> unilateral trade barriers,<sup>2</sup> and regional conflicts.<sup>3</sup>

In Africa, while most economies have seen growth tick back upwards after the pandemic,<sup>4</sup> many are struggling with burdensome debt,<sup>5</sup> a financing squeeze,<sup>6</sup> and vulnerability to climate change.<sup>7</sup>

Yet there are opportunities for Africa within these challenges. Structural and demographic trends,<sup>8</sup> ongoing policy initiatives like continental economic integration,<sup>9</sup> and changing geopolitical currents<sup>10</sup> create a window for African countries to use trade to spur the faster growth and better job prospects that our young people deserve.

Two key linked opportunities are important to highlight. First, the transition to a clean green energy economy, and second, the move to de-risk and decentralize supply chains to avoid the over-concentration-related vulnerabilities experienced during the pandemic. The natural resources needed to fuel the clean energy transition are currently subject to similar fears of excessive concentration, particularly with respect to their processing.<sup>11</sup>

- 1 Ahmet Kaya, "How Are Geopolitical Risks Affecting the World Economy?," *Economics Observatory* (blog), accessed December 4, 2024, <https://www.economicsobservatory.com/how-are-geopolitical-risks-affecting-the-world-economy>.
- 2 Mari Elka Pangestu and Axel Van Trotsenburg, "Trade Restrictions Are Inflaming the Worst Food Crisis in a Decade," *World Bank Blogs* (blog), July 6, 2022, <https://blogs.worldbank.org/en/voices/trade-restrictions-are-inflaming-worst-food-crisis-decade>.
- 3 Hamish Kinnear, "Conflict Surges in 28 Countries, Global Trade Facing Elevated Threats," *Verisk Maplecroft* (blog), July 18, 2024, <https://www.maplecroft.com/products-and-solutions/geopolitical-and-country-risk/insights/conflict-surges-in-28-countries-global-trade-facing-elevated-threats/>.
- 4 "Will African Countries See Growth Post-COVID?," *Development Reimagined*, November 6, 2023, <https://developmentreimagined.com/infographic-will-african-countries-see-growth-post-covid/>.
- 5 "State of Play of Debt Burden in Africa 2024: Debt Dynamics and Mounting Vulnerability" (Cairo: Afreximbank Research, 2024).
- 6 Abebe Aemro Selassie, "IMF's sub-Saharan Africa Regional Economic Outlook: The Big Funding Squeeze" (Washington, D.C.: International Monetary Fund, April 14, 2023), <https://www.imf.org/en/News/Articles/2023/04/14/pr23119-sub-saharan-africa-regional-economic-outlook-the-big-funding-squeeze>.
- 7 "Africa Faces Disproportionate Burden from Climate Change and Adaptation Costs" (Geneva: World Meteorological Organization, September 2, 2024), <https://wmo.int/news/media-centre/africa-faces-disproportionate-burden-from-climate-change-and-adaptation-costs>.
- 8 Bienvenu Yves-Géthème Gbehe, Yao Silvere Konan, and Zié Ballo, "Demographic Structure, Structural Change, and Economic Growth: Panel Evidence in sub-Saharan African Countries," *Cogent Economics & Finance*, December 31, 2024, <https://www.tandfonline.com/doi/abs/10.1080/23322039.2024.2375786>.
- 9 Hippolyte Fofack, "A Competitive Africa," *IMF Finance and Development Magazine*, December 2021.
- 10 Francis Kornegay, *Africa and the World: Navigating Shifting Geopolitics* (Oxford, South Africa: Mapungubwe Institute for Strategic Reflection, The, 2020), <http://ebookcentral.proquest.com/lib/aul/detail.action?docID=6212310>.
- 11 Gracelin Baskaran and Sophie Coste, "Achieving Universal Energy Access in Africa amid Global Decarbonization," Centre for Strategic and International Studies, January 31, 2024, <https://www.csis.org/analysis/achieving-universal-energy-access-africa-amid-global-decarbonization>.

Africa has what we term at the World Trade Organization (WTO) a “green comparative advantage.”<sup>12</sup> Just as countries and regions can reap economic gains by specializing in making and trading what they are relatively *good* at, they can also reap economic and environmental gains by specializing in making and trading what they are relatively *green* at.

Africa has over 60% of the world’s solar potential along with wind, geothermal, and other renewable resources such as green hydrogen.<sup>13</sup> At the same time, Africa houses a substantial percentage of the world’s resources of critical minerals needed for the green transition. The continent accounts for over 40% of global production of cobalt (led by the Democratic Republic of the Congo), manganese (South Africa, Gabon, Ghana) and platinum (South Africa, Zimbabwe).<sup>14</sup> But apart from platinum refining in South Africa, these minerals are mostly exported as unprocessed ores.

**We need to reimagine globalization to include those parts of the world left on the margins of the global division of labor, making world trade more inclusive, more sustainable, and more resilient.**

There is an unprecedented opportunity for the continent to harness its green energy potential and deploy it to the processing of the critical minerals on the continent. To do this, it needs to attract and marry together the value chain investments for both clean energy and critical minerals. No longer should the development model be extraction and export of raw commodities. Rather, processing and value addition should be prioritized on the continent. That way, trade is boosted, thousands of jobs are created for young people, and supply bottlenecks for these products are eased, all while helping close the continent’s energy access gap and meet global targets to ramp up renewable energy.

Attracting investment into these areas and becoming part of globalized supply chains for clean energy products, processed minerals, and lithium-ion batteries, for example, would make Africa part of the re-globalized world economy that we need to create. We need to reimagine globalization to include those parts of the world left on the margins of the global division of labor, making world trade more inclusive, more sustainable, and more resilient.

Despite its immense green energy potential, Africa attracts only 2% of global investment in renewable energy.<sup>15</sup> Its share of world trade has stagnated at around 3% for years.<sup>16</sup> It is time for Africa to seize the opportunity to boost both in tandem, creating jobs and prosperity by leveraging its green comparative advantages.

The continent must be bold and pursue investments for value addition and not merely extraction. It can make this possible by lowering costly barriers to investment and trade.

12 Lyes Bouchene et al., “Green Africa: A Growth and Resilience Agenda for the Continent” (McKinsey and Company, November 2021), <https://data.europa.eu/doi/10.2760/173513>.

13 Laura Cozzi, Daniel Wetzel, and Stephanie Bouckaert, “Africa Energy Outlook 2022” (Vienna: International Energy Agency, 2022).

14 Cozzi, Wetzel, and Bouckaert. “Africa Energy Outlook 2022.”

15 *Renewable Energy Market Analysis: Africa and Its Regions* (Abu Dhabi and Abidjan: International Renewable Energy Agency and African Development Bank, 2022).

16 “African Countries Trading More Outside the Continent than amongst Themselves, ECA Report” (Victoria Falls, Zimbabwe: ECA, March 1, 2024), <https://www.uneca.org/stories/african-countries-trading-more-outside-the-continent-than-amongst-themselves%2C-eca-report>.

# Intra-African trade and its potential to accelerate progress toward the SDGs

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Intra-African trade has been growing, especially with the push from the African Continental Free Trade Area (AfCFTA) which was operationalized in January 2021.<sup>1</sup> Prior to the implementation of the AfCFTA, total formal trade within the continent totaled between 12-18%.<sup>2</sup> Since its enactment, intracontinental trade has noticeably increased. This upswing in activity presents a unique opportunity to further leverage the potential of regional markets to drive sustainable development and economic prosperity.

In the evolving context of intra-African trade, significant progress has been made in creating a more integrated and sustainable economic environment across the continent. The 2030 Agenda for Sustainable Development recognizes international trade as “an engine for inclusive economic growth and poverty reduction, and contributes to the promotion of sustainable development.”<sup>3</sup>

International trade promotes efficient resource allocation and sustainability by enhancing productivity and welfare. It is governed by various policies and instruments, including non-tariff measures, technical barriers to trade, and sanitary and phytosanitary measures. Moreover, Voluntary Sustainability Standards have emerged as effective market-based tools to address sustainability challenges, ensuring that trade growth aligns with environmental and social benchmarks.<sup>4</sup>

**In the evolving context of intra-African trade, significant progress has been made in creating a more integrated and sustainable economic environment across the continent.**

Driven by the AfCFTA, intra-African trade offers considerable opportunities for continent-wide sustainable development. By promoting increased trade connectivity, Africa can foster sustained, inclusive economic growth (SDG 8), thereby creating job opportunities and building more resilient economic structures. This growth in trade connectivity naturally extends to fostering industrialization and innovation (SDG 9), which is pivotal for sustainable and inclusive industrial development. Moreover, such interconnected trade and industrial growth contribute to stabilizing food prices and improving food security (SDG 2), illustrating the broad benefits of enhanced intra-African trade.

1 “About the AfCFTA,” AfCFTA, accessed December 3, 2024, <https://au-afcfta.org/about/>.

2 This low figure of up to 18% does not include small-scale informal cross-border trade, which is significant, estimated for a number of countries to constitute up to 50% of total trade. Factoring in this trade can raise the total of intra-Africa trade as a percentage of total trade by 28 percentage points to 40%. There are also methodological errors that have tended to downplay the true significance of intra-African trade. Please see: Francis Mangeni, and Andrew Mold. “The Economic Significance of Intra-African Trade: Getting the Narrative Right” in *Borderless Africa: A Sceptic’s Guide to the Continental Free Trade Area*, 141–54. (New York, Oxford University Press, 2024.)

3 “Transforming Our World: The 2030 Agenda for Sustainable Development,” United Nations General Assembly (A/RES/70/1), October 21, 2015, <https://sdgs.un.org/2030agenda>.

4 “Understanding Voluntary Sustainability Standards: A Strengths, Weaknesses, Opportunities, and Threats Analysis” (Geneva: United Nations Conference on Trade and Development, 2023).

This economic expansion not only spurs industrial and agricultural growth but also sets the stage for significant environmental gains. By fostering an interconnected market, the AfCFTA enhances economic resilience while also promoting ecological sustainability, matching economic activities with climate action (SDG 13). This integrated approach is crucial for constructing a sustainable future where economic growth and environmental health are mutually reinforcing.

To unlock these benefits, African countries must persist in reducing trade barriers, enhancing logistical and regulatory frameworks, and investing in infrastructural connectivity. Strengthening economic cooperation and integration will lead to a more prosperous Africa and ensure that the continent plays a significant role in the global economy as a competitive, innovative, and sustainable region.

The AfCFTA offers an outstanding opportunity to boost trade in Africa while also advancing sustainable economic practices. The AfCFTA, a flagship project of Agenda 2063, which emphasizes the development of “environmentally sustainable and climate resilient economies and communities,” can be leveraged to promote investment in green sectors and the development of green investment standards.<sup>5</sup> In accordance with this goal, the African Trade Policy Centre, a unit of the Economic Commission for Africa, conducted the first ever Strategic Environmental Assessment of the AfCFTA to guide on how to incorporate environmental considerations into negotiations for phases two (investment, competition policy, and intellectual property rights) and three (e-commerce) of the agreement.<sup>6</sup>

While the AfCFTA agreement currently lacks specific provisions on climate change and green energy, it offers the flexibility to incorporate such measures in the future, as outlined in Article 23, thereby providing a framework for the potential inclusion of environmental concerns as necessitated by the member states. Moreover, the AfCFTA already has provisions to facilitate the production of environmentally friendly goods, harmonize and strengthen environmental standards, incentivize green technologies, and promote sustainable investments.<sup>7</sup>

**Since its launch, the AfCFTA has demonstrated significant progress, characterized by successful trading stories and encouraging statistical evidence.**

Since its launch, the AfCFTA has demonstrated significant progress, characterized by successful trading stories and encouraging statistical evidence. The Guided Trade Initiative, initiated by the AfCFTA Secretariat in October 2022 with seven countries, has expanded as of October 2024 to include 37 of the 54 member countries, marking a new era of commercially-meaningful trading under AfCFTA rules.<sup>8</sup>

5 “Agenda 2063: The Africa We Want” (African Union Commission, September 2015), [https://au.int/sites/default/files/documents/36204-doc-agenda2063\\_popular\\_version\\_en.pdf](https://au.int/sites/default/files/documents/36204-doc-agenda2063_popular_version_en.pdf); “Africa Should Leverage the AfCFTA to Promote Green Transition,” *ECA* (blog), October 5, 2023, <https://www.uneca.org/stories/africa-should-leverage-the-afcfta-to-promote-green-transition>.

6 “ATPC Embarks on First Ever Environmental Assessment of the AfCFTA to Usher in Green-Friendly Trade on the Continent,” *ECA*, April 8, 2021, <https://www.uneca.org/stories/atpc-embarks-on-first-ever-environmental-assessment-of-the-afcfta-to-usher-in-green-friendly>.

7 “Agenda 2063: The Africa We Want.”

8 “AfCFTA Update November 2024,” *International Trade Administration, Market Intelligence* (blog), November 1, 2024, <https://www.trade.gov/market-intelligence/afcfta-update-november-2024>.

One notable example is South Africa's inaugural shipment to Kenya under the AfCFTA, which included refrigerators, machinery, and agricultural products, symbolizing a crucial step in regional trade dynamics.<sup>9</sup> Similarly, Rwanda and Tanzania have shown how value addition can reshape trade patterns. Rwanda began trade with Ghana by exporting packaged coffee and has since diversified their shipments to include tea, avocado oil, and honey.<sup>10</sup> Tanzania has successfully traded coffee with Algeria and sisal fiber to Nigeria,<sup>11</sup> moving beyond raw commodity exports to more processed and market-ready products. Nigeria's inaugural consignments under the AfCFTA regime also included high-technology content products such as cables and smart cards to Egypt, Algeria, Uganda, Cameroon, and Kenya.<sup>12</sup>

The effectiveness of the AfCFTA is also reflected in robust trade figures. According to the Afreximbank's Africa Trade Report 2024, intra-African trade rose to \$192.2 billion in 2023, a 3.2% increase from the previous year.<sup>13</sup> This growth increased the share of formal intra-African trade from 13.6% in 2022 to 14.9% in 2023, despite global economic challenges.<sup>14</sup> Further, the United Nations Economic Commission for Africa projects a 35% increase in intra-African trade by 2045, following the full implementation of the AfCFTA.<sup>15</sup>

The AfCFTA is not only increasing trade volumes but also promoting structural economic diversification across Africa. The agreement was designed to steer economies away from reliance on commodity exports and towards a future focused on manufacturing and value-added industries. While there has been some success in this regard, the expected diversification has been slow to materialize.<sup>16</sup> This shift is crucial to achieve sustainable economic development.

The initiative's inclusivity is another critical aspect. Small and medium-sized enterprises, including those led by women, are finding new opportunities through the AfCFTA. Recent negotiations have led to a substantial draft of the Women and Youth Protocol of the AfCFTA

- 9 Luke Anami, "Kenya Imports Fridges from South Africa under AfCFTA," *Business Daily Africa*, February 1, 2024, <https://www.naeb.gov.rw/1/updates/news-detail/rwanda-dispatches-first-value-added-agri-products-consignment-to-ghana-under-afcfta>
- 10 "Rwanda Dispatches First Value Added Agri-Products Consignment to Ghana under AfCFTA," *National Agricultural Export Development Board*, accessed December 17, 2024, <https://www.naeb.gov.rw/1/updates/news-detail/rwanda-dispatches-first-value-added-agri-products-consignment-to-ghana-under-afcfta>; Jean de la Croix Tabaro, "Rwanda Exports High Value Agricultural Products to Ghana Under AfCFTA Framework," *KT PRESS*, September 25, 2024, sec. Companies, <https://www.ktpress.rw/2024/09/rwanda-exports-high-value-agricultural-products-to-ghana-under-afcfta-framework/>.
- 11 Rosemary Mirondo, "Coffee Leads Exports in AfCFTA Trials," *The Citizen*, November 3, 2023, <https://www.thecitizen.co.tz/tanzania/business/coffee-leads-exports-in-afcfta-trials-4421950>.
- 12 "Nigeria Initiates Shipment under AfCFTA Guided Trade Initiative," *Global Business Council*, July 18, 2024, <https://gbc1.net/index.php/2024/07/18/nigeria-initiates-shipment-under-afcfta-guided-trade-initiative/>; Amaka Anagor-Ewuzie, "Nigeria Records First Shipment Four Years after AfCFTA Nod," *Businessday NG*, July 17, 2024, <https://businessday.ng/news/article/nigeria-records-first-shipment-four-years-after-afcfta-nod/>.
- 13 "African Trade Report 2024: Climate Implications of the AfCFTA Implementation" (Cairo: Afreximbank, 2024), [https://media.afreximbank.com/afrexim/African-Trade-Report\\_2024.pdf](https://media.afreximbank.com/afrexim/African-Trade-Report_2024.pdf)
- 14 "African Trade Report 2024: Climate Implications of the AfCFTA Implementation."
- 15 Francis Mangeni et al., "The Promise of Free Trade and Integration Across Africa's Nations," *Foresight Africa* (podcast), Brookings Institution, October 2, 2024, <https://www.brookings.edu/articles/the-promise-of-free-trade-and-integration-across-africas-nations/>.
- 16 Franklin Olakunle Amoo and Rahul Kumbhani, "Africa's Future: The AfCFTA & Value-Added Manufacturing," *Forbes*, July 19, 2023, <https://www.forbes.com/sites/franklinamoo/2023/07/19/africas-future-the-afcfta-value-added-manufacturing/>.

designed to address challenges specific to these demographics, the first regional free trade agreement to embark on the creation of such protocols. However, at this time, provisions for non-compliance with these protocols have yet to be negotiated.<sup>17</sup>

Moreover, the AfCFTA is poised to make a substantial impact on poverty reduction. The World Bank forecasts that the initiative will lift at least 50 million Africans out of extreme poverty by 2035, a significant milestone considering the continent's broader challenges with poverty.<sup>18</sup> This effort marks the beginning of a transformative journey towards greater economic resilience and prosperity.

As these developments unfold, the AfCFTA continues to affirm its crucial role in fostering a more integrated, prosperous, and sustainable economic landscape across Africa.

To enhance the effectiveness of the AfCFTA, member states should adopt a triple helix model, which integrates government, industry, and academia to foster innovation and economic development. This collaborative approach will align the objectives of all three sectors towards enhancing trade capabilities, developing sector-specific technologies, and addressing continental challenges.

Governments need to implement policies that promote cooperation across these spheres, such as offering tax incentives for R&D, providing grants for joint projects, and facilitating the commercialization of academic research. By implementing this model within the AfCFTA framework, a dynamic ecosystem for innovation can be created, supporting the agreement's goals and propelling Africa toward greater economic integration.

Addressing current limitations and building on successes requires significantly more investment in cross-border infrastructure to ease trade. Achieving deeper integration also demands strong political commitment from all member states, which can be challenging due to diverse national interests and political environments. This holistic approach can effectively tackle complex, multi-sectoral challenges through coordinated efforts and innovative solutions, crucial for the continent's economic progression.

With concerted efforts and sustained commitment to advancing the AfCFTA, Africa has the opportunity not only to accelerate its progress towards the SDGs by 2030 but to establish a sustainable economic foundation for future generations. Indeed, the integration of economic growth with sustainable practices underscores the transformative potential of the AfCFTA, setting a path for a sustainable and prosperous African continent.

17 Prachi Agarwal, "Empowering African Women in Trade through AfCFTA's Guided Trade Initiative," *ODI: Think Change* (blog), August 15, 2024, <https://odi.org/en/insights/empowering-african-women-in-trade-through-afcftas-guided-trade-initiative/>.

18 Roberto Echandi et al., "Making the Most of the African Continental Free Trade Area: Leveraging Trade and Foreign Direct Investment to Boost Growth and Reduce Poverty" (Washington, D.C.: World Bank, 2022).

# A decade of progress, innovation, resilience, and Africa's path forward

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**Africa has a long way to go to make [the SDGs] a reality. However, they can be met if the continent collaborates and unlocks its inner strengths.**

The rush to meet the Sustainable Development Goals (SDGs) before the 2030 deadline can seem overwhelming. Africa has a long way to go to make these goals a reality. However, they can be met if the continent collaborates and unlocks its inner strengths. With the right investments, Africa's significant youth population can be empowered to strengthen the economy, minimize societal, infrastructural, and economic inequalities, and move Africa toward a technological revolution.<sup>2</sup> Multinational Development Banks (MDBs) are in a unique position to make this goal a reality.

The African Development Bank (AfDB) has solidified its vision of transforming Africa's potential into tangible opportunities through its High 5 strategic priorities: "Light up and Power Africa, Feed Africa, Industrialize Africa, Integrate Africa, and Improve the Quality of Life for the People of Africa."<sup>3</sup> Over the past decade, these priorities have positively impacted more than 400 million people, providing access to food, electricity, water, health care, and education.<sup>4</sup>

While our work has made a positive contribution toward achieving the SDGs on the continent, there is still much work to be done if we are to reach these goals by 2030, such as filling existing financing gaps. The Bank's finances have tripled over the decade, with authorized capital rising from \$94 billion in 2014 to \$318 billion by 2024.<sup>5</sup> Similarly, the African Development Fund, our concessional financing arm supporting 37 low-income countries, achieved a record \$8.9 billion during its 16th replenishment.<sup>6</sup>

1 We extend our gratitude to Nichole Grossman, Research Analyst at Brookings Africa Growth Initiative, for her outstanding research and editorial support.

2 "Unlocking Africa's Full Potential for SDG Acceleration," UNSDG, accessed December 19, 2024, <https://unsdg.un.org/latest/stories/unlocking-africa%E2%80%99s-full-potential-sdg-acceleration>, <https://unsdg.un.org/latest/stories/unlocking-africa%E2%80%99s-full-potential-sdg-acceleration>.

3 "The High 5s (2013 - 2022)," African Development Bank Group, accessed December 19, 2024, <https://www.afdb.org/en/high5s>.

4 "The Bank at 60," African Development Bank Group (African Development Bank Group, August 1, 2024), <https://www.afdb.org/en/about/overview/history/bank-60>.

5 "African Development Bank Annual Report 2015" (Abidjan: African Development Bank, 2015); "African Development Bank Group Board of Governors Approves \$117 Billion General Callable Capital Increase," *African Development Bank Group*, June 2, 2024, <https://www.afdb.org/en/news-and-events/press-releases/african-development-bank-group-board-governors-approves-117-billion-general-callable-capital-increase-71459>.

6 "African Development Fund Mobilizes \$8.9 Billion for Africa's Low-Income Countries, the Highest in its 50-Year History," *African Development Bank Group*, December 6, 2022, <https://www.afdb.org/en/news-and-events/press-releases/african-development-fund-mobilizes-89-billion-africas-low-income-countries-highest-its-50-year-history-57132>.

The Bank's growth has allowed it to provide financing to development projects across sectors throughout the continent. Despite these record investments, development funding requires a threefold increase to provide enough capital to meet the SDGs.<sup>7</sup> It is imperative that every dollar invested is maximized to make the greatest impact. Financing projects that address the social and institutional determinants of inequality is a way to do just that.<sup>8</sup>

A few key areas in which the Bank is focusing on structural transformation for the SDGs—including health, agriculture, and energy access—are highlighted below.

### 1. *Health access for all*

The COVID-19 pandemic underscored Africa's vulnerability in global health supply chains, and unequal health infrastructure left many Africans without access to medications or health care services.<sup>9</sup> In response, we established the \$3 billion African Pharmaceutical Technology Foundation to enhance local manufacturing of essential medicines and vaccines, complemented by an additional \$3 billion investment through our quality health infrastructure strategy. These efforts helped to combat the challenges which arose from the pandemic as well as contributing to sustainable solutions to entrenched health care issues on the continent.

### 2. *Agricultural transformation*

The agriculture industry constitutes roughly 23% of sub-Saharan Africa's Gross Domestic Product and is the number one employer on the continent. Investing in agriculture creates benefits for the economy as well as those experiencing hunger, reduces instances of poverty through job creation, and, if done sustainably, slows climate change, among other advantages.<sup>10</sup> The Bank's \$7 billion investment under its "Feed Africa" strategy has impacted more than 100 million people,<sup>11</sup> while the Technologies for African Agricultural Transformation initiative seeks to address "cross-cutting issues such as soil fertility management, water management, capacity development, policy support, attracting African youth in agribusiness, and fall armyworm response."<sup>12</sup> Climate-resilient crop varieties have reached over 11 million smallholder farmers across 31 countries,

7 Amar Bhattacharya et al., "Financing a Big Investment Push in Emerging Markets and Developing Countries for Sustainable, Resilient and Inclusive Recovery and Growth." (London; Washington D.C.: Grantham Research Institute on Climate Change and the Environment; Center for Sustainable Development at Brookings Institution, May 2022).

8 Frederique Autin and Fabrizio Butera, *Institutional Determinants of Social Inequality* (Lausanne: Frontiers Media SA, 2016), <https://doi.org/10.3389/978-2-88919-785-9>; Eshetu B. Worku and Selamawit A. Woldeesenbet, "Poverty and Inequality – but of What - as Social Determinants of Health in Africa?," *African Health Sciences* 15, no. 4 (2015): 1330–38, <https://doi.org/10.4314/ahs.v15i4.36>.

9 Blessing Takawira and Raborale I. D. Poole, "Supply Chain Disruptions during COVID-19 Pandemic: Key Lessons from the Pharmaceutical Industry," *South African Journal of Business Management* 55, no. 1 (n.d.): 4048, <https://doi.org/10.4102/sajbm.v55i1.4048>.

10 Anthony Muchoki, "Why Agriculture Matters in Africa: The Continent's Number One Employer | Agrilinks," *Feed the Future: US Government's Global Hunger and Food Security Initiative* (blog), August 14, 2024, <https://agrilinks.org/post/why-agriculture-matters-africa-continent-number-one-employer/>; "Climate-Smart Agriculture," World Bank, accessed December 19, 2024, <https://www.worldbank.org/en/topic/climate-smart-agriculture>.

11 "Feed Africa," African Development Bank Group (Abidjan: African Development Bank Group, June 8, 2019), <https://www.afdb.org/en/the-high-5/feed-africa>.

12 "About TAAT," African Development Bank Group (Abidjan: African Development Bank Group, June 4, 2020), <https://www.afdb.org/en/topics-and-sectors/initiatives-partnerships/technologies-african-agricultural-transformation-taat/about-taat>.

working to produce 100 million metric tons of food by 2025.<sup>13</sup> At the 2023 Dakar 2 Feed Africa summit, co-hosted with Senegal and the African Union, 34 African leaders and development partners mobilized over \$72 billion—including \$10 billion from the Bank—for national food and agriculture delivery compacts.<sup>14</sup>

### 3. *Electrifying the continent*

Africa is the most energy-deficient continent in the world, with 75% of those without energy access in the world residing in Africa.<sup>15</sup> Roughly 600 million people lacked access to energy in 2022.<sup>16</sup> To address this problem, the African Development Bank, in partnership with the World Bank, launched Mission 300 in 2024, an initiative intending to cut that number in half by 2030.<sup>17</sup> The first wave of programs funded through Mission 300 has begun, such as the Accelerating Sustainable and Clean Energy Access Transformation program in East and Southern Africa,<sup>18</sup> the Nigeria Distributed Access through Renewable Scale-UP project, which is aiming to provide 17.5 million Nigerians with new or improved clean energy solutions;<sup>19</sup> the new Regional Emergency Solar Power Intervention Project in Chad, Liberia, Sierra Leone, and Togo;<sup>20</sup> and the West Africa Power Pool, which has already made progress by connecting 22.8 million people with new or improved clean energy access.<sup>21</sup> This effort will gain further momentum at the High-level Africa Energy Summit in Tanzania in January 2025.<sup>22</sup>

Despite the progress that has been made in projects like these that target multiple SDGs, there remains much more to be done. Africa's health care security is still in jeopardy, with 99% of vaccines and 95% of medicines being imported as of 2022.<sup>23</sup> Additionally, donor health

13 "Feed Africa"; "Taata-Africa – Strengthening African Countries," African Development Bank Group, (Abidjan: African Development Bank Group). Accessed December 19, 2024, <https://taata-africa.org/>; "About TAAT."

14 Charles Dietz, "Time for Africa to Feed Itself – Dakar 2 Summit Takes Africa's Food Agenda Forward," *African Business*, February 28, 2023, <https://african.business/2023/02/resources/time-for-africa-to-feed-itself-dakar-2-summit-takes-africas-food-agenda-forward>.

15 Gracelin Baskaran and Sophie Coste, "Achieving Universal Energy Access in Africa amid Global Decarbonization," Center for Strategic and International Studies January 31, 2024, <https://www.csis.org/analysis/achieving-universal-energy-access-africa-amid-global-decarbonization>.

16 Baskaran and Coste, "Achieving Universal Energy Access in Africa amid Global Decarbonization."

17 "Mission 300 Is Powering Africa," World Bank, accessed December 19, 2024, <https://www.worldbank.org/en/programs/energizing-africa>; "Connecting Millions to Electricity in Africa With Mission 300," *World Bank*, September 19, 2024, <https://www.worldbank.org/en/news/feature/2024/09/19/five-ways-the-world-bank-will-achieve-mission-300>.

18 "100 Million People in Eastern and Southern Africa Poised to Receive Access to Sustainable and Clean Energy by 2030," *World Bank*, November 28, 2023, <https://www.worldbank.org/en/news/press-release/2023/11/28/100-million-people-in-afe-eastern-and-southern-africa-poised-to-receive-access-to-sustainable-and-clean-energy-by-2030>.

19 "Nigeria to Expand Access to Clean Energy for 17.5 Million People," *World Bank*, December 14, 2023, <https://www.worldbank.org/en/news/press-release/2023/12/15/nigeria-to-expand-access-to-clean-energy-for-17-5-million-people>.

20 "Development Projects: Regional Emergency Solar Power Intervention Project - P179267," World Bank, accessed December 20, 2024, <https://projects.worldbank.org/en/projects-operations/project-detail/P179267>.

21 "Scaling Up Energy Access for Green, Resilient, and Inclusive Development in Western and Central Africa," *World Bank*, November 17, 2023, <https://projects.worldbank.org/en/results/2023/11/17/scaling-up-energy-access-for-green-resilient-and-inclusive-development-in-western-and-central-africa>.

22 Gertrude Mbago, "Mission 300 Initiative: Tanzania at Centre Stage to Drive Africa's Energy Development," *The Guardian*, January 8, 2025, sec. Features, <https://www.ippmedia.com/the-guardian/features/read/mission-300-initiative-tanzania-at-centre-stage-to-drive-africas-energy-development-2025-01-07-180307>.

23 AbdulRahman A Saied et al., "Strengthening Vaccines and Medicines Manufacturing Capabilities in Africa: Challenges and Perspectives," *EMBO Molecular Medicine* 14, no. 8 (June 27, 2022): e16287, <https://doi.org/10.15252/emmm.202216287>.

**Africa's banks have an essential role in transforming the continent, elevating its people, and establishing the continent as a global leader.**

funding has been on the decline.<sup>24</sup> Solutions to Africa's health care challenges must derive from Africa.<sup>25</sup> Summits like the Dakar 2 Feed Africa Summit and the High-level Africa Energy Summit are crucial to advancing the SDGs across sectors through innovative technology and strategic intra-African partnerships.

Future summits should focus on ways to capitalize on the African Continental Free Trade Area Agreement so countries can leverage their agricultural, pharmaceutical, or energy comparative advantages to grow their economies through intra-African trade.<sup>26</sup> The Bank's Mission 300 and similar initiatives—such as Power Africa by the US Agency for International Development and the Energy Transition Program by the African Union—<sup>27</sup> are imperative for Africa's chances of achieving the SDGs. More financing is needed to ensure the existing gaps to achievement are addressed.

Our endeavors have provided us with important lessons to be learned when implementing development financing in Africa. Globally, the Bank has advocated for innovative financing mechanisms, including rechanneling Special Drawing Rights through MDBs, which could unlock development finance up to eight times the initial value. Africa's banks have an essential role in transforming the continent, elevating its people, and establishing the continent as a global leader. They must continue to mobilize private and public investments that target critical sectors including transport, energy, agriculture, education, climate change, and health, which affect the indicators of almost all the SDGs. Bringing together various stakeholders through summits is a vital opportunity to build upon already-instrumental initiatives and learn from the past and present experiences of others. These conversations can propel the continent forward and accelerate progress toward the SDGs.

24 Allison Krugman, "Africa's Health Financing Gap | Think Global Health," *Council on Foreign Relations* (blog), August 29, 2024, <https://www.thinkglobalhealth.org/article/africas-health-financing-gap>.

25 "African Development Bank Group Board of Governors Approves \$117 Billion General Callable Capital Increase."

26 "About the AfCFTA," African Union, accessed December 3, 2024, <https://au-afcfta.org/about/>.

27 "Energy Transition Programme | AFREC," African Union, accessed December 19, 2024, <https://au-afrec.org/energy-transition-programme>; "Power Africa," U.S. Agency for International Development accessed December 19, 2024, <https://www.usaid.gov/powerafrica>.

# Pathways to sustainable development in Africa: Afreximbank's role

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Success in reaching the Sustainable Development Goals (SDGs) in Africa has hinged on the availability of the financing needed to implement the necessary reforms. Current spending levels have left a roughly \$800 billion gap in funding for reaching the goals by 2030.<sup>2</sup> Both the IMF and the World Bank have taken steps to alleviate this need. However, they cannot do it alone; regional banks need to step up and fill this gap.<sup>3</sup> These institutions already have the development frameworks and monitoring teams in place to ensure financial effectiveness. The African Development Bank, for example, has already partnered with the United Nations Development Programme to accelerate investments in green and blue economies in Africa.<sup>4</sup> In September 2024, during the Summit of the Future, leaders of the United Nations met with the heads of ten multilateral development banks (MDBs) to discuss steps that need to be taken to accelerate progress toward the SDGs. The range of activities discussed was wide, and included scaling-up MDB finance capacity, boosting action on climate adaptation, and generating investment from the private sector.<sup>5</sup>

Afreximbank has worked to contribute to the attainment of the SDGs through several critical avenues, namely, implementing the African Continental Free Trade Agreement (AfCFTA), powering industrial development, investing in critical energy, establishing industrial and trade-enabling infrastructure, building viable creative industries that support youth and women, and facilitating improved access to quality health care.<sup>6</sup> Many challenges still hinder attempts to fully realize these outcomes, such as a lack of financing and effective coordination with governments. Nevertheless, overcoming these challenges and implementing these initiatives, which have the potential to create jobs, improve livelihoods, and reduce poverty in Africa, are the primary focus of Afreximbank.

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- 2 Amar Bhattacharya et al., "Financing a Big Investment Push in Emerging Markets and Developing Countries for Sustainable, Resilient and Inclusive Recovery and Growth." (London; Washington D.C.: Grantham Research Institute on Climate Change and the Environment; Center for Sustainable Development at Brookings Institution, May 2022).
- 3 Hassatou Diop N'Sele and Gustavo De Rosa, "Opinion: Time to Empower Regional Development Banks for SDG Financing," *African Development Bank Group* (blog) (Abidjan: African Development Bank Group, November 18, 2022), <https://www.afdb.org/en/news-and-events/opinion-time-empower-regional-development-banks-sdg-financing-56621>.
- 4 "UNDP and African Development Bank Explore SDG Investments in Africa's Blue and Green Economies | Private Finance for the SDGs," *UNDP*, accessed December 19, 2024, <http://sdgprivatefinance.undp.org/resources/news/undp-and-african-development-bank-explore-sdg-investments-africas-blue-and-green>.
- 5 "UN, Development Banks Partner for Sustainable Development Goals," *ISDB*, September 22, 2024, <https://www.isdb.org/news/un-development-banks-partner-for-sustainable-development-goals>.
- 6 "About Us," African Export-Import Bank, accessed December 10, 2024, <https://www.afreximbank.com/our-bank/about-us/>.

**The Pan-African Payment and Settlement System, which supports cross-border payments in national currencies ... will help cut the \$5 billion in foreign exchange costs associated with intra-African payments.**

Afreximbank supports the implementation of the AfCFTA<sup>7</sup> by directly financing intra-African trade and investments as well as indirectly, through AfCFTA-facilitating initiatives. The latter include:

1. The Pan-African Payment and Settlement System, which supports cross-border payments in national currencies.<sup>8</sup> This system will help cut the \$5 billion in foreign exchange costs associated with intra-African payments and the time to make such payments from an average of 5 days to under 12 seconds, all while promoting financial inclusion by formalizing the \$30 billion annually of informal sector cross-border trade.<sup>9,10</sup>
2. The AfCFTA Adjustment Fund,<sup>11</sup> which supports eligible AfCFTA-participating states to adjust in an orderly manner to the new AfCFTA trade regime.
3. The African Collaborative Transit Guarantee Scheme, which helps smooth cross-border transportation and saves the continent roughly \$300 million annually in transit costs.<sup>12</sup>

These and other Afreximbank-sponsored AfCFTA-enablers are helping to optimize the benefits of freer intra-African trade, including raising income by 7% (or \$450 billion) by 2035 and lifting 40 million people out of extreme poverty.<sup>13</sup> Collectively, these initiatives take Africa closer to reaching SDGs 8 (decent work and economic growth), 10 (reduced inequality), 11 (sustainable cities and communities), 12 (responsible consumption and production), 13 (climate change), and 17 (partnerships for the goals).

Afreximbank and its investee company, Arise Integrated Industrial Platform, actively invest in developing special industrial zones.<sup>14</sup> Special industrial zones have already been developed in Benin, Chad, Gabon, Rwanda, and Togo, and projects are underway in Botswana, Côte d'Ivoire, the Democratic Republic of the Congo, Kenya, Malawi, Nigeria, Zambia, and more. These special industrial zones are creating continental value chains that are helping to boost intra-African trade and investments and providing opportunities for small businesses, particularly those which are run by or employ youth and women. The Gabon Special Economic Zone has so far created over 20,000 direct and indirect jobs and attracted about \$1.6 billion

7 "About the AfCFTA," African Union, accessed December 3, 2024, <https://au-afcfta.org/about/>.

8 "How It Works - Make Instant and Secure Cross-border Payments in Local Currencies Across Africa," PAPSS, October 20, 2021, <https://papss.com/how-it-works/>.

9 David Luke, "Understanding African Trade Is Key to Helping its Development," LSE Research for the World, January 24, 2023, <https://www.lse.ac.uk/research/research-for-the-world/economics/understanding-african-trade-is-key-to-helping-its-development>.

10 "UNCTAD Data Hub," United Nations, accessed November 24, 2024, <https://unctadstat.unctad.org/EN/>.

11 Benedict Okey Oramah, "Facilitating the Transformational AfCFTA: Tools for Eliminating Bottlenecks," Brookings Institution, March 11, 2021, <https://www.brookings.edu/articles/facilitating-the-transformational-afcfta-tools-for-eliminating-bottlenecks/>.

12 "Afreximbank Issues the First-Ever Multi-Border Transit Bond in Zambia under the Afreximbank African Collaborative Transit Guarantee Scheme (AATGS)," APO Group - Africa Newsroom, October 24, 2023, <https://afreximbank.africa-newsroom.com/press/afreximbank-issues-the-first-ever-multi-border-transit-bond-in-zambia-under-the-afreximbank-african-collaborative-transit-guarantee-scheme-aatgs?lang=en>.

13 "Free Trade Deal Boosts Africa's Economic Development," World Bank, February 7, 2023, <https://www.worldbank.org/en/topic/trade/publication/free-trade-deal-boosts-africa-economic-development>.

14 "Arise Integrated Industrial Platforms - Making Africa Thrive," Arise Integrated Industrial Platforms accessed December 10, 2024, <https://www.ariseiip.com/>.

**Afreximbank's \$2 billion Creative Africa Nexus (CANEX) initiative is helping to bridge the funding gap in Africa's creative industries ... providing funding for infrastructure and boosting activities throughout the creative value chains.**

in foreign direct investments, in turn assisting Gabon in reaching SDG 1 (no poverty).<sup>15</sup> This is expected to grow as more investors take up opportunities in the zone. The textile and garment units of Togo's Adétikopé Industrial Platform, as well, would create approximately 20,000 direct jobs and transform around 30,000 tons of locally produced cotton per year if investors choose to participate.<sup>16</sup> The African Union has promoted such initiatives and referred to special economic zones, a category under which these activities fall, as "one of the main instruments that stimulate economic reforms, promote quality foreign direct investments (FDIs), and accelerate industrialization across the continent."<sup>17</sup>

Given the dominance of youth and women in the creative economy, this industry also represents a vital avenue for promoting their economic development.<sup>18</sup> Afreximbank's \$2 billion Creative Africa Nexus (CANEX) initiative is helping to bridge the funding gap in Africa's creative industries.<sup>19</sup> CANEX is providing funding for infrastructure and boosting activities throughout the creative value chains—from sports to movies, music, fashion, arts and crafts, culinary and gastronomy, and other related activities. In addition to financing, support includes initiatives to commercialize Africa's creative content and protect intellectual property rights through the newly established company CANEX Creations Incorporated.<sup>20</sup> These protections will help increase Africa's share of the global creative economy, valued at \$2 trillion. Other interventions involve addressing market access opportunities, capacity and skills development, and exchange. Each of these initiatives push the continent closer to meeting SDG 8 (decent work and economic growth) by addressing the high level of unemployment within the large working-age youth population across Africa.

The health sector is another significant priority for Afreximbank. The Bank is heavily investing in creating world-class medical facilities across Africa to improve access to quality health care. For instance, it has invested about \$300 million in developing the African Medical Centre of Excellence in Abuja, Nigeria, a quaternary-level medical center focused on oncology, haematology, cardiology, and general care.<sup>21</sup> Similar facilities will soon be built in other parts of Africa. Investments are also being provided to upgrade or expand local medical facilities

15 "Home," Gabon Special Economic Zone, May 13, 2024, <https://gsez.com/en/>.

16 "Manufacturing," PIA Togo, April 7, 2023, <https://pia-togo.com/business-verticals/manufacturing/>.

17 "African Special Economic Zones: Engine for Resilience and Accelerator for Sustainable Industrial Value Chains Development." African Union, accessed December 19, 2024, <https://au.int/en/pressreleases/20221201/african-special-economic-zones-engine-resilience-and-accelerator-sustainable>.

18 According to M'Hamdi and Jaïdi, the cultural and creative industries in Africa employ more people aged 15-29 than any other sector (20% of total employment in those sectors); Nezha Alaoui, M Hammdi, and Larabi Jaïdi, "The Cultural and Creative Industries in Africa and Latin America: A Diver for Transatlantic Cooperation," (Rabat: Policy Center for the New South, September 2023), [https://www.policycenter.ma/sites/default/files/2023-09/Report%20-%20The%20Cultural%20and%20Creative%20Industries%20in%20Africa%20and%20Latin%20America\\_0.pdf](https://www.policycenter.ma/sites/default/files/2023-09/Report%20-%20The%20Cultural%20and%20Creative%20Industries%20in%20Africa%20and%20Latin%20America_0.pdf).

19 Afreximbank, "Afreximbank Announces Aim to Double CANEX Funding to \$2 Billion to Boost Africa's Creative Economy" African Export-Import Bank, October 18, 2024, <https://www.afreximbank.com/afreximbank-announces-aim-to-double-canex-funding-to-2-billion-to-boost-africas-creative-economy>.

20 "Afreximbank's Creative Africa Nexus (CANEX) Announces the Release of Groundbreaking EP 'One Drum,' - African Export-Import Bank," August 16, 2024, <https://www.afreximbank.com/afreximbanks-creative-africa-nexus-canex-announces-the-release-of-groundbreaking-ep-one-drum>.

21 "Africa Finance Corporation Commits up to US\$40 Million Equity Investment in the African Medical Centre of Excellence (AMCE Abuja) to Revolutionise Healthcare Advancements in West Africa," African Finance Corporation 2024, <https://www.africafc.org/news-and-insights/news/africa-finance-corporation-commits-up-to-us-40-million-equity-investment-in-the-african-medical-centre-of-excellence-amce-abuja-to-revolutionise-healthcare-advancements-in-west-africa>.

in many African countries. Afreximbank is not the only development bank to engage in such activities. Many development banks are working in this area with large investment projects.<sup>22</sup> Until recently, these projects were occurring simultaneously but without coordination, which has, at times, led to duplicating efforts while leaving many needs unaddressed.<sup>23</sup> To begin to address this issue, the African Development Bank and its partners recently created the “Guidance for developing inclusive health infrastructure” report, which identifies three infrastructure priorities to create a more evenly-distributed health network. These include connecting primary health care infrastructure to programs, improving comprehensive infrastructure needed for public goods such as sanitation and water, investing in the development of secondary and tertiary health care facilities that include clinics for specialized care, and implementing diagnostic infrastructure.<sup>24</sup> Investments that meet standardized guidelines are more likely to provide equal health care access and availability across Africa, creating a higher likelihood of addressing the gaps in achieving SDG 3 (good health and well-being).

Access to steady electricity is still elusive for many across the continent, hindering much of the progress toward most of the SDGs. Afreximbank is actively supporting various investments in energy infrastructure. The construction of the Rufiji dam in Tanzania,<sup>25</sup> which is expected to increase access to electricity for millions of Tanzanians, bringing access from 67.5% to an unprecedented 100% by 2025, is one such initiative supported by Afreximbank.<sup>26</sup> The spillover effects are enormous in Tanzania and across East Africa, accelerating progress toward SDG 3 (good health and well-being). The World Bank Group and the African Development Bank are also working to provide access to electricity to 300 million people across sub-Saharan Africa through “Mission 300.” If successful, this initiative will address half of the continent’s current electricity needs.<sup>27</sup> However, even with ambitious initiatives such as this one, more work is needed.

- 22 “WHO and Multilateral Development Banks Kick off US\$ 1.5 Billion Primary Health Financing Platform with New Funds and Launch of First Investment Plans in 15 Countries,” *Reliefweb*, September 23, 2024, <https://reliefweb.int/report/burundi/who-and-multilateral-development-banks-kick-us-1.5-billion-primary-health-financing-platform-new-funds-and-launch-first-investment-plans-15-countries-enru>; “African Development Bank and Partners Unveil Guidance to Transform Healthcare Infrastructure in Africa,” *African Development Bank Group*, December 12, 2024, <https://www.afdb.org/en/news-and-events/african-development-bank-and-partners-unveil-guidance-transform-healthcare-infrastructure-africa-79525>; “IFC and Development Partners Make Landmark Health Care Investment in East and Southern Africa,” *IFC*, November 23, 2019, <https://www.ifc.org/en/pressroom/2019/ifc-and-development-partners-make-landmark-health-care-investment-in-east-and-southern-africa>.
- 23 Olusesan Ayodeji Makinde et al., “Duplication of Effort across Development Projects in Nigeria: An Example Using the Master Health Facility List,” *Online Journal of Public Health Informatics* 10, no. 2 (September 21, 2018): e208, <https://doi.org/10.5210/ojphi.v10i2.9104>.
- 24 “African Development Bank and Partners Unveil Guidance to Transform Healthcare Infrastructure in Africa,” *African Development Bank*, December 12, 2024, <https://www.afdb.org/en/news-and-events/african-development-bank-and-partners-unveil-guidance-transform-healthcare-infrastructure-africa-79525>.
- 25 Marwa Abo Almajd, “Afreximbank Extends \$500m Credit Facility to Elsewedy Electric and Arab Contractors Company,” (Zawya, November 13, 2023), <https://www.zawya.com/en/projects/utilities/afreximbank-extends-500mln-credit-facility-to-elsewedy-electric-and-arab-contractors-company-idp8hycv>.
- 26 Saleh Pamba et al., “The Report on Responses and Mitigations: Beyond the True Cost of Power,” (Tanzania High Commission New Delhi, India, March 2019), [https://www.in.tzembassy.go.tz/uploads/SGR\\_Report.pdf](https://www.in.tzembassy.go.tz/uploads/SGR_Report.pdf).
- 27 “Connecting Millions to Electricity in Africa With Mission 300,” *World Bank*, September 19, 2024, <https://www.worldbank.org/en/news/feature/2024/09/19/five-ways-the-world-bank-will-achieve-mission-300>.

The path towards realization of the SDGs is clear. Regional development banks across Africa and their partners must continue to invest in job creation opportunities that will help build local wealth and lift millions out of poverty. In this regard, continued investments and policy support for these critical initiatives, among others, remain vital to attaining the SDGs. However, banks cannot do this without the support of African governments, which must prioritize working with institutions that are at the core of tackling Africa's development challenges, particularly African multilateral development institutions such as Afreximbank. Large financing gaps remain for Africa to achieve the SDGs by 2030. Africa's multilateral financial institutions have an opportunity to provide the investments necessary to bridge them.

# Africa's strategic positioning in the global green revolution and critical minerals race

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**Africa is a key player in the energy transition, holding approximately 30% of the world's largest mineral reserves.**

Africa stands at the crossroads of the transformation required by the global green revolution agenda, spurred by climate change imperatives and the rapid shift toward clean energy technologies. The demand for critical or “green”<sup>1</sup> minerals, such as lithium, cobalt, copper, nickel, graphite, and rare earth elements, is surging,<sup>2</sup> driven by the rise of electric vehicles, renewable energy systems, and energy storage solutions across the world. Africa is a key player in the energy transition, holding approximately 30% of the world's largest mineral reserves,<sup>3</sup> including 70% of cobalt.<sup>4</sup> The critical minerals race presents an immense opportunity for Africa to go beyond extraction. Africa could become a global hub for critical mineral processing and the production of green technologies through a vertically integrated value chain that includes mining, processing, manufacturing, and technology development. However, Africa must act proactively, decisively, and quickly to secure its place in the global minerals value chains.

Africa's visions and strategies such as Agenda 2063,<sup>5</sup> the Africa Mining Vision (AMV),<sup>6</sup> the African Commodity Strategy, and the forthcoming African Green Minerals Strategy (AGMS) collectively emphasize the need for Africa to transform its mineral wealth into sustainable, value-added industries.<sup>7</sup> The AGMS specifically highlights the importance of positioning Africa as a key player in the green transition, advocating for the responsible extraction and processing of green minerals while promoting industrialization and green technology development.

What will it take? By 2030, African policymakers must adopt innovative approaches to fully implement these strategies by developing coherent policies at all levels to ensure that the ecosystems around value addition and industrialization are developed, including the requisite

1 In the AU's forthcoming African Green Minerals Strategy (AGMS), green minerals are those that are used in clean-energy technologies and green industries, and those that are feedstocks into the mining supply chain. The draft AGMS will be introduced for adoption by Ministers at an Extraordinary Specialized Technical Committee meeting of Trade, Industry, and Minerals on December 9-13, 2024, in Ethiopia.

2 Mineral demand for clean energy technologies is expected to almost triple by 2030 and quadruple by 2040. See: “Global Critical Minerals Outlook 2024,” (Paris: IEA, May 2024). <https://iea.blob.core.windows.net/assets/ee01701d-1d5c-4ba8-9df6-abeac9de99a/GlobalCriticalMineralsOutlook2024.pdf>

3 “Our Work in Africa,” United Nations Environment Programme, accessed December 13, 2024, <https://www.unep.org/regions/africa/our-work-africa>.

4 “Approach Paper towards Preparation of an African Green Minerals Strategy” African Natural Resources Management and Investment Centre, (Abidjan: African Development Bank, December 2022), [https://www.afdb.org/sites/default/files/documents/publications/approach\\_paper\\_towards\\_preparation\\_of\\_an\\_african\\_green\\_minerals\\_strategy.pdf](https://www.afdb.org/sites/default/files/documents/publications/approach_paper_towards_preparation_of_an_african_green_minerals_strategy.pdf).

5 “Agenda 2063: The Africa We Want,” African Union, accessed December 13, 2024, <https://au.int/en/agenda2063/overview>.

6 “Africa Mining Vision 2009” (African Union, February 2009). <https://au.int/en/ti/amv/about>

7 Directorate of Information and Communication, “Africa's Commodities Strategy: Value Addition for Global Competitiveness.” *African Union*, September 2, 2021, <https://au.int/en/pressreleases/20210902/africas-commodities-strategy-value-addition-global-competitiveness>; “Approach Paper towards Preparation of an African Green Minerals Strategy.”

infrastructure, skills, technology, regional cooperation, and capital. Since channeling domestic private savings into productive sectors through Africa's capital markets is one of the best avenues for domestic resource mobilization, the African Minerals and Energy Classification and Management System<sup>8</sup> and the Pan-African Reporting Code by the African Minerals Development Centre<sup>9</sup> will be pivotal and transformative for facilitating access to African capital markets. Standardizing resource estimation and reporting across Africa will create frameworks that bolster investor confidence by enhancing transparency and governance in Africa's critical minerals sector and unlock the continent's capital markets, leading to value addition and economic diversification.<sup>10</sup> Public-private partnerships and joint ventures are also essential for mobilizing the necessary capital.<sup>11</sup> African governments should tap into the growing climate finance market by aligning national goals with those of global climate.

Lastly, regional cooperation is vital for Africa to benefit from the critical minerals race. The African Continental Free Trade Area should be leveraged to foster intra-African collaboration to build integrated value chains, share best practices, and pool resources for large-scale projects.<sup>12</sup> The development of regional hubs for mineral processing and manufacturing will boost Africa's global competitiveness.

8 "African Mineral and Energy Resources Classification and Management System (AMREC)" (African Union, August 31, 2019), <https://au.int/sw/node/44206>.

9 "Launch of the Pan African Resource Reporting Code" (African Union, April 3, 2024), <https://au.int/en/newsevents/20240403/launch-pan-african-resource-reporting-code>.

10 Barbara Buchner et al., "Global Landscape of Climate Finance 2023" (Climate Policy Initiative, November 2, 2023), <https://www.climatepolicyinitiative.org/publication/global-landscape-of-climate-finance-2023/>.

11 "Mobilizing the Private Sector to Drive Development in Africa," *World Bank*, December 1, 2023, <https://projects.worldbank.org/en/results/2023/12/01/mobilizing-the-private-sector-to-drive-development-in-africa>.

12 "About the AfCFTA," African Union, accessed December 3, 2024, <https://au-afcfta.org/about/>.



## 2

# The Sustainable Development Goals: Accelerating progress

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# Getting the SDGs back on track in Africa

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**Instead of chasing individual SDGs in isolation, African countries and their partners must harness the powerful, mutually reinforcing synergies among the goals.**

Halfway through the Sustainable Development Goals (SDGs) timeline, only 17% of the targets are on track globally and almost 35% are stagnating or regressing.<sup>1</sup> The picture across Africa follows a similar trend.<sup>2</sup> Reversing this troubling trajectory in Africa will require a bold, new strategic approach, adequate and affordable financing, and renewed political commitment. The path to progress is clear, but it demands a radical shift: Instead of chasing individual SDGs in isolation, African countries and their partners must harness the powerful, mutually reinforcing synergies among the goals. Emphasizing key enablers like technology and energy over individual indicators can boost economic output, spur innovation, encourage value-addition in economic activity, protect the planet, create jobs, and enhance human capital. An allied imperative required to get the SDGs back on track in Africa is reforming the way Africa's development is financed. Coordinated global efforts to improve tax efficiency along with an increased use of creative mechanisms to finance sustainable development will unlock Africa's immense potential.

The United Nations' (UN) Pact for the Future articulates a new multilateral framework that can help African countries move toward achieving the SDGs faster and outlines clear pathways toward ending poverty, reforming trade, addressing critical financing gaps, and protecting the planet.<sup>3</sup> Of particular note is the annexed Declaration on Future Generations, which calls for concerted action to secure the well-being of generations to come.<sup>4</sup> Africa's path to achieving the SDGs is within reach—but only if the commitments in the Pact are more than just promises on paper. Immediate implementation is the only way forward. This is why U.N. agencies like the United Nations Development Programme (UNDP) are working across the continent to foster innovation, strengthen capacity, and invest in Africa's future.<sup>5</sup>

Before the COVID-19 pandemic, African countries were experiencing slow but steady progress. On average, Africa's GDP grew by 3.3% annually between 2010 and 2019,<sup>6</sup> while net capital inflows rose from \$70 billion in 2007 to \$113 billion in 2017, providing some optimism

1 "The Sustainable Development Goals Report 2024," (New York: United Nations, 2024), <https://unstats.un.org/sdgs/report/2024/>.

2 "2024 Africa Sustainable Development Report | Reinforcing the 2030 Agenda and Agenda 2063 and Eradicating Poverty in Times of Crises: The Effective Delivery of Sustainable, Resilient and Innovative Solutions" (Addis Ababa, Abidjan, New York, Addis Ababa: African Union, African Development Bank, United Nations Development Programme, and United Nations Economic Commission for Africa, 2024).

3 "The Pact for the Future," United Nations General Assembly (A/RES/79/1), September 22, 2024.

4 "REV3 Declaration on Future Generations" (United Nations, n.d.), <https://www.un.org/sites/un2.un.org/files/soft-declaration-on-future-generations-rev3.pdf>.

5 "Home | United Nations Development Programme," accessed UNDP December 18, 2024, <https://www.undp.org/>.

6 Mayowa Kuyoro et al., "Reimagining Africa's Economic Growth: Turning Diversity into Opportunity" (McKinsey & Company, June 5, 2023), <https://www.mckinsey.com/mgi/our-research/reimagining-economic-growth-in-africa-turning-diversity-into-opportunity>.

that more countries would be in a better position to invest in key sectors and capabilities.<sup>7</sup> However, the pandemic disrupted Africa's SDG aspirations. Development gains were eroded, as seen in the historic drop in the Human Development Index in 2020/21.<sup>8</sup> In addition, roughly 23 million Africans were pushed back into poverty in 2020,<sup>9</sup> millions of children could not attend school,<sup>10</sup> inequalities deepened, and millions suffered disruptions to health services.<sup>11</sup> Unfortunately, the pandemic and subsequent geopolitical and supply chain shocks further stymied progress in African countries.<sup>12</sup>

The IMF's October 2024 World Economic Outlook painted a gloomy picture, noting that the anemic near-term global GDP growth is insufficient to eradicate poverty, create adequate jobs, or generate enough fiscal revenue to service debt.<sup>13</sup> This sobering assessment highlights the dual growth conundrum facing African countries. African economies must grow much faster than the medium-term GDP estimates, and the type of growth matters. High growth rates alone will not accelerate attainment of the SDGs in Africa if they do not create jobs or generate wealth. Addressing these issues requires concerted and coordinated actions by African countries and their development partners on four fronts.

First, African countries must transition from focusing on individual SDG targets to adopting an "SDG ecosystem approach," which entails prioritizing core activities that improve multiple SDGs. For instance, promoting smart agriculture reduces poverty, creates jobs, enhances human capital, reduces income inequality, and mitigates hunger in a way that protects the planet. This approach helps consolidate resources and action by both public and private development actors. UNDP's Regional Stabilization Facility, which operates on this principle, has reached 1.7 million people (including 1 million women) across six countries. It has helped resettle more than 500,000 internally displaced persons by strengthening regional institutional capacities, thereby putting many communities back on track to attain multiple SDGs.<sup>14</sup>

7 "Regional Economic Outlook | Sub-Saharan Africa: Capital Flows and the Future of Work" (Washington, D.C.: International Monetary Fund, 2018).

8 "Human Development Report 2023/2024 | Breaking the Gridlock: Reimagining Cooperation in a Polarized World" (New York: United Nations Development Programme, 2024).

9 Kibrom A. Abay, Nishant Yonzan, Sikandra Kurdi, and Kibrom Tafere. "Revisiting Poverty Trends and the Role of Social Protection Systems in Africa during the COVID-19 Pandemic." (Washington, D.C.: International Food Policy Research Institute, 2022). <https://doi.org/10.2499/p15738coll2.136411>.

10 "40 Percent of Children in Eastern and Southern Africa Are Not in School," UNICEF (press release), July 27, 2021, <https://www.unicef.org/press-releases/40-cent-children-eastern-and-southern-africa-are-not-school>.

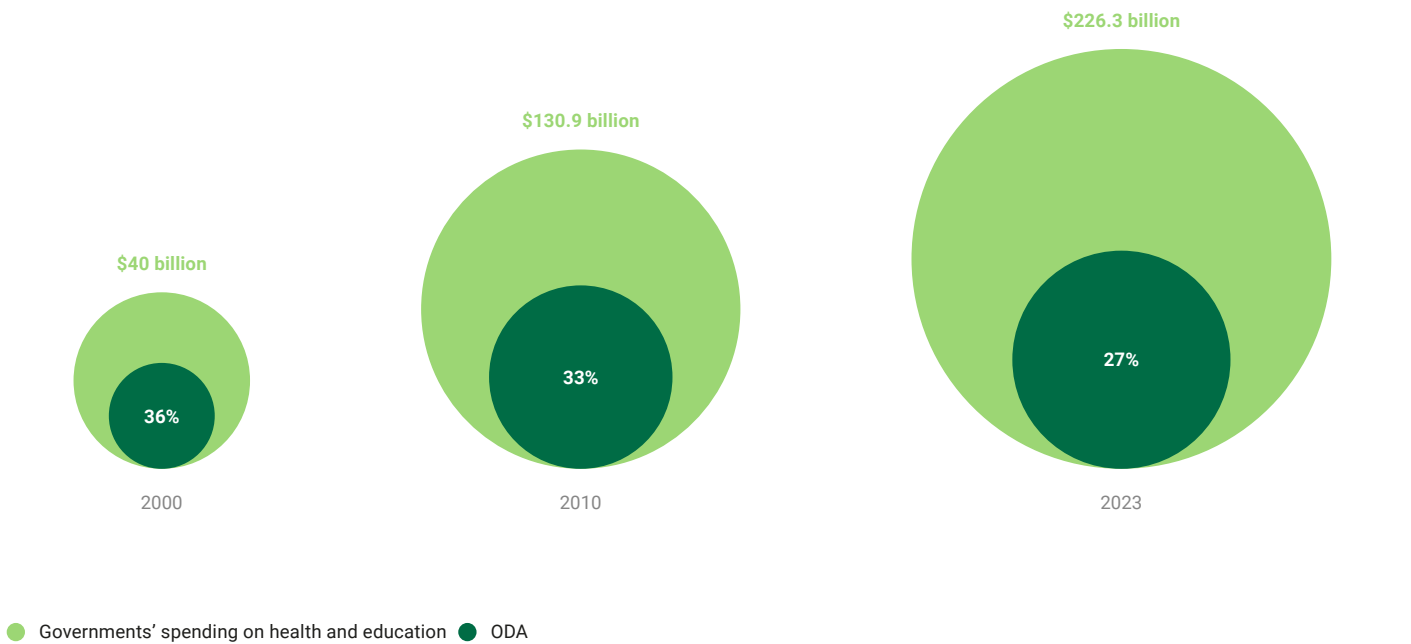
11 Elliot Koranteng Tannor et al., "The Impact of COVID-19 on Health Service Utilization in sub-Saharan Africa—a Scoping Review," *BMC Global and Public Health* 2, no. 1 (August 7, 2024): 51, <https://doi.org/10.1186/s44263-024-00083-0>.

12 "Regional Economic Outlook | sub-Saharan Africa: Living on the Edge" (Washington, D.C.: International Monetary Fund, 2022).

13 "World Economic Outlook: Policy Pivot, Rising Threats" (Washington, D.C.: International Monetary Fund, 2024).

14 "Regional Stabilization Facility for the Lake Chad Basin and Liptako-Gourma Regions: Factsheet 2023" (Dakar: UNDP, 2024), <https://www.undp.org/africa/waca/publications/regional-stabilization-facility-2023-factsheet>.

**FIGURE 6**  
**AFRICAN GOVERNMENTS' SOCIAL SPENDING VS ODA RECEIPTS**



Source: World Bank, World Development Indicators data; Organisation for Economic Co-operation and Development, Development Assistance Committee data.

Second, Africa and its development partners must be better prepared for the post-official development assistance (ODA) era of development financing. Figure 6 illustrates the reduction in ODA as a proportion of spending by African governments on health and education. African countries must also prioritize efficiency enhancements in domestic development spending, which far exceeds aid dollars. Additionally, the financing of strategic investments (particularly infrastructure, energy, and technology) requires increased ingenuity and ambition. Africa's regional financial institutions can use their leverage ratios and market positions to expand the pool of financial resources available to African countries while greatly reducing their lending costs. A recent report by Fitch Ratings suggests that multilateral development banks could increase their lending by an additional \$480 billion without compromising their credit ratings.<sup>16</sup>

15 "World Development Indicators | DataBank," 2024, <https://databank.worldbank.org/source/world-development-indicators>; "Indicators" (OECD), accessed December 18, 2024, <https://www.oecd.org/en/data/indicators.html>.  
16 "Major MDBs Have Rating Headroom for USD480 Billion in New Lending," Fitch Ratings, October 9, 2024, <https://www.fitchratings.com/research/sovereigns/major-mdb-have-rating-headroom-for-usd480-billion-in-new-lending-09-10-2024>.

This is a practical way to bridge Africa's \$4 trillion SDG financing gap.<sup>17</sup> Regional development banks in Africa should be enabled and empowered to use financial innovation in this regard.

Third, African institutions must put a premium on regional value chains. African countries account for less than 3% of the global value chains in which they are involved.<sup>18</sup> Take the lithium-ion battery value chain for example. If African countries continue exporting unrefined cobalt, lithium, and nickel, they will command an \$11 billion market. Refining increases the value fourfold, while the component production can increase the value to almost \$400 billion.<sup>19</sup> Reengineering Africa's value chains can increase income, spur much-needed economic diversification, create jobs, and retain value on the continent. Such reengineering will be much easier (and quicker) regionally. The World Bank estimates that regional integration via the African Continental Free Trade Area agreement could lift 50 million people out of extreme poverty by 2035 and expand incomes across the continent by \$571 billion.<sup>20</sup>

Fourth, the global community should do more to ensure that African resources finance Africa's development. Improving public financial management and closing tax/contractual loopholes could generate almost twice the amount of ODA that African countries currently receive. The Tax Inspectors Without Borders initiative has saved \$1.8 billion in Africa since inception by providing technical assistance on natural resource contracting and closing tax loopholes.<sup>21</sup> The United Nations Conference on Trade and Development estimates that illicit financial flows cost African countries on average \$88.6 billion annually.<sup>22</sup> Particular attention should also be paid to potential revenue streams like carbon markets and rare earth metals. Furthermore, enhanced economic governance and efforts to eliminate corruption are crucial if the continent is to make meaningful and sustained progress with the SDGs.

**Enhanced economic governance and efforts to eliminate corruption are crucial if the continent is to make meaningful and sustained progress with the SDGs.**

17 "Africa's Multi-Trillion-Dollar SDG Funding Gaps Demands Urgent Financial Reforms," United Nations Economic Commission for Africa, November 16, 2024, <https://www.uneca.org/stories/africa%27s-multi-trillion-dollar-sdg-funding-gap-demands-urgent-financial-reforms>.

18 Sebastian Krantz, "Africa's Integration Into Global Value Chains," Africa Monitor, July 28, 2022, [https://africamonitor.ifw-kiel.de/datastories/africas\\_GVC\\_integration.html](https://africamonitor.ifw-kiel.de/datastories/africas_GVC_integration.html).

19 Theophilus Acheampong, "From Mines to Markets: How Africa and Europe can Become Green Industry Partners of Choice," European Council on Foreign Relations, April 24, 2024, <https://ecfr.eu/publication/from-mines-to-markets-how-africa-and-europe-can-become-green-industry-partners-of-choice/>.

20 "Free Trade Pact Could Help Lift Up to 50 Million Africans From Extreme Poverty," World Bank (press release), June 30, 2022, <https://www.worldbank.org/en/news/press-release/2022/06/30/free-trade-pact-could-help-lift-up-to-50-million-africans-from-extreme-poverty>.

21 "Tax Inspectors Without Borders: 2024 Annual Report Launch | Remarks by Mathias Cormann, OECD Secretary-General" OECD (speech), April 29, 2024, <https://www.oecd.org/en/about/news/speech-statements/2024/04/tax-inspectors-without-borders-2024-annual-report-launch.html>.

22 Dan Ngabirano, "Tackling Illicit Financial Flows in Africa Arising From Taxation and Illegal Commercial Practices" (New York: United Nations, November 2022), [https://www.un.org/osaa/sites/www.un.org.osaa/files/tackling\\_iffs\\_in\\_tax\\_reform\\_and\\_illegal\\_commercial\\_practices\\_-\\_nov\\_2022.pdf](https://www.un.org/osaa/sites/www.un.org.osaa/files/tackling_iffs_in_tax_reform_and_illegal_commercial_practices_-_nov_2022.pdf).

There are some green shoots of optimism indicating that SDG progress is not only attainable, but within reach. By 2035, more young Africans will enter the job market annually than in the rest of the world combined, with small-to-medium enterprises accounting for 80% of jobs.<sup>23</sup> Africa's youthful entrepreneurs are increasingly tech-savvy, with 160 million Africans gaining broadband access between 2019 and 2022.<sup>24</sup> The 2024 Stanford AI Index reports that Kenyans are the world's third most frequent ChatGPT users.<sup>25</sup> A study of AI use in Nigeria, Ghana, Kenya, and South Africa suggests that technology could create a \$136 billion boost to economic benefits in these countries by 2030.<sup>26</sup> Engaging tech-savvy youth through employment across sectors could help Africa turn the corner in its efforts to attain the SDGs.

A viable "last mile" push is warranted. While most countries will be unable to meet all of the SDGs by 2030, we can still attain the aspirational goal of putting African countries on a fast track to achieving shared global development goals and regional aspirations like the African Union's Agenda 2063. In the face of unprecedented challenges, getting the SDGs back on track in Africa is not just a bureaucratic objective—it is a matter of dignity, survival, and hope for over a billion people. Africa's young and dynamic population, its rich natural endowment, and its untapped potential for innovation represent a powerful force for change, but only if this potential is fully harnessed.

**Getting the SDGs back on track in Africa is not just a bureaucratic objective—it is a matter of dignity, survival, and hope for over a billion people.**

Every step toward the SDGs is a step toward a future where children thrive, families build sustainable livelihoods, and nations stand resilient and self-reliant. This vision goes beyond numbers on a chart—it is about empowering a generation that refuses to inherit a world plagued by poverty, inequality, and environmental ruin. The good news is that Africa's abundant natural resource endowment, positive regional synergies, and vibrant youthful population offer a promising path forward. African communities and countries are already taking steps to seize these opportunities and reshape the continent's development trajectory.

23 Chido Mpemba and Chido Muniyati, "How Africa's Youth Will Drive Global Growth," World Economic Forum, August 16, 2023, <https://www.weforum.org/stories/2023/08/africa-youth-global-growth-digital-economy>.

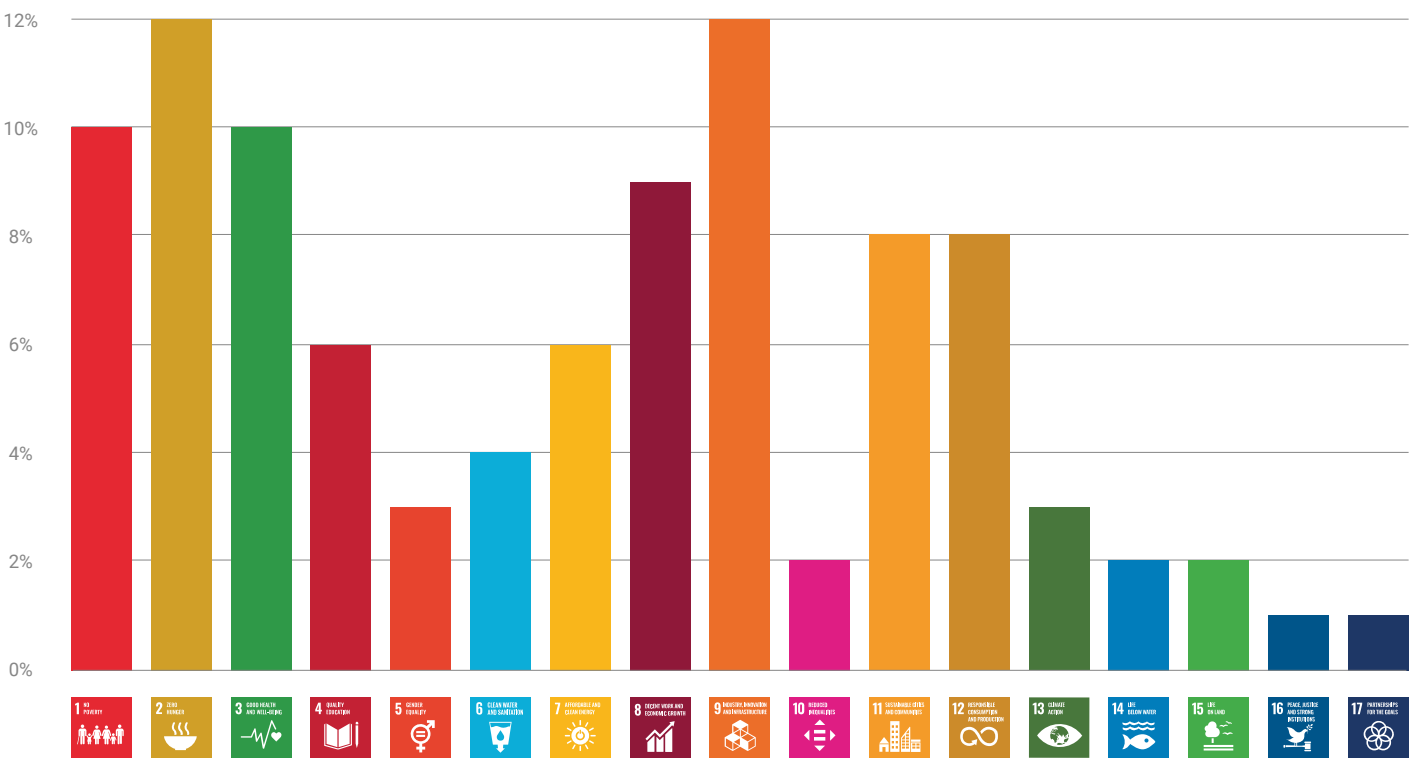
24 "Digital Transformation Drives Development in Africa," World Bank, January 18, 2024, <https://www.worldbank.org/en/results/2024/01/18/digital-transformation-drives-development-in-afe-afw-africa>.

25 Nestor Maslej et al., "The AI Index 2024 Annual Report" (Stanford: AI Index Steering Committee, Institute for Human-Centered AI, Stanford University, April 2024), [https://aiindex.stanford.edu/wp-content/uploads/2024/05/HAI\\_AI-Index-Report-2024.pdf](https://aiindex.stanford.edu/wp-content/uploads/2024/05/HAI_AI-Index-Report-2024.pdf).

26 "AI in Africa: Unlocking Potential, Igniting Progress" (London: Access Partnership, September 2023), <https://accesspartnership.com/ai-in-africa-unlocking-potential-igniting-progress/>.

**FIGURE 7**  
**AFRICAN STATUS ON SDGS 2 (ZERO HUNGER) AND 9 (INDUSTRY INNOVATION AND INFRASTRUCTURE)**

*SDGs 2 and 9 are the most addressed SDGs in Africa*

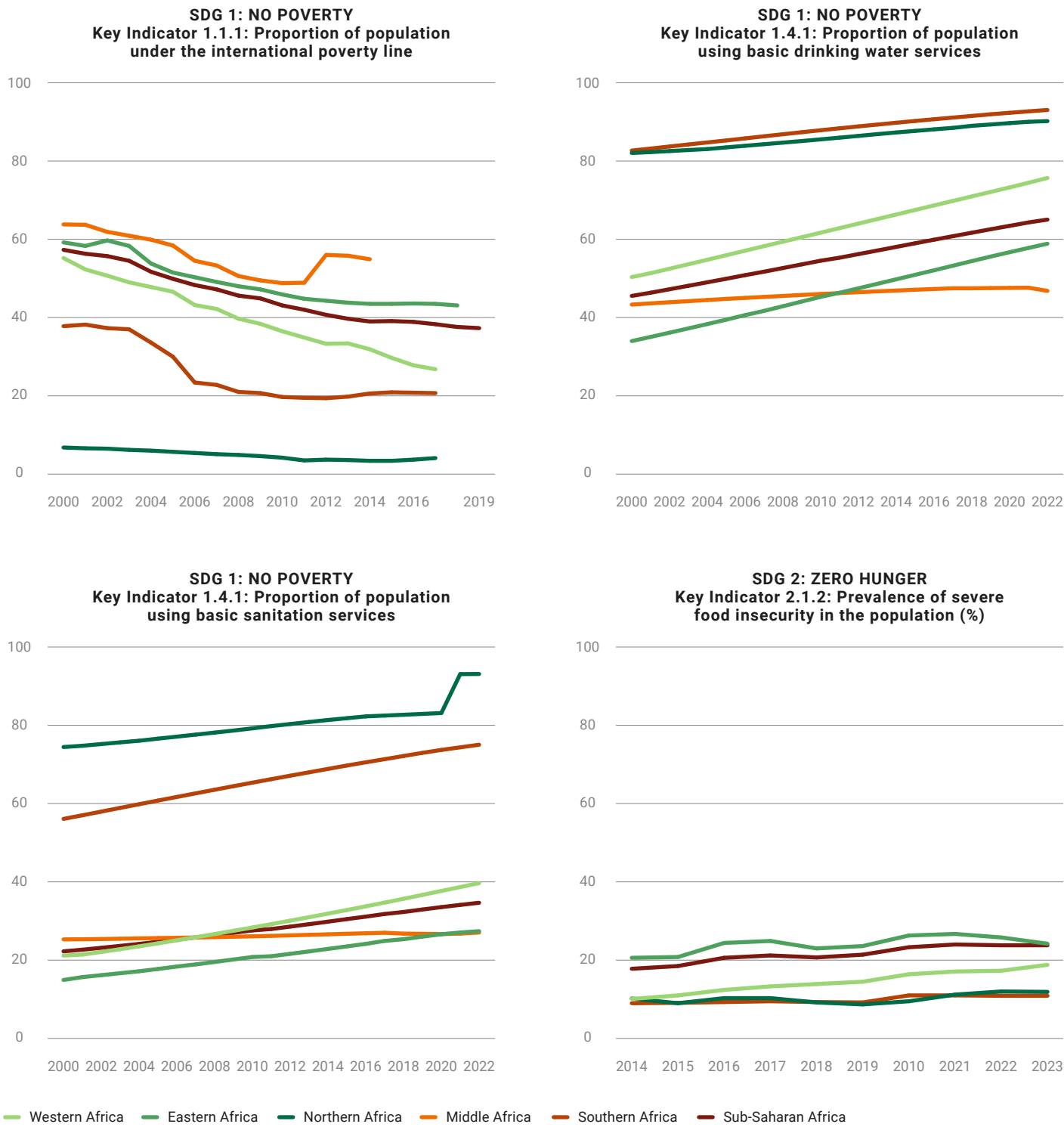


Note: Primary Addressed SDGs (%) The UNDP Africa Investment Insights Report provides an overview of private sector investment opportunities with the potential to deliver on Sustainable Development Goals targets.  
Source: UNDP Africa Investment Insights Report 2022.

FIGURE 8

ADVANCEMENTS TOWARD KEY METRICS NEEDED TO REACH SDGS

Key indicators used to determine success for key SDGs

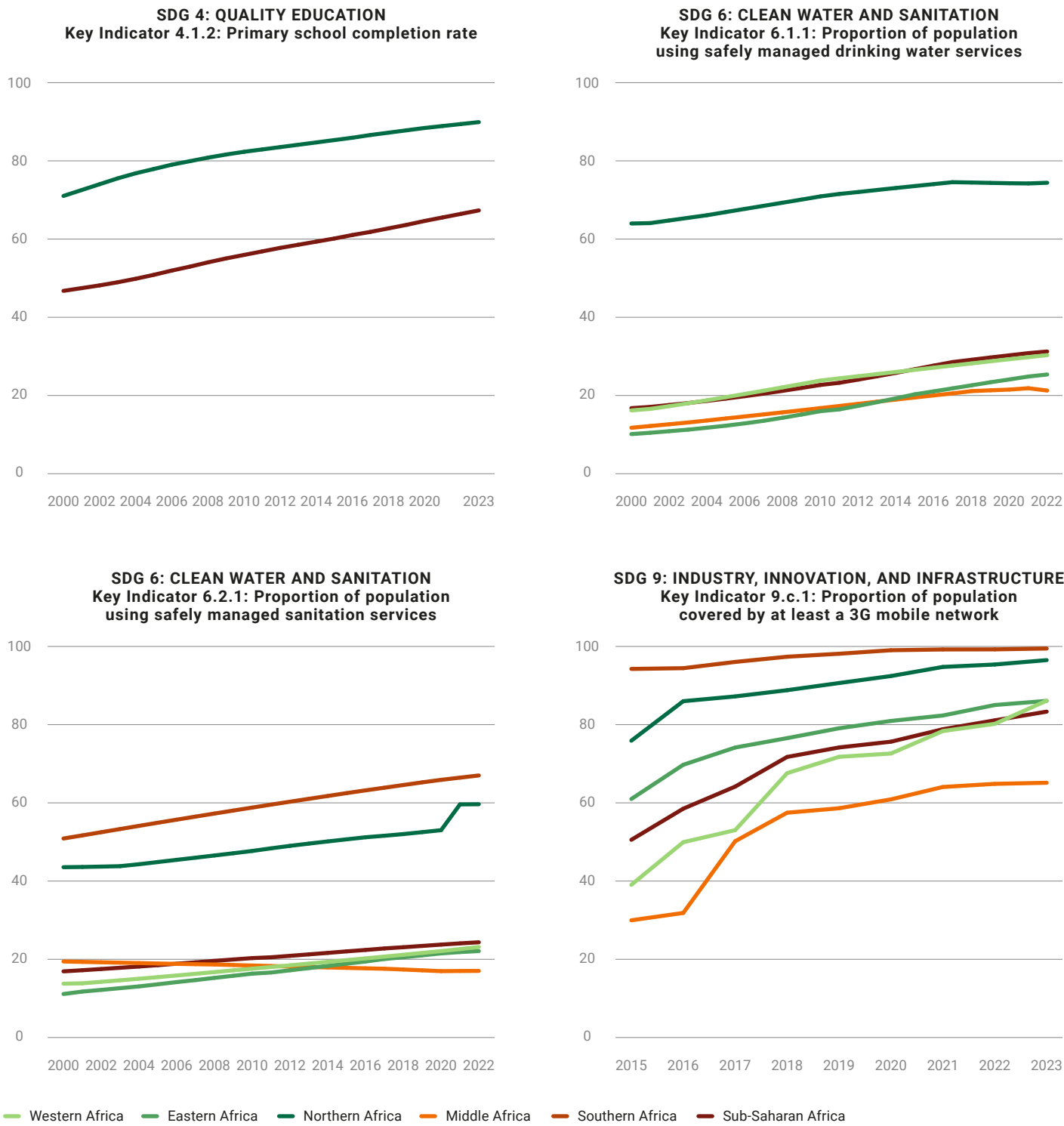


Note: Each graph represents the percent of the population that meets the SDG goal indicator.  
Source: "SDG Indicators Database" (United Nations Department of Economic and Social Affairs, December 13, 2024), <https://unstats.un.org/sdgs/dataportal/database>.

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Source: "SDG Indicators Database" (United Nations Department of Economic and Social Affairs, December 13, 2024), <https://unstats.un.org/sdgs/dataportal/database>.

# Morocco's journey toward achieving the SDGs: Prioritizing economic resilience and social transformation

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@FettahNadia

Morocco has recently charted an extraordinary path toward economic resilience and sustainable development. Over the past two decades, the Kingdom has demonstrated its unwavering commitment to achieving the Sustainable Development Goals (SDGs) through structural reforms, inclusive policies, and transformative initiatives. King Mohammed VI's strategy has emphasized inclusive growth, which has reduced inequality, and safeguarded social cohesion, laying the groundwork for sustainable prosperity.

## Economic transformation: Diversification and resilience

Transitioning from a low-income to a lower-middle-income country, Morocco has cultivated a diversified economy with resilient fundamentals. Over the past decade, the Kingdom's GDP growth averaged 3.2% annually, despite a severe downturn during the COVID-19 pandemic (Figure 9).<sup>1</sup> This growth was predominantly driven by strategic sectors such as renewable energy, automotive, and agriculture. Key achievements include becoming the largest car manufacturer in Africa, exporting 700,000 vehicles in 2024, shifting toward electric vehicles,<sup>2</sup> and generating over \$14 billion annually in export revenues, benefiting from one of the largest port infrastructures in the region (Tangier Med).<sup>3</sup>

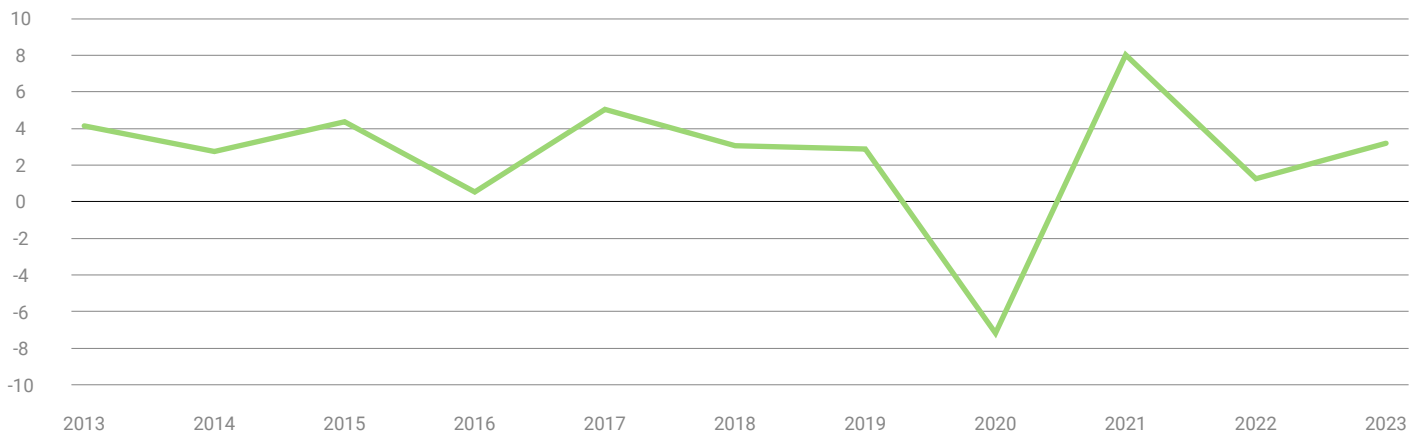
The renewable energy sector is another pillar of Morocco's transformation. The Noor Ouarzazate Solar Complex is one of the largest concentrated solar power plants globally. While there have been some challenges in managing such an immense complex, overall, this project exemplifies Morocco's ambition to derive 52% of its energy capacity from renewable sources by 2030. This commitment not only mitigates climate risks but also underscores Morocco's global leadership in advancing SDG 7 on affordable and clean energy.

- 1 "Overview: The World Bank in Morocco," World Bank, accessed December 11, 2024, <https://www.worldbank.org/en/country/morocco/overview>.
- 2 Sam Metz, "Morocco Prepares for its EV Era," Associated Press, May 15, 2024, <https://apnews.com/article/morocco-automobile-industry-electric-vehicles-2981a049578c411b95b525752d243f93>.
- 3 Ahmed Eljehtimi, "Morocco's Tanger Med Port Expects to Exceed Nominal Container Capacity," Reuters, June 10, 2024, <https://www.reuters.com/business/moroccos-tanger-med-port-expects-exceed-nominal-container-capacity-2024-06-10/>.

FIGURE 9

MOROCCO'S ANNUAL GDP GROWTH (%), 2013-2023

Morocco has managed to secure a 3.2% annual GDP growth rate over the last 10 years



Source: World Development Indicators.

Social transformation: Prioritizing inclusion

Morocco’s journey toward the SDGs is deeply anchored in a strong social orientation. King Mohammed VI’s administration has prioritized inclusive policies to address poverty, inequality, and access to basic services. The launch of the Generalization of Social Protection project in 2021 represents a groundbreaking initiative aimed at extending health coverage to 22 million Moroccans by 2025.<sup>5</sup> Similarly, the introduction of direct cash transfers to vulnerable households launched at the end of 2023 will improve the living conditions of nearly 7 million children and 3 million families,<sup>6</sup> demonstrating the government’s commitment to SDG 1 on eradicating poverty.

Investments in education and health care have also yielded significant dividends. Net primary school enrollment increased to 99% in 2022,<sup>7</sup> while maternal mortality rates fell from 227 per 100,000 live births in 2004 to 72.6 in 2020.<sup>8</sup> These advances exemplify Morocco’s dedication to ensuring that no one is left behind in its development trajectory.

4 "World Development Indicators | DataBank," World Bank, 2024, <https://databank.worldbank.org/source/world-development-indicators>.

5 El Otmani, "Social Protection Generalization Shows Outlines of HM the King's Social Policy to Build Morocco of tomorrow," *MapNews*, April 15, 2021, <https://www.mapnews.ma/en/actualites/politics/social-protection-generalization-shows-outlines-hm-kings-social-policy-build>.

6 Abderrafie Zaanoun, "The Intersections of the Political and the Technical in the Design of Morocco's Social Targeting System," *Arab Reform Initiative*, September 20, 2024, <https://www.arab-reform.net/publication/the-intersections-of-the-political-and-the-technical-in-the-design-of-moroccos-social-targeting-system/>.

7 Veronika Samborska, "Primary Education in Morocco: From Less than Half to Nearly Universal Attendance," *Our World in Data* (blog), April 26, 2024, <https://ourworldindata.org/data-insights/primary-education-in-morocco-from-less-than-half-to-nearly-universal-attendance>.

8 Sanae Elomrani et al., "Approaching the SDG Targets with Sustained Political Commitment: Drivers of the Notable Decline in Maternal and Neonatal Mortality in Morocco," *BMJ Global Health* 9, no. Suppl 2 (May 6, 2024): e011278, <https://doi.org/10.1136/bmjgh-2022-011278>.

**As global leaders reflect on pathways to achieving the SDGs, Morocco's experience underscores the power of transformative leadership, targeted reforms, and an unwavering commitment to inclusive development.**

## Shared insights for global leaders

Morocco's positive development path has been underlined by some key factors:

1. Invest in infrastructure and diversification: Strategic investment in high-impact sectors such as renewable energy and industry drives economic transformation and generates employment opportunities.
2. Strengthen social safety nets: Implementing universal health coverage and direct cash transfer programs ensures inclusive growth while reducing inequality.
3. Adopt a long-term vision: Strong leadership and a clear strategic vision, as exemplified by the New Development Model, are critical to achieving sustainable development.
4. Harness partnerships: Leveraging international cooperation, such as Morocco's partnerships with the World Bank and IMF, amplifies progress on global goals.

As global leaders reflect on pathways to achieving the SDGs, Morocco's experience underscores the power of transformative leadership, targeted reforms, and an unwavering commitment to inclusive development. By embracing these principles, nations can not only build economic resilience but also secure a brighter, more sustainable future for their citizens.

# Navigating rough patches: Financing Africa's SDGs and the path forward

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## The rough patches ahead to meet the SDGs in Africa

Progress toward achieving the Sustainable Development Goals (SDGs) has had a mixed record across the globe. For African countries, steady progress was made until the end of the commodity price supercycle in 2016 then started to decline, a situation precipitated by the COVID-19 pandemic and the war in Ukraine. Since 2023, this trend has reversed. The rest of the world's experience has been slightly different, with progress on the SDGs having been stalled since the financial crisis of 2008/2009.<sup>1</sup> In both cases, even in the best of times, progress toward the SDGs has been dismally inadequate. For example, to achieve the SDGs, as captured by the aggregate SDG index,<sup>2</sup> African countries, on average, must grow at a rate of 4% per year. The average annual growth rate in the SDG index achieved by African countries is less than 1%, even at their best. The performance of non-African countries is even worse, with the highest annual growth rate in the SDG index recorded close to 0.6%, much less than the 3% required to meet the SDGs.<sup>3</sup>

The question before us, therefore, is whether the recent upward trend noticed in Africa could be sustained and accelerated to meet the SDGs by 2030?

Among the several factors required to accelerate progress toward the SDGs, availability of development finance or investment in the SDGs is the most critical. As Africa approaches 2030, the financing gap for achieving the SDGs is vast. According to estimates by UNECA,<sup>4</sup> successful implementation of the SDGs would require \$1.3 trillion annually, of which it is estimated African countries could mobilize a little over 50%, leaving a huge financing gap. According to the African Development Bank, this gap has been exacerbated by global economic downturns, the COVID-19 pandemic, and climate change-related catastrophes, creating significant pressure on national budgets and development efforts across the continent.<sup>5</sup> These challenges coincide with rising public debt in most African countries, making reaching the SDGs by 2030 a daunting task.

1 "SDG Index," SDG Transformation Center, June 17, 2024, <https://sdgtransformationcenter.org/sdgindex>; "Transformation Center," SDG Transformation Center, accessed December 11, 2024, <https://sdgtransformationcenter.org>.

2 "SDG Index.," "Transformation Center."

3 "SDG Index.," "Transformation Center."

4 "Long-Term Financing for Sustainable Development in Africa," United Nations Economic Commission for Africa, 2020, <https://uneca.org/chapter/economic-report-africa-2020/long-term-financing-sustainable-development-africa>.

5 "\$4 Trillion is New Annual Financial Target to Save Sustainable Development Goals, Says African Development Bank's Adesina," African Development Bank Group, April 29, 2024, <https://www.afdb.org/en/news-and-events/press-releases/4-trillion-new-annual-financial-target-save-sustainable-development-goals-says-african-development-banks-adesina-70346>.

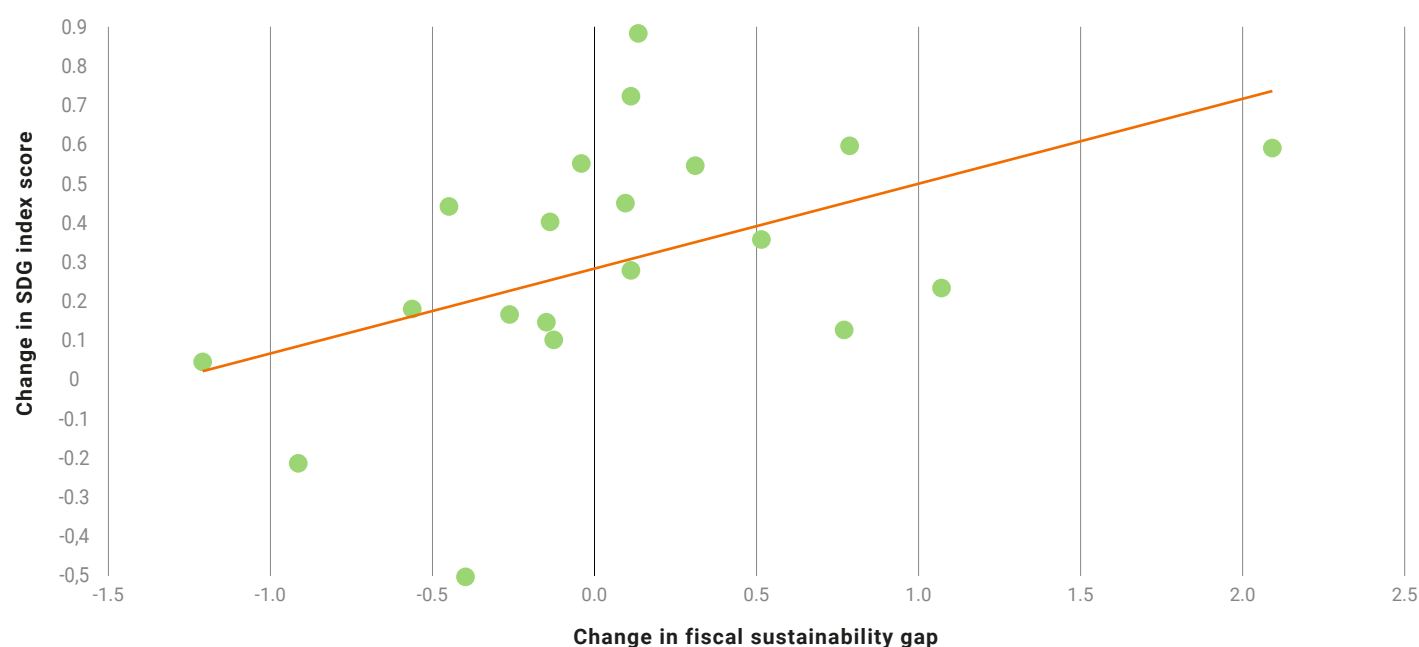
Various reports and studies confirm the tight fiscal space in which many African countries currently find themselves leading to a continuous underinvestment in the SDGs. Indeed, countries that have a severe fiscal sustainability gap experienced a decline in the speed of progress toward SDGs, and in some cases a reversal (Figure 10). In addition, some estimates suggest that financial flows to low-income countries targeted to address the SDGs have declined significantly in the wake of recent global shocks.<sup>6</sup>

Several key challenges hamper the mobilization and effective allocation of financing for the SDGs, both at the national and global levels. First, *domestic resource mobilization* remains limited, with many African economies struggling with narrow tax bases, tax evasion, and inefficiencies in public financial management.<sup>7</sup> While much has been said about the need to increase overall tax mobilization efforts by strengthening state capacity, the differential effect of different sources of tax revenue on the progress toward SDGs has not been

**FIGURE 10**

### CHANGE IN SDG INDEX SCORE AND FISCAL SUSTAINABILITY GAP IN AFRICA

*A severe fiscal sustainability gap results in a decline, or even reversal, in the speed of progress toward SDGs*



Note: Binscatter controlling for per capita income levels, sovereign debt risk ratings, financial deepening, and proportion of concessional lending.

Source: SDGs Index, Sustainable Development Solutions Network; M. Ayhan Kose et al., "A Cross-Country Database of Fiscal Space," *Journal of International Money and Finance* 128 (November 1, 2022): 102682, <https://doi.org/10.1016/j.jimonfin.2022.102682>.

6 Isabella Massa and Leslie Bermont Díaz, "SDG Financing Needs an Urgent Global Reboot," in *SDG Action*, 2023, <https://sdg-action.org/sdg-financing-needs-an-urgent-global-reboot/>.

7 Logan Wort, "African Countries Must Collaborate to Fix Tax Challenges," *AllAfrica.Com*, September 6, 2017, <https://www.proquest.com/docview/1935886956/citation/B8F56E7911D9439DPQ/1>.

8 "UNU WIDER"; "SDG Index."

adequately addressed. As shown in Figure 11 the larger the share of direct taxes in overall tax mobilization efforts, the greater the chance of achieving the SDGs. This certainly implies progress in growth processes underpinned by structural changes that enhance the share of the formal economy.

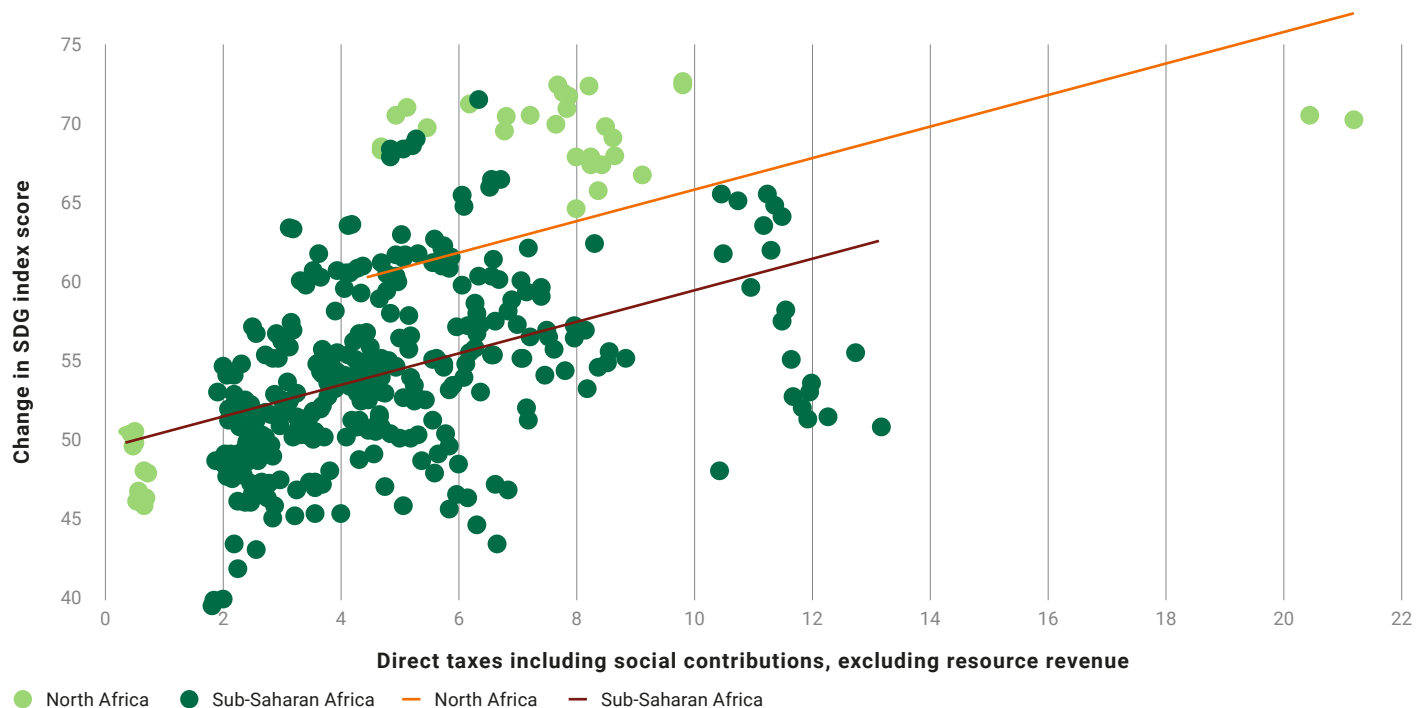
On the other hand, the greater the share of taxes emerging from resource extraction, the less effective they become in advancing the SDGs in different parts of Africa. Figure 12 clearly shows the relatively strong and positive relationships between tax revenue generated from resources and the SDGs in North Africa, while a perverse negative relationship in sub-Saharan Africa raises an important concern on the dimmer outlook for the SDGs that rely on simple government revenue mobilizations without the necessary institutional or structural reforms. Moreover, external financing sources, including foreign direct investment, official development assistance, and remittances, are often volatile and insufficient to meet development needs.

Secondly, *the high debt burden* of many African nations has crowded out public investment in critical sectors such as health care, education, and infrastructure, undermining efforts to achieve the SDGs. Additionally, financing tends to be skewed toward short-term projects, with less emphasis on long-term, sustainable investments that could yield lasting impact. The fragmented nature of global financial flows, coupled with the lack of coherence in policy frameworks, further complicates efforts to align financing with the SDGs.

**FIGURE 11**

## DIRECT TAX REVENUE AND SDGS INDEX SCORE IN AFRICA

*Share of direct taxes in overall tax mobilization efforts highly correlated with a nation's chance of achieving the SDGs*



Source: Computations based on UNWIDER Government Revenue Data Set and SDG Index Score data developed by the SDG Transformation Centre Sustainable Development Solutions Network.

FIGURE 12

## TOTAL RESOURCE REVENUE AND SDGS INDEX SCORE IN AFRICA

*The greater the share of taxes emerging from resource extraction, the less effective they become in advancing SDGs in different parts of Africa*



Source: Government Revenue Data Set, UNWIDER SDG Index Score data, SDG Transformation Centre Sustainable Development Solutions Network <https://sdgtransformationcenter.org/>.

## Opportunities for improving financing composition and allocation

Despite these challenges, several opportunities exist to improve the composition and allocation of financing for the SDGs. *Blended finance*—the strategic use of public funds to attract private sector investment—holds significant promise for addressing financing gaps.<sup>9</sup> By de-risking investments, especially in infrastructure, energy, and agriculture, blended finance can catalyze private capital flows to sectors critical for sustainable development.

Moreover, strengthening *public-private partnerships (PPPs)* can provide a vital channel for funding large-scale projects, particularly in renewable energy and digital infrastructure, which are crucial for economic transformation. African countries can also leverage innovative financial instruments, such as green bonds, diaspora bonds, and impact investing, to attract diverse pools of capital aligned with the SDGs.

At the global level, aligning *international development cooperation* with national SDG priorities can foster more efficient resource allocation. Greater coordination among development actors, such as multilateral institutions, donors, and private investors, can ensure that

**The larger the share of direct taxes in overall tax mobilization efforts, the greater the chance of achieving the SDGs.**

<sup>9</sup> "How Blended Finance Works," IFC, accessed December 11, 2024, <https://www.ifc.org/en/what-we-do/sector-expertise/blended-finance/how-blended-finance-works>.

**While Africa faces a significant financing gap to achieve the SDGs by 2030, innovative financing mechanisms, strategic partnerships, and robust national policies present opportunities to bridge this gap.**

financing is directed toward the most impactful and scalable interventions. It is also important to emphasize the significance and urgency of reforming the global financial architecture with all its ramifications to accelerate Africa's progress toward the SDGs.

## Effective national strategies for SDG investment

Several African countries, such as Ethiopia, Rwanda, and South Africa, have adopted national strategies and policies that have proven effective in facilitating long-term investment in the SDGs that emphasize sustainable industrialization, infrastructure development, and human capital investments, all of which are closely aligned with SDG targets.<sup>10</sup> These national strategies prioritize fiscal discipline, attract foreign direct investment, and foster private sector growth, thereby creating an enabling environment for SDG-aligned investments.

Additionally, domestic resource mobilization efforts such as leveraging information technology to improve tax mobilization capacities that include identification, detection, and collection capacity are very important.<sup>11</sup> These policies aim to improve tax collection, reduce leakages, and enhance accountability in the management of public resources.

In conclusion, while Africa faces a significant financing gap to achieve the SDGs by 2030, innovative financing mechanisms, strategic partnerships, and robust national policies present opportunities to bridge this gap. By leveraging these solutions, African countries can chart a path toward sustainable, inclusive growth and successful SDG implementation.

10 Helen Hai, "Making Industrialization in Africa Sustainable," *United Nations* (blog) (New York: United Nations, December 1, 2020), <https://www.un.org/en/un-chronicle/making-industrialization-africa-sustainable>.

11 Oyebola Okunogbe and Gabriel Tourek, "How Can Lower Income Countries Collect More Taxes? The Role of Technology, Tax Agents, and Politics," *The Journal of Economic Perspectives* 38, no. 1 (2024): 81–106, <https://doi.org/10.2307/27282175>.

# How well is Africa doing across the Sustainable Development Goals?

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**Compared to the rest of the world, Africa is being left behind on almost all assessed indicators.**

Two strong narrative threads are shaping the global development discourse heading into 2025. One is an ongoing concern that the world is far off course from reaching most of the Sustainable Development Goals (SDGs) by 2030.<sup>2</sup> Another is that lower-income countries are being left behind as growth slows and conflict and debt service pressures rise.<sup>3</sup>

Figure 13 below links these two narratives together, with a specific focus on Africa. In a recent report on country-by-country SDG progress, we and our colleague Odera Onyechi review what has happened to two dozen quantifiable benchmarks.<sup>4</sup> We conduct a range of empirical assessments to distill trends, including a simple before-and-after test on the indicators, showing the human consequences of changes as of 2023 relative to 2015. The figure extracts Africa-specific results from the analysis and shows a cross section of people-focused indicators ordered according to the continent's progress. Green bars show overall improvements in the number of people affected since 2015, and red bars show declines.

The chart draws attention to the wide range of issue-specific SDG trends across Africa. For instance, the green bar furthest to the right shows that, across countries with available data, Africa reduced the number of people without antiretroviral therapy (ART) coverage by an estimated 69% since 2015, from 11.3 million to 3.5 million. Similarly, the annual incidence of HIV infections dropped by nearly half, from 1.1 million in 2015 to 597,000 in 2023. Conversely, the red bar furthest to the left indicates 78% more Africans faced food insecurity in 2023—236 million compared to 132 million in 2015. Estimates of undernourishment also worsened by 55%, climbing from 193 million Africans in 2015 to 300 million in 2023.

The figure also compares Africa's progress with that of the rest of the world. For each indicator, shaded bars show estimates of changes since 2015 for countries outside of Africa (again for those with available data). The pattern is clear. Compared to the rest of the world, Africa is being left behind on almost all assessed indicators. This is despite the continent having registered important gains since 2015 on issues like under-5 child mortality, access to electricity, and access to the internet. But in several areas—poverty reduction, access to sanitation, malaria incidence, obesity, secondary schooling completion, noncommunicable disease (NCD)

1 We thank Charlotte Rivard for outstanding research assistance.

2 Yinuo, "With Less than One Fifth of Targets on Track, World Is Failing to Deliver on Promise of the Sustainable Development Goals, Warns New UN Report," *United Nations Sustainable Development* (press release), June 28, 2024, <https://www.un.org/sustainabledevelopment/blog/2024/06/press-release-sdg-report-2024/>.

3 Moussa Faki Mahamat et al., "2024 Africa Sustainable Development Report" (Addis Ababa, Abidjan, New York, Addis Ababa: African Union; African Development Bank; United Nations Development Programme; United Nations Economic Commission for Africa, 2024), <https://www.undp.org/africa/publications/2024-africa-sustainable-development-report>.

4 Homi Kharas, John W. McArthur, and Odera Onyechi, "How is the World Doing on the SDGs? Four Tests and Eight Findings" (Washington, D.C.: Brookings Institution, July 17, 2024), <https://www.brookings.edu/articles/how-is-the-world-doing-on-the-sdgs-four-tests-and-eight-findings/>.

**Africa's global leadership is most prominent on two issues where it is clearly outperforming the rest of the world—expanding ART coverage for people with HIV/AIDS and reducing HIV incidences.**

mortality, and access to family planning—the number of Africans facing challenges is growing, as indicated by a red bar, while other regions are making progress, albeit slowly.

Africa's global leadership is most prominent on two issues where it is clearly outperforming the rest of the world—expanding ART coverage for people with HIV/AIDS and reducing HIV incidences. In both cases, action and funding have been prioritized by national and global institutions, with countries like Sierra Leone and the Democratic Republic of the Congo showing some of the world's greatest accelerations in ART progress since 2015. Africa is also outpacing the world in reducing tuberculosis infections.

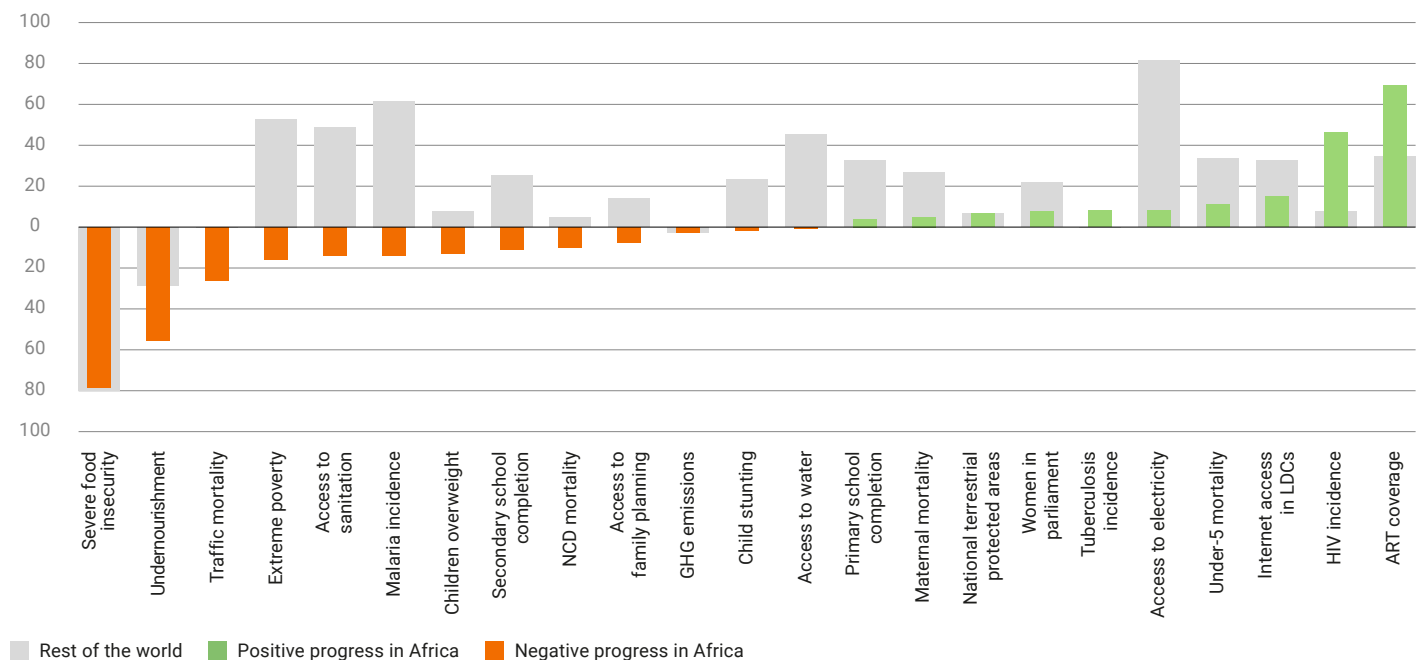
The human consequences of global shortfalls offer a sharp reminder of the stakes embedded in the SDGs. If recent trends are extrapolated out to 2030 and compared to the targets for ending extreme poverty, food insecurity, and stunting, or gaining universal access to secondary education, sanitation, safe drinking water, and electricity, we find tens or hundreds of millions of people will be left behind on these basic needs. This is in addition to millions of excess deaths linked to shortfalls or NCD mortality, child mortality, traffic mortality, and maternal mortality.

Overall, the variations in progress show that good results can be achieved even in challenging operating environments. Strengthened implementation systems lie at the heart of better progress for the SDGs, bridging government, science, civil society, and the private sector. This has been done successfully for some issue areas, most notably in the health domain, but it must be done in many more areas if Africa's sustainable development is to accelerate.

**FIGURE 13**

### AFRICA'S ESTIMATED SDG PROGRESS, 2015-2023, COMPARED TO THE REST OF THE WORLD

*While progress has been made in some areas, specifically in health, other indicators are lagging behind*



Source: Kharas, Homi, John W. McArthur, and Odera Onyechi. "How Is the World Doing on the SDGs? Four Tests and Eight Findings." (Washington D.C.: Brookings Institution, July 17, 2024), <https://www.brookings.edu/articles/how-is-the-world-doing-on-the-sdgs-four-tests-and-eight-findings/>.

# Why 2025 could be a litmus test for African agency

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As African countries seek to revitalize global partnerships for sustainable development (Sustainable Development Goal 17), major global financial architecture reform can often seem like a lofty goal—especially when African leaders and finance ministers are having to fire-fight management of currency fluctuations, interest rate increases on external debt, and other monetary shocks. Often, the inclination is to focus less on structural reforms of the system and more on immediate, short-term debt relief or actions African governments can take themselves, such as providing better data or transparency of debt finance.

None are mutually exclusive, and all have merits, but the big prize is reform.

It might sound contradictory, but focusing on short-term solutions such as debt relief or “capacity building” can be detrimental to Africa’s agency and the case for reform.<sup>1</sup> For example, countries cannot claim to be responsible and therefore require less conditionality when borrowing yet call for debt relief for borrowing that their parliaments and citizens have already approved transparently—a situation that has occurred often. These kinds of actions seem attractive and easier in the short term, but in the long term serve to exacerbate perceptions of “African risk.”<sup>2</sup>

2024 presented exactly this kind of conundrum and demonstrated why, in 2025, the major goal should be structural reform.

**Focusing on short-term solutions such as debt relief or “capacity building” can be detrimental to Africa’s agency and the case for reform.**

2024 marked the 80-year anniversary of the Bretton Woods institutions, as well as the first full year the African Union (AU) served as a permanent member of the G20, the world’s economic version of the United Nations Security Council. The AU’s involvement created movement toward reforms with the emergence of the “Africa Club” or Alliance of African Multilateral Financial Institutions<sup>3</sup> and the African Credit Ratings Agency inching closer to being a reality.<sup>4</sup>

1 William Easterly, “How Did Heavily Indebted Poor Countries Become Heavily Indebted? Reviewing Two Decades of Debt Relief,” *World Development* 30, no. 10 (October 1, 2002): 1677–96, [https://doi.org/10.1016/S0305-750X\(02\)00073-6](https://doi.org/10.1016/S0305-750X(02)00073-6).

2 Gregory Smith, *Where Credit Is Due: How Africa’s Debt Can Be a Benefit, Not a Burden* (London: Oxford University Press, 2021).

3 “African Multilateral Financial Institutions Forge Historic Strategic Alliance to Serve as Catalyst for Sustainable Economic Development and Financial Self-Reliance in Africa,” Afreximbank, February 21, 2024, <https://www.afreximbank.com/african-multilateral-financial-institutions-forge-historic-strategic-alliance-to-serve-as-catalyst-for-sustainable-economic-development-and-financial-self-reliance-in-africa/>.

4 “Africa Credit Rating Agency on UNGA79 Agenda: Reforming the Global Financial Architecture,” *African Union*, November 21, 2024, <https://aprm.au.int/en/news/press-releases/2024-09-25/africa-credit-rating-agency-unga79-agenda>.

Additionally, in August, the IMF announced the addition of a third African seat on its board (out of a total 25 seats).<sup>5</sup> The International Monetary Fund (IMF) also reduced lending costs by cutting surcharges, benefitting African borrowers.<sup>6</sup> Despite these recent achievements, major shifts in how the Bretton Woods institutions, credit rating agencies, and foreign investors do business with respect to the continent remained elusive.

Will truly significant, major reforms in Africa's interest begin to arrive in 2025?

Two new opportunities will present themselves to African governments as settings for achieving reform in 2025 beyond the usual African Union engagements in Addis Ababa and the Bretton Woods meetings in Washington, D.C. First, South Africa became president of the G20 on December 1, 2024.<sup>7</sup> A strong, "Africa-focused" G20 can help enable African leaders to advocate for change and offer specific ideas for action. Second, the Fourth International Conference on Financing for Development (FfD) will be taking place,<sup>8</sup> which, as a U.N. forum, arguably offers Africa an even larger voice than the G20. But what might African leaders put on the agenda for these two special opportunities? There are four potential outcomes linked to specific 2025 deadlines and existing work by these and other international financial organizations.

First, African governments should support a change to the formula of IMF quotas to create more space for African shares.<sup>9</sup> Such a formula is expected to be presented by IMF staff and agreed upon by the IMF board in June 2025 for the 17th General Review of Quotas. Africa having more shares would not only enable the continent to have a weightier voice on the IMF board for all decisions, but it would also enable governments to actively use the IMF as an automatic stabilizer during economic crises, rather than having to negotiate with the IMF first, which often enables the IMF to impose highly unsuitable and citizen-unfriendly economic conditions.<sup>10</sup>

Maintenance of the status quo would mean AU member states continuing to collectively possess only 5.2% of total quotas, while single countries such as Germany and Japan have similar share proportions yet hardly need the IMF for financial stability.<sup>11</sup>

5 "IMF Expands Executive Board with Addition of 25th Chair," *IMF*, November 1, 2024, <https://www.imf.org/en/News/Articles/2024/11/01/pr-24403-imf-expands-executive-board-with-addition-of-25th-chair>.

6 "Africa Credit Rating Agency on UNGA79 Agenda."

7 Mkhululi Chimoio, "South Africa's G20 Presidency in 2025: A Pivotal Moment for the Country and Africa," *Africa Renewal* (blog), November 4, 2024, <https://www.un.org/africarenewal/magazine/november-2024/south-africas-g20-presidency-2025-pivotal-moment-country-and-africa>.

8 "The 4th International Conference on Financing for Development | Financing for Sustainable Development Office," *United Nations* accessed December 13, 2024, <https://financing.desa.un.org/ffd4>.

9 Hung Tran, "Understanding the Debate over IMF Quota Reform," *Atlantic Council* (blog), March 28, 2024, <https://www.atlanticcouncil.org/blogs/econographics/understanding-the-debate-over-imf-quota-reform/>.

10 Danny Bradlow, "The IMF is Failing Countries like Kenya: Why, and What Can be Done about it," *The Conversation* (blog), July 2, 2024, <http://theconversation.com/the-imf-is-failing-countries-like-kenya-why-and-what-can-be-done-about-it-233825>.

11 Travis Lwere, Rob Floyd, and Hannah Ryder, "Reimagining the IMF's Quota System and Representation in Africa's Interest," Policy Brief, Reforming the International Financial Architecture (Rio de Janeiro, Brasilia: CEBRI, IPEA, 2024), [https://www.t20brasil.org/media/documentos/arquivos/TF03\\_ST\\_01\\_Reimagining\\_the\\_IMF66e199480230f.pdf](https://www.t20brasil.org/media/documentos/arquivos/TF03_ST_01_Reimagining_the_IMF66e199480230f.pdf).

**2025 has the potential to be a crucial year to shift the current global financial architecture toward African interests.**

However, IMF staff should not be left to do the work. African leaders should come up with their own position. For example, were African shares to be doubled and a new formula drawn up on that basis, a decrease in the shares of the largest shareholder—the U.S.—from 17.4% to 16.0% as well as China's from 6.3% to 5.8% would follow.

Second, African governments should support a change to the IMF and World Bank's debt sustainability analysis. The IMF and World Bank's analysis used to determine which countries are classified as "debt-distressed" has been observed to overrepresent African countries.<sup>12</sup> For instance, in 2019, 64 countries around the world had debt-to-GDP ratios over 60%, only one-third of which were African. However, the only 12 countries in this group that were classified as being debt-distressed were from Africa. Post COVID-19, this observed bias increased; in 2022, 79 countries had debt-to-GDP ratios over 60%, again only one-third of which were African. However, the only 23 countries in the group that were classified as being debt-distressed were from Africa.<sup>13</sup> At the highest international levels, Africa is being portrayed as a risky lending and investment destination, information that organizations such as credit ratings agencies and investors then use to determine their risk premiums. This results in high interest rates that make access to private finance more costly for the affected countries.

There are numerous reasons for this observed bias within the debt sustainability analysis. For example, the current framework does not account for the growth that debt produces, and the thresholds used (such as debt-to-GDP) are not backed by evidence.<sup>14</sup> In 2025, African governments should request that these methods are investigated as part of a review of the debt sustainability analysis that was launched in April 2024 and is expected to continue in 2025.

Third, African countries should aim to bolster African-led and Africa-first financial mechanisms, in order to accelerate progress on the Sustainable Development Goals. The African Development Fund is the second-largest concessional financial instrument available to African countries. It is due to be replenished in 2025, with the African Development Bank (AfDB) calling for its donors—African and non-African—to collectively contribute \$25 billion.<sup>15</sup>

In addition, no G20 country has reallocated Special Drawing Rights, a claim on the freely useable currencies of IMF members, to the AfDB. The AfDB deserves huge support given its strong delivery on infrastructure, which requires patient capital. Meanwhile, Africa's other multilateral financial institutions, such as Afreximbank, the Trade and Development Bank, and the Africa Finance Corporation will also continue to raise finances in 2025, and equally deserve significant support for their work from both African governments and external partners.

12 Carlos Lopes, "African Countries Can't Resolve Their Debt Crisis under a System Rigged against Them," *The Conversation* (blog), May 5, 2024, <http://theconversation.com/african-countries-cant-resolve-their-debt-crisis-under-a-system-rigged-against-them-228905>.

13 "Infographic: The 'African Debt Crisis' Playbook - What's the Real Story?", *Development Reimagined*, September 26, 2022, <https://developmentreimagined.com/africandebtcrisisrealstory/>.

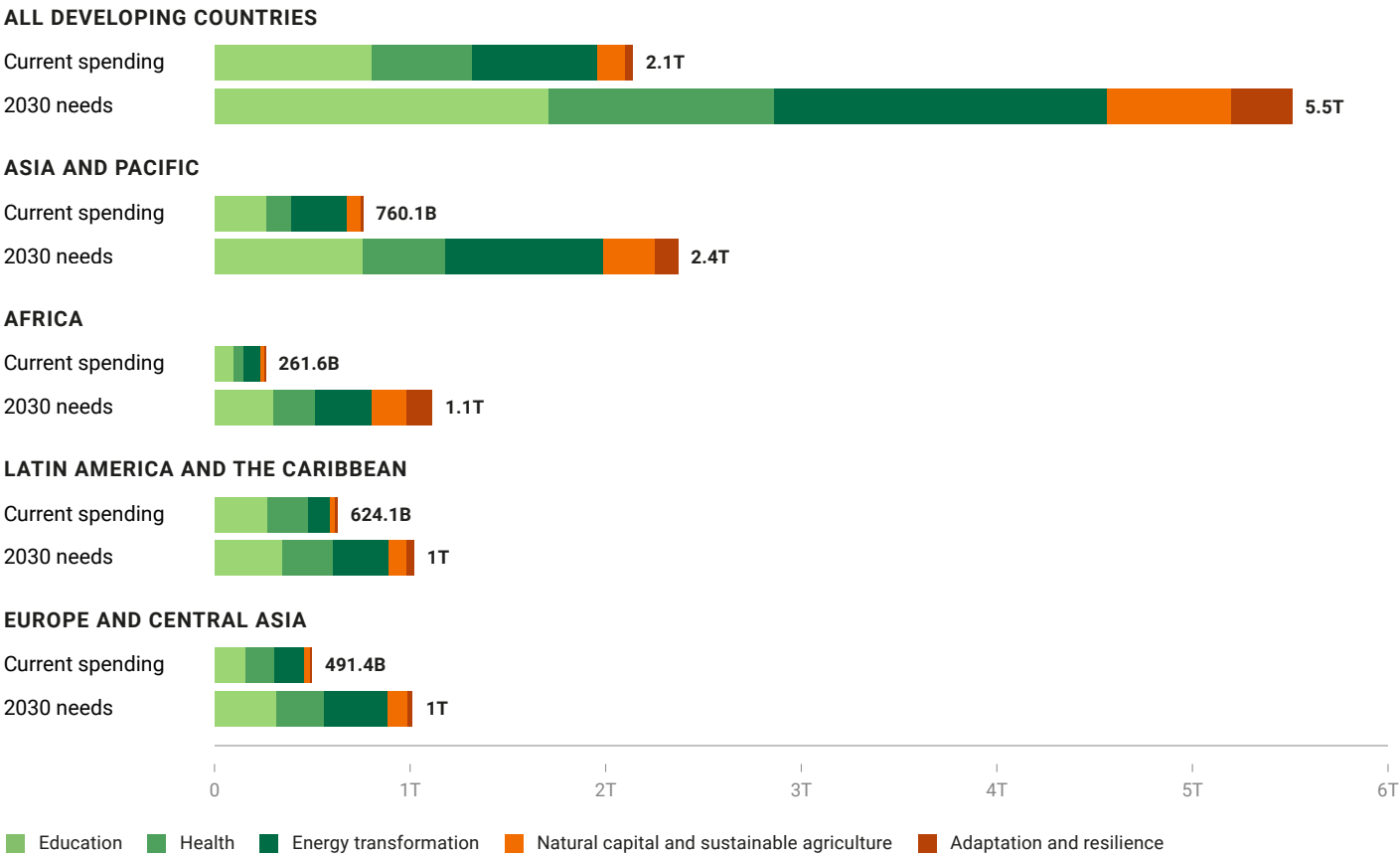
14 Lopes. "African Countries Can't Resolve Their Debt Crisis under a System Rigged against Them."

15 "African Countries Push for \$25 Billion Replenishment of the African Development Fund as Sudan Tops up its Pledge," *African Development Bank Group*, October 28, 2024, <https://www.afdb.org/en/news-and-events/press-releases/african-countries-push-25-billion-replenishment-african-development-fund-sudan-tops-its-pledge-76157>.

FIGURE 14

INVESTMENT NEEDS FOR DEVELOPING COUNTRIES BY SECTOR

Needs exceed current spending, but the deficit is equal or less than other developing regions of the world



Note: Investment needs expressed in U.S. dollars.  
Source: Totals calculated from old investment needs dataset done by Amar Bhattacharya, Meagan Dooley, Homi Kharas, and Eleonore Soubeyran.

Fourth, exploring how the financial architecture can be reshaped to deliver more concessional finance and cross-border infrastructure development in Africa—a major gap in development finance that is holding back the success of the African Continental Free Trade Area—to enable borrowers, coordination mechanisms to both consolidate and flourish will be crucial in 2025. These are all areas on which the G20 and FfD can make significant progress.

There is no doubt that 2025 has the potential to be a crucial year to shift the current global financial architecture toward African interests, even more so than 2024. However, African governments must keep their eyes on the prize and, avoid short-term distractions and arguments that make the victims—African governments—do more work while the system remains the same. If anything is a litmus test of African agency in 2025, it will be this.

# Delivering the Africa of the future: AUDA-NEPAD's role in achieving Agenda 2063 and the SDGs

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**Through the African  
Medicines Regulatory  
Harmonization program  
and the Pharmaceutical  
Manufacturing Plan for  
Africa, AUDA-NEPAD  
has established local  
manufacturing plants  
across Africa.**

In the year 2025, Africa is focusing on the dual aspirations of the targets set out by the African Union's Agenda 2063 and the Sustainable Development Goals (SDGs).<sup>2</sup> Currently, Africa has a long way to go to achieve the SDGs by 2030.<sup>3</sup> In an effort to accelerate progress toward achieving these two sets of important intergovernmental objectives, the African Union Development Agency created the New Partnership for Africa's Development (AUDA-NEPAD) in 2001 with the intention of initiating programs that promote sustainable development and accelerate inclusive economic growth.<sup>4</sup> Since its genesis, AUDA-NEPAD has engaged in a systematic deployment of initiatives that affect various parts of African society to accelerate progress. While there are still many outstanding challenges, there are several areas that have been successful.

One such success story occurred when the Programme for Infrastructure Development in Africa (PIDA) enhanced intra-Africa trade through the construction of the Kazungula Bridge, which links Botswana and Zambia. Both countries have experienced an increase in trade volumes since the bridge's inauguration, and the time to cross the border decreased from days to minutes.<sup>5</sup> Additionally, PIDA has supported over 100 priority infrastructure projects which have collectively contributed to reducing Africa's infrastructure financing gap, currently estimated at \$68 to \$108 billion annually.<sup>6</sup>

One area where many nations on the continent are still falling behind, however, is in health care. Facilities are outdated, understaffed, and under-resourced. Through the African Medicines Regulatory Harmonization program and the Pharmaceutical Manufacturing Plan for Africa, AUDA-NEPAD has established local manufacturing plants across Africa. Notable examples include the Aspen Pharmacare facility in South Africa, which produces over 300 million doses of vaccines annually, and the Dangote Petrochemical Manufacturing Complex in Nigeria,

1 We extend our gratitude to Nichole Grossman, Research Analyst at Brookings Africa Growth Initiative, for her outstanding research and editorial support.

2 Lina Henao, Mary Hui, and Gordon Shaw, "Africa 2030: How Africa Can Achieve the Sustainable Development Goals" (Kigali: The Sustainable Development Goals Center for Africa, November 2017), [https://sdgcafrica.org/wp-content/uploads/2018/03/SDG\\_2030\\_Nov\\_2017.pdf](https://sdgcafrica.org/wp-content/uploads/2018/03/SDG_2030_Nov_2017.pdf); "Agenda 2063: The Africa We Want" (Addis Ababa: African Union Commission, September 2015), [https://au.int/sites/default/files/documents/36204-doc-agenda2063\\_popular\\_version\\_en.pdf](https://au.int/sites/default/files/documents/36204-doc-agenda2063_popular_version_en.pdf).

3 Jeffrey D. Sachs, Guillaume Lafortune, and Grayson Fuller, "The SDGs and the UN Summit of the Future. Sustainable Development Report 2024" (Dublin: Dublin University Press, 2024), <https://www.tara.tcd.ie/handle/2262/108572>.

4 "African Union Development Agency-NEPAD (AUDA-NEPAD)," Africa Renewal, accessed December 18, 2024, <https://www.un.org/africarenewal/african-union-development-agency-nepad-auda-nepad>.

5 Gertrude Kitongo and Tom Page, "How a \$260M Bridge Negotiated Africa's Most Unusual Border," CNN, August 22, 2022, <https://www.cnn.com/2022/08/17/africa/kazungula-bridge-botswana-zambia-spc-intl/index.html>.

6 "Africa's Infrastructure: Great Potential but Little Impact on Inclusive Growth" (Abidjan: African Development Bank Group, 2018), [https://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/2018AEO/African\\_Economic\\_Outlook\\_2018\\_-\\_EN\\_Chapter3.pdf](https://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/2018AEO/African_Economic_Outlook_2018_-_EN_Chapter3.pdf).

which provides raw materials used in the manufacturing of generic drugs. Facilities such as these are necessary for Africa to reduce its reliance on imported pharmaceuticals, which are too expensive for many patients and hospitals to provide in sufficient supply.<sup>7</sup>

Nations across the continent can also benefit from increased economic engagement from women and youth. Programs focused on women and youth empowerment provide the skills necessary for these groups to enter the formal economy at levels that have yet to be seen. AUDA-NEPAD's 100,000 Micro, Small, and Medium Sized Enterprises Initiative has provided business and digital skills, through vocational training programs such as the Skills Initiative for Africa, to over 2 million entrepreneurs, with 60% of the beneficiaries being women and/or youth.<sup>8</sup>

**The Agenda 2063 Digital Platform and Dashboard, developed and operated by AUDA-NEPAD, enables real-time data analytics and evidence-based decisionmaking and helps countries across Africa monitor their progress on metrics from both initiatives.**

Meeting both Agenda 2063 and the SDGs will rely heavily on Africa's ability to transform to a digital economy. Data-driven decisionmaking is one way to increase effectiveness and efficiency of policies. The Agenda 2063 Digital Platform and Dashboard, developed and operated by AUDA-NEPAD, enables real-time data analytics and evidence-based decisionmaking and helps countries across Africa monitor their progress on metrics from both initiatives while also identifying future challenges.<sup>9</sup>

However, these projects have a long way to go to address the enormous gap between current reality and the SDGs. Economic vulnerabilities exacerbated by global inflationary pressures and limited fiscal space have resulted in anemic GDP growth, averaging 3.2% continent-wide in 2023,<sup>10</sup> falling well short of the 7-10% annual growth required to meet Agenda 2063 targets.<sup>11</sup> Annual financing has been roughly \$402 billion below what is needed.<sup>12</sup> More needs to be done to create a development environment that maximizes every dollar spent to reach the highest number of people in need.

Climate change has exacerbated the costs associated with development. Climate adaptation methods are still lagging what is needed, with an expected necessary expenditure of \$30-50 billion annually over the next decade to match the adaptation needs of the continent.<sup>13</sup>

7 Tefo Pheage, "Dying from Lack of Medicines: Encouraging Local Production, Right Policies the Way Out," *Africa Renewal* (blog), November 25, 2016, <https://www.un.org/africarenewal/magazine/december-2016-march-2017/dying-lack-medicines>; Aderaw Yenet, Getinet Nibret, and Bantayehu Addis Tegegne, "Challenges to the Availability and Affordability of Essential Medicines in African Countries: A Scoping Review," *ClinicoEconomics and Outcomes Research: CEOR* 15 (June 13, 2023): 443–58, <https://doi.org/10.2147/CEOR.S413546>.

8 "Projects," SIFA Skills Initiative for Africa, accessed December 18, 2024, <https://skillsafrica.org/projects>; "The 100,000 MSMEs Initiative African Union," accessed December 18, 2024, <https://au.int/en/articles/100000-msmes-initiative>.

9 "Agenda Dashboard v2," AUDA-NEPAD accessed January 7, 2025, <https://nepad.org/agenda-dashboard-v2>.

10 "African Economic Outlook 2024: Driving Africa's Transformation The Reform of the Global Financial Architecture" (Abidjan: African Development Bank Group, June 6, 2024), [https://www.afdb.org/sites/default/files/2024/06/aeo\\_2024\\_-\\_chapter\\_1.pdf](https://www.afdb.org/sites/default/files/2024/06/aeo_2024_-_chapter_1.pdf).

11 "Sustain Minimum Growth Rate of 7-10% of GDP to Achieve Inclusive Growth and Sustainable Development in Africa, Experts Say at AU Summit," *African Development Bank*, February 19, 2023, <https://www.afdb.org/en/news-and-events/press-releases/sustain-minimum-growth-rate-7-10-gdp-achieve-inclusive-growth-and-sustainable-development-africa-experts-say-au-summit-5915>.

12 "African Economic Outlook 2024 | Driving Africa's Transformation: The Reform of the Global Financial Architecture" (Abidjan: African Development Bank, 2024), <https://www.afdb.org/en/documents/african-economic-outlook-2024-highlights>.

13 "Africa Faces Disproportionate Burden from Climate Change and Adaptation Costs," *World Meteorological Association*, September 2, 2024, <https://wmo.int/news/media-centre/africa-faces-disproportionate-burden-from-climate-change-and-adaptation-costs>.

Climate disasters such as droughts, flooding, and rising sea levels have already led to increased migration and poverty.<sup>14</sup>

AUDA-NEPAD's ability to provide development programming is reliant on funding from donor countries. Delays in these contributions have often left the organization incapable of scaling these initiatives to meet a greater proportion of those in need. Long-term strategies are often halted due to financial constraints.<sup>15</sup> This is further complicated by diverging goals between member states, the African Union Commission, and Regional Economic Communities.<sup>16</sup>

Even so, there are lessons to be learned from AUDA-NEPAD's successes and struggles. One way to overcome diverging goals is to create initiatives through strategic partnerships. Partnerships with the stakeholders mentioned above have often led to the unlocking of funds on projects with which they are affiliated.<sup>17</sup> Additionally, they provide a level of technical expertise that enhances the project outcomes.

Furthermore, the enhanced monitoring framework under the Second Ten-Year Implementation Plan (STYIP) aims to underscore the importance of data-driven decisionmaking. These include an enhanced Monitoring and Evaluation Framework for Agenda 2063, a Core Indicator Handbook providing granular profiles of the STYIP, and a data-entry, analysis, and reporting template that aligns both the STYIP and the SDGs. These protocols have been developed from lessons learned from the First Ten-Year Implementation Plan's successes and failures.<sup>18</sup>

As 2025 unfolds, collective priorities should be set that push all of Africa toward achieving the SDGs and Agenda 2063 priorities. We propose the following:

1. Africa must work toward financial independence by mobilizing domestic financing.<sup>19</sup> Relying on the domestic bond market to prop up strategic markets could provide a more sustainable approach to long-term goals such as transforming into a green economy. Green bonds attract investors who are environmentally conscious while supporting

14 Simeon K. Ehui and Kanta Kumari Rigaud, "Climate Migration—Deepening Our Solutions," *Brookings* (blog), March 17, 2022, <https://www.brookings.edu/articles/climate-migration-deepening-our-solutions/>.

15 Temiloluwa Anne Ojo-Lanre and Akeem Amodu, "NEPAD and Right to Development in Africa: A Critical Review," *Kashere Journal of Politics and International Relations* 2, no. 2 (September 3, 2024): 407–18.

16 Temiloluwa Anne Ojo-Lanre and Akeem Amodu, "NEPAD and Right to Development in Africa: A Critical Review."

17 "African Union Development Agency-NEPAD"; "AUDA-NEPAD and EU Join Forces for Africa's Future," *AUDA-NEPAD* October 17, 2024, <https://www.nepad.org/news/auda-nepad-and-eu-join-forces-africas-future>; "AUDA-NEPAD and Mercy Ships International Forge Strategic Partnership to Strengthen Health Systems for Safe Surgical Care in Africa," *AUDA-NEPAD*, December 17, 2024, <https://www.nepad.org/news/auda-nepad-and-mercy-ships-international-forge-strategic-partnership-strengthen-health>; "AUDA-NEPAD Renews MoU with UN World Tourism Organization," *AUDA-NEPAD*, June 15, 2021, <https://www.nepad.org/news/auda-nepad-and-mercy-ships-international-forge-strategic-partnership-strengthen-health>; "Fostering Synergy: Advancing Africa's Development Agenda through Collaboration," *AUDA-NEPAD*, February 27, 2024, <https://www.nepad.org/news/fostering-synergy-advancing-africas-development-agenda-through-collaboration>; "NEPAD / AU Development Agency," *African Union*, accessed December 18, 2024, <https://www.un.org/africarenewal/african-union-development-agency-nepad-auda-nepad>.

18 "Decade of Accelerated Implementation: Second Ten-Year Implementation Plan 2024-2033," Agenda 2063 (Addis Ababa: African Union, 2024), <https://www.nepad.org/publication/agenda-2063-second-ten-year-implementation-plan-2024-2033>.

19 "Advancing Agenda 2063: AU Considers Feasibility of Development Fund," *AUDA-NEPAD*, July 2024, <https://www.nepad.org/news/advancing-agenda-2063-au-considers-feasibility-of-development-fund>; "PIDA's Decade of Transformation: AUDA NEPAD Paving the Way for Africa's Prosperous Future," *AUDA-NEPAD*, October 9, 2023, <https://www.nepad.org/news/pidas-decade-of-transformation-auda-nepad-paving-way-africas-prosperous-future>.

green initiatives such as renewable energy. Kenya and South Africa have already begun exploring these opportunities.<sup>20</sup>

2. More countries need to turn toward data-driven decisionmaking and digitization of government. The Agenda 2063 Digital Platform should be frequently utilized by policymakers across Africa to maximize their impact. Digitizing government services is another way that governments can reach the highest number of people. Countries like Rwanda, with its digital-first approach, demonstrate how e-governance enhances public service delivery, reduces corruption, and boosts citizen trust.<sup>21</sup>
3. Investments in climate resilience are vital to the health and well-being of all Africans. Investments in renewable energy, sustainable agriculture through the Africa Fertilizer and Soil Health Action Plan, and disaster risk reduction platforms are building Africa's capacity to adapt to climate challenges.<sup>22</sup> AUDA-NEPAD recently launched the Africa Disaster Risk Management and Recovery Platform, which provides solutions by mobilizing financial and technical resources to address climate-related needs.<sup>23</sup> 2025 will provide nations the first chances to leverage this resource to its fullest.
4. The African Continental Free Trade Area has provided a framework for improved regional integration.<sup>24</sup> Infrastructure projects, trade, and knowledge-sharing are made feasible through the Agreement. Continued up-scaling of such initiatives is necessary for Africa's development.

Through the use of these strategies, Africa can not only achieve the SDGs and Agenda 2063 goals—it can exceed them. Strategic partnerships, particularly through the Africa Team Program Framework and regional delivery offices, will be key to accelerating impact. Simultaneously, AUDA-NEPAD's focus on innovative financing mechanisms—such as blended finance and green bonds—promises to unlock new resources for sustainable development. The “Africa We Want” is not just a dream; it is a collective commitment.

20 Nicholas Mukono, “Forecasting the Term Structure of Government Bonds in Kenya,” University of Nairobi (thesis), 2018.; Chege Kamenju, “Effect of Macroeconomic Factors on the Development of Bond Market in Kenya,” University of Nairobi (thesis), 2018.

21 “Rwanda Digital Transformation: Charting the Future of Global Data Access,” World Economic Forum, *C4IR: Impact on the Ground* (blog), September 2024, <https://cdn.jwplayer.com/previews/WoBLOioi-ncRE1zO6>.

22 “African Fertilizer and Soil Health Action Plan: 2023-2033,” (Addis Ababa, Ethiopia: African Union, n.d.).

23 “A New Era in Disaster Management: Launch of the African Disaster Risk Management and Recovery Platform,” AUDA-NEPAD, November 15, 2024, <https://www.nepad.org/news/new-era-disaster-management-launch-of-african-disaster-risk-management-and-recovery>.

24 “AfCFTA Update November 2024,” *International Trade Administration, Market Intelligence* (blog), November 1, 2024, <https://www.trade.gov/market-intelligence/afcfta-update-november-2024>.

TABLE 1

CURRENT TRAJECTORY FOR MEETING THE SUSTAINABLE DEVELOPMENT GOALS BY 2030

Despite the overall negative outlook for meeting the SDGs by 2030, Africa is outpacing much of the world on SDG 12 (Responsible consumption and production) and 13 (Climate action)

COUNTRY	SDG1	SDG2	SDG3	SDG4	SDG5	SDG6	SDG7	SDG8	SDG9	SDG10	SDG11	SDG12	SDG13	SDG14	SDG15	SDG16	SDG17
BRICS members																	
BRICSplus members																	
East and South Asia																	
Eastern Europe and Central Asia																	
Latin America and the Caribbean																	
Middle East and North Africa																	
Oceania																	
OECD members																	
Small Island Developing States																	
Sub-Saharan Africa																	
Low-income Countries																	
Lower-middle-income Countries																	
Upper-middle-income Countries																	
High-income Countries																	
World																	
Tunisia																	
Morocco																	
Algeria																	
Egypt, Arab Rep.																	
Libya																	
Mauritius																	
Cabo Verde																	
Namibia																	
Gabon																	
Botswana																	
South Africa																	
Senegal																	
Ghana																	
São Tomé and Príncipe																	
Côte d'Ivoire																	
Kenya																	
Rwanda																	
Togo																	

**Dashboard**   Goal achievement   Challenges remain   Significant challenges   Major challenges   Insufficient data

**Time series**   On track or maintaining achievement   Moderately increasing   Decreasing   Stagnating

Source: Jeffrey D. Sachs, Guillaume Lafortune, and Grayson Fuller, (2024). The SDGs and the UN Summit of the Future. Sustainable Development Report 2024. Paris: SDSN, Dublin: Dublin University Press. doi:10.25546/108572, <https://s3.amazonaws.com/sustainabledevelopment.report/2024/sustainable-development-report-2024.pdf>.

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Tanzania	→	→	↗	↗	→	↗	→	→	→		→	↑	↗	↓	→	→	→
Sierra Leone	↗	→	↗	→	→	↗	→	↗	→		→	↗	↑	→	→	→	↗
Mauritania	→	→	→	↗	→	↗	→	→	↗		→	→	↓	↗	→	↓	→
Eswatini	→	→	↗	↑	↗	→	↗	→	↗		→		→		→	↓	↗
Zimbabwe	↓	→	↗	↗	→	→	→	→	→		↓	↑	↑		→	↓	→
The Gambia	↓	→	→	→	→	↗	→	↗	↗	↓	→	↗	↗	↓	↗	→	↗
Cameroon	→	→	→	→	↗	→	→	→	→	↗	→	→	↑	↗	→	→	→
Mali	→	→	→	↓	→	↗	→	→	→		↗	→	↗		↗	→	→
Benin	↑	→	→	↓	→	↗	→	↗	↗	↑	→	↗	↗	→	→	→	↗
Malawi	↓	→	↗	→	→	↗	→	→	↗	↑	→	↗	↗		↓	→	→
Guinea	↗	→	→	↗	→	→	→	→	→		↓	→	↗	↓	→	↓	↗
Uganda	→	↗	↗		→	→	↗	→	↗	→	→	↗	→		↓	→	→
Burundi	↓	→	→	→	→	↗	→	↗	→		↗	↗	↗		→	↓	↓
Lesotho	→	→	→	→	↗	↗	→	→	↗		→		→		↗	↓	→
Ethiopia	↗	→	↗	→	↗	→	→	→	→		→	↗	↗		→	→	→
Nigeria	↓	→	→		→	↗	→	→	↗		→	↗	↑	↗	→	↓	↗
Zambia	↓	→	→		→	↗	→	↗	↗	↗	→	→	↗		→	↓	↗
Mozambique	→	→	→	↗	↗	↗	→	↗	↓	→	→	→	↑	↗	→	↓	↗
Burkina Faso	→	→	↗	→	→	→	↓	→	→	→	↗	↗	→		↗	→	↗
Congo, Rep.	↓	↓	→		→	↗	→	↗	→		→	↗	↗	↗	↗	↓	↓
Liberia	↓	→	↗	↓	→	↗	→	→	↗		→	↗	↗	↗	→	→	↗
Comoros	→	↓	→		→	↑	→		↗		↓		→	↓	→		→
Angola	↓	→	→	↗	→	↗	↗	↗	→		↓	↑	↑	↗	→	→	→
Guinea-Bissau	→	→	→	→	→	→	→		↗		→		↑	→	→	→	→
Djibouti	↗	→	→	→	→	→	→	→	↗		↗	→	→	↓	→		→
Madagascar	→	→	→	→	→	↗	→	→	→		→	↑	↗	→	→	→	→
Sudan	↓	→	→		→	→	↗	→	→		→	↗	↑	→	→	→	→
Niger	→	→	→	↓	→	↗	→	↗	→	→	↗	↗	↗		↗	↓	↗
Congo, Dem. Rep.	→	↓	→	↗	→	→	→	→	→		→	→	↗	→	→	↓	↗
Somalia	→	→	→		→	→	→	→	→		→	↗	↗	→	↓		↑
Chad	→	→	→	→	→	↗	→	→	→		→	↗	↑		→		→
Central African Republic	→	→	→		→	→	→	→	→		→	↗	→		↗		→
South Sudan	↓	→	→		→	↗	→	↗	→		→	↑			→		→
Eritrea	→	↓	↗	→	→	↑	→	→	↗		→	↗	↗	↓	→		→
Equatorial Guinea		↓	→		↗	↑	→	↓	→		↓	↑	↑	→	↗		↓
Seychelles	↑	→	↗	→	→	↗	↗		↑		↗		→	↗	↗		↗

**Dashboard**    Goal achievement    Challenges remain    Significant challenges    Major challenges    Insufficient data

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Source: Jeffrey D. Sachs, Guillaume Lafortune, and Grayson Fuller, (2024). The SDGs and the UN Summit of the Future. Sustainable Development Report 2024. Paris: SDSN, Dublin: Dublin University Press. doi:10.25546/108572, <https://s3.amazonaws.com/sustainabledevelopment.report/2024/sustainable-development-report-2024.pdf>.



# 3

## Women and youth: Harnessing the demographic dividend for a brighter future

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# A Laws-Jobs-Cash framework for gender and youth-based economic transformation in Africa

## BELINDA ARCHIBONG

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**If African women, one-half of the continent's population and often the least advantaged members in their societies, are not thriving, African countries cannot thrive or achieve any of the Sustainable Development Goals.**

The litmus test for any functioning economy is how the members of the least advantaged communities fare.<sup>1</sup> If African women, one-half of the continent's population and often the least advantaged members in their societies, are not thriving, African countries cannot thrive or achieve any of the Sustainable Development Goals (SDGs).<sup>2</sup> Often, women act as the so-called canary in the coal mine, and declining outcomes for women can be a crucial leading indicator of socioeconomic woes to come. These issues are particularly pressing given the status of the continent as the world's youngest. Policies that focus on improving the well-being of the growing share of young women will be key to economic growth.<sup>3</sup>

While African women have experienced some gains in important economic development outcomes like education, with the gender gap in primary school enrollment having closed in the last few years,<sup>4</sup> there are still significant gaps across multiple key economic areas in many countries. I focus on three key gaps and opportunities for policymakers to boost economic growth here and introduce a Laws-Jobs-Cash (LJC) framework for gender and youth-based economic transformation in Africa. The framework is outlined as follows:

1. **Laws:** Securing the legal rights of women is good economic policy and will improve economic development in African countries.

Having more women involved in the formal economic sector will boost countries' GDPs by increasing firms' access to skilled labor and the introduction of more diverse and innovative ideas<sup>5</sup> and converting gains from women's increased educational attainment

- 1 Whitney Tucker, "Black Women Best Framework Points the Way to Equitable and Just State Tax Reform," *Center on Budget and Policy Priorities*, April 17, 2024, <https://www.cbpp.org/research/state-budget-and-tax/black-women-best-framework-points-the-way-to-equitable-and-just-state>.
- 2 Christine Lagarde and Jonathan D. Ostry, "Economic Gains from Gender Inclusion: Even Greater than You Thought," *IMF* (blog), November 28, 2018, <https://www.imf.org/en/Blogs/Articles/2018/11/28/blog-economic-gains-from-gender-inclusion-even-greater-than-you-thought>; Gumisai Mutume, "African Women Battle for Equality," *Africa Renewal* (blog), July 15, 2005, <https://www.un.org/africarenewal/magazine/july-2005/african-women-battle-equality>.
- 3 Steve Onyeiwu, "Gender, Youths and Sustainable Development," in *Emerging Issues in Contemporary African Economies: Structure, Policy, and Sustainability*, ed. Steve Onyeiwu (Cham: Springer Nature Switzerland, 2024), 329–68, [https://doi.org/10.1007/978-3-031-74241-5\\_11](https://doi.org/10.1007/978-3-031-74241-5_11); Interview with Jennifer Blanke, Vice President Agriculture, Human and Social Development at the African Development Bank Group, ahead of the 2019 Gender Summit, (Addis Ababa: African Development Bank Group, November 22, 2019), <https://www.afdb.org/en/news-and-events/interviews/interview-jennifer-blanke-vice-president-agriculture-human-and-social-development-african-development-bank-group-ahead-2019-gender-summit-32803>.
- 4 Whitney Armstrong, "Education: Girls Are Catching up with Boys in sub-Saharan Africa," *World Economic Forum* (blog), July 11, 2022, <https://www.weforum.org/stories/2022/07/education-africa-girls-boys-gender-school/>.
- 5 Michel Ferrary, and Stéphane Déo. "Gender Diversity and Firm Performance: When Diversity at Middle Management and Staff Levels Matter." *The International Journal of Human Resource Management* 34.14 (2023): 2797-2831, <https://www.tandfonline.com/doi/full/10.1080/09585192.2022.2093121>.

into skilled labor to boost firm productivity.<sup>6</sup> An important way to get more women involved in this way is by increasing women's access to labor markets. Doing this will require two main elements: a) providing women with resources to access labor markets easily and in a less costly way, and b) changing social norms and biases against women to ensure that women can access these markets.<sup>7</sup> A low-cost way to achieve both of these outcomes without direct government intervention in the labor markets is for governments to intervene with laws in housing markets, labor markets, and politics in the following ways:

1. *Pass anti-discrimination laws that ensure that women are not discriminated against in the workplace for any gender-based reason—e.g., customer discrimination, hiring manager bias, or discrimination based on marriage or pregnancy status.* Every country should fund and maintain the equivalent of an Equal Employment Opportunity Commission that is tasked with monitoring firms in the public and private sector and prosecuting firms that violate gender discrimination laws. Some countries already do this, and we have seen some progress, though more legislation is needed across Africa. One recent success story comes from Nigeria where in 2023, in the case of *Omolola Olajide v. The Nigerian Police Force & two others* (unreported Suit No: NICN/AK/14/2021), the court affirmed that it was unlawful to dismiss an unmarried pregnant woman after a female police officer was dismissed from her position after getting pregnant.<sup>8</sup> Her initial dismissal was based on a pre-existing police law that forbade unmarried female police officers from getting pregnant, a law that was very clearly discriminatory against women. Ensuring that federal laws are created to protect women from discrimination in the labor market is an important first stage for boosting female employment and subsequent economic growth within countries.<sup>9</sup>
2. *Change inheritance laws to guarantee women's right to inherit land and property.* Access to land and property provides a key source of wealth that allows women to not only guarantee their own financial stability but also that of their children, especially their daughters. A plethora of research has shown that this improved financial stability leads to higher education, employment, and improved life outcomes for future generations.<sup>10</sup>

6 Belinda Archibong, and Peter Blair Henry. "Shocking Offers: Gender, Wage Inequality, and Recessions in Online Labor Markets." *AEA Papers and Proceedings*. Vol. 114. 2014 (Nashville: American Economic Association, 2024), <https://www.nber.org/papers/w32366>.

7 Archibong et al., 2024, "Firm Culture: How Social Norms Affect Gender Bias in Online Labor Markets", *ResearchGate*, December 2024, [https://www.researchgate.net/publication/387538237\\_Firm\\_Culture\\_How\\_Social\\_Norms\\_Affect\\_Gender\\_Bias\\_in\\_Hiring\\_in\\_Online\\_Labor\\_Markets](https://www.researchgate.net/publication/387538237_Firm_Culture_How_Social_Norms_Affect_Gender_Bias_in_Hiring_in_Online_Labor_Markets).

8 "Nigeria: A Decision on Discrimination in the Workplace," *Industrial Relations and Labour Law IOE* (blog), March 29, 2023, <https://industrialrelationsnews.ioe-emp.org/industrial-relations-and-labour-law-march-2023/news/article/nigeria-a-decision-on-discrimination-in-the-workplace>.

9 David Cuberes, and Marc Teignier. "Aggregate Effects of Gender Gaps in the Labor Market: A Quantitative Estimate." *Journal of human capital* 10.1 (2016): 1-32, <https://www.journals.uchicago.edu/doi/abs/10.1086/683847>; Anna Fruttero et al., "Women in the Labor Force: The Role of Fiscal Policies," (Washington, D.C.: International Monetary Fund, 2020).; "The History of Women's Work and Wages and How It Has Created Success for Us All," *Brookings Institution*, May 2020, <https://www.brookings.edu/articles/the-history-of-womens-work-and-wages-and-how-it-has-created-success-for-us-all/>.

10 Taiwo Ajala, "Gender Discrimination in Land Ownership and the Alleviation of Women's Poverty in Nigeria: A Call for New Equities," *International Journal of Discrimination and the Law* 17, no. 1 (2017): 51-66, <https://journals.sagepub.com/doi/abs/10.1177/1358229117700028>; Esther Duflo, "Women Empowerment and Economic Development," *Journal of Economic Literature* 50, no. 4 (December 2012): 1051-79, <https://doi.org/10.1257/jel.50.4.1051>.

3. *Pass and enforce anti-discrimination laws that will prevent landlords from discriminating against women by refusing them housing.* Housing discrimination negatively impacts women's labor market opportunities and labor force participation in ways that reduce economic output and growth.<sup>11</sup> Lack of access to adequate housing means lowered access to work. Housing discrimination against women, especially young women, is rampant in many African countries<sup>12</sup>. Stories like Damilola Olushola's—a 32-year-old professional Nigerian woman who was repeatedly refused housing because of landlords' refusals to rent to women (and especially women without male partners)—are unfortunately quite common.<sup>13</sup> Olushola's difficulty in finding housing increased her costs of commuting to work, which then limited her employment and income generation opportunities. Gender-based housing discrimination against women by landlords should be illegal, as it not only reduces women's access to the aforementioned opportunities, but also increases women's exposure to sexual harassment and gender-based violence by forcing them into unsafe housing.<sup>14</sup> In these contexts, any woman without a male partner—be they unmarried, a widow, divorced, or married but living apart from their male partner—becomes increasingly marginalized and vulnerable to exploitative, discriminatory landlords and increasingly at risk of becoming unhoused and exposed to unsafe conditions.<sup>15</sup> This significantly increases risk of violence against women as women are forced to rely entirely on men for access to safe housing.<sup>16</sup>
  
4. *Make it illegal for landlords to demand that renters must pay rents up to a year in advance.* These policies disproportionately harm women as women, on average, earn lower wages than men.<sup>17</sup> In most parts of the world, rents are paid monthly. As of 2019, four out of 19 major African countries required annual upfront payments:

- 11 David Cuberes and Marc Teignier. "Aggregate effects of gender gaps in the labor market: A quantitative estimate." *Journal of human capital* 10.1 (2016): 1-32, <https://www.journals.uchicago.edu/doi/abs/10.1086/683847>; Anna Fruttero, et al., *Women in the Labor Force: The Role of Fiscal Policies*.
- 12 James S. Etim and Valentine U. James, *The Feminization of Development Processes in Africa: Current and Future Perspectives* (Westport: Praeger Publishers, 1999), <http://www.bloomsburycollections.com/collections/monograph>; Esther O. Thontteh, "Gender Discrimination in the Rental Housing Market: Conceptual Ideas and Empirical Evidence from Lagos, Nigeria," *African Journal of Housing and Sustainable Development* 5, no. 1 (September 24, 2024), <http://ajhsd.unilag.edu.ng/article/view/2245>; Ginette Azcona, Antra Bhatt, and Sara Duerto Valero, "Spotlight on SDG11: Harsh Realities: Marginalized Women in Cities of the Developing World" (UN Women, February 24, 2020), <https://www.unwomen.org/en/digital-library/publications/2020/02/harsh-realities-marginalized-women-in-cities-of-the-developing-world>.
- 13 Ayodele Johnson, "The Megacity Where Single Women Lie to Rent Flats," *BBC*, May 13, 2021, <https://www.bbc.com/worklife/article/20210511-the-megacity-where-single-women-lie-to-rent-flats>.
- 14 "Women and the Right to Adequate Housing" *United Nations Human Rights Office of the High Commissioner*, accessed December 30, 2024, <https://www.ohchr.org/en/special-procedures/sr-housing/women-and-right-adequate-housing>.
- 15 "Interrogating Gender Inequalities in African Cities," *African Cities Research Consortium* (blog), March 8, 2022, <https://www.african-cities.org/interrogating-gender-inequalities-in-african-cities/>.
- 16 Amy A. Conroy, "Gender, Power, and Intimate Partner Violence: A Study on Couples From Rural Malawi," *Journal of Interpersonal Violence* 29, no. 5 (March 2014): 866–88, <https://doi.org/10.1177/0886260513505907>; Bushra Sabri and Anna Marie Young, "Contextual Factors Associated with Gender-Based Violence and Related Homicides Perpetrated by Partners and in-Laws: A Study of Women Survivors in India," *Health Care for Women International* 43, no. 7–8 (July 2022): 784–805, <https://doi.org/10.1080/07399332.2021.1881963>; Kudakwashe Gracious Zinyemba and Khumbulani Hlongwana, "Men's Conceptualization of Gender-Based Violence Directed to Women in Alexandra Township, Johannesburg, South Africa," *BMC Public Health* 22 (November 30, 2022): 2235, <https://doi.org/10.1186/s12889-022-14616-5>.
- 17 Belinda Archibong and Peter Blair Henry, "Shocking Offers: Gender, Wage Inequality, and Recessions in Online Labor Markets," *AEA Papers and Proceedings* 114 (May 2024): 196–200, <https://doi.org/10.1257/pandp.20241126>.

Nigeria, Cameroon, Ghana, and Sierra Leone.<sup>18</sup> African countries are lagging the rest of the world on this issue. Some countries, however, are leading the region on policies that prevent these types of exploitative rental practices, with Botswana and South Africa not requiring annual upfront payments.<sup>19</sup> And others, like Burkina Faso, Cote d'Ivoire, and Senegal, have more flexible rental arrangements with 1-3 months upfront payments required.<sup>20</sup> Countries should learn from their peers in the region and pass laws to eliminate the annual or several months upfront rental payments requirement to boost economic development.

5. *Diversify the legislative body in African countries, as this will be a crucial part of enabling points 1-4 to pass in a less costly way.* Whether it be in the private sector or public sector, we have research-based evidence that having more women in power can increase productivity and economic outcomes.<sup>21</sup> Women in political office are often the bedrock of economic transformation, and yet women are underrepresented in parliaments across Africa (Figure 15) with women making up just 27% of legislative parliamentary seats in sub-Saharan Africa, versus 36% in Latin America and the Caribbean and 33% in Europe and North America.<sup>22</sup> Countries should institute affirmative action policies that reserve political seats for women and educate women and men (through the primary to university school curriculum) on the importance of engaging women politically and civically for economic development. Significant gaps remain across most African countries, with many countries having relatively low shares of women in lower parliament relative to the continent mean (25%, Figure 15). Nigeria, the continent's most populous country, posts especially dismal numbers, with women making up just 3.9% of lower parliament as of 2024, placing the country in the bottom 10 countries in the world for female representation in lower parliament. Rwanda, where women hold over 61% of seats in parliament, is a leader in this regard as the country with the highest share of women in lower parliament in the world. This was achieved through the implementation of a quota law requiring 30% of all elected positions be held by women.<sup>23</sup> We have strong evidence that involving more women in politics and the legislature can improve women's political participation and the passing of more gender-equal laws and welfare-enhancing economic policies in countries.<sup>24</sup>

18 "4 Reasons Why Landlords Prefer Collecting Annual Rents Over Monthly Rents in Nigeria," *Estate Intel*, accessed December 4, 2024, <https://estateintel.com/news/4-reasons-why-landlords-collect-yearly-rent-from-tenants-in-nigeria>.

19 Nicola Pierre, "Rent Regulation in Kenya, Lagos, Nigeria, Botswana and South Africa: A Comparative Analysis," *Urban Legal Case Studies* (United Nations Human Settlement Program, 2020).

20 Christopher Colli et al., "Understanding and Quantifying Rental Markets in Africa: Senegal," (Centre for Affordable Housing Finance in Africa, September 4, 2018), <https://housingfinanceafrica.org/documents/understanding-quantifying-rental-markets-in-africa-senegal/>.

21 Esther Duflo, "Women Empowerment and Economic Development," *Journal of Economic Literature* 50, no. 4 (December 2012): 1051–79, <https://doi.org/10.1257/jel.50.4.1051>.

22 "Facts and Figures: Women's Leadership and Political Participation," *UN Women*, accessed December 4, 2024, <https://www.unwomen.org/en/what-we-do/leadership-and-political-participation/facts-and-figures>.

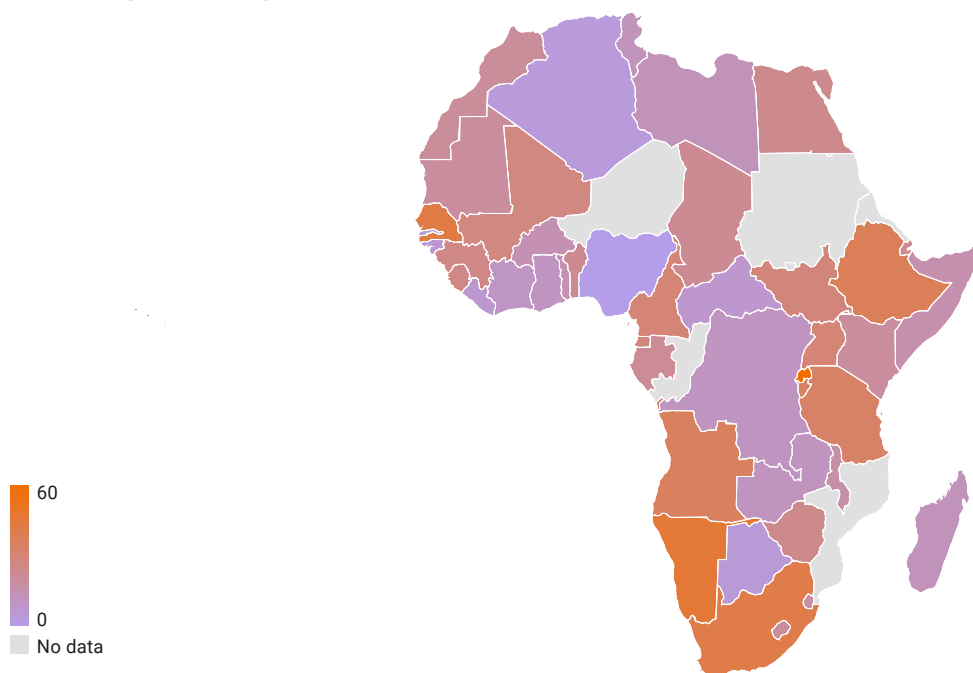
23 Johnson, "The Megacity Where Single Women Lie to Rent Flats."

24 Duflo, "Women Empowerment and Economic Development," December 2012.

**FIGURE 15**

**PERCENTAGE OF WOMEN IN LOWER PARLIAMENT ACROSS AFRICA AS OF JANUARY 2024**

*The average percentage of women serving in lower parliamentary bodies across the African continent is 25%, which is slightly below the global average of 26.9%*



Note: Countries in gray have figures below the continent mean (25%) and countries in purple are above the continent mean.

Source: Inter-Parliamentary Union Parline.

In focusing on these laws, a key point to note is that while the emphasis in the last few years has been on the benefits of technology for promoting gender equality, youth employment, and structural transformation, countries and governments cannot tech their way out of cultural transformation. Laws are necessary to change social norms that can cause gender inequality to persist even in the presence of technological innovations in labor, housing, and financial markets.<sup>25</sup>

*II. Jobs:* Governments should invest in more public-private partnerships that leverage the potential for technology to boost women's employment and improve economic growth. Policymakers can do this in two major ways:

1. *Partner with online hiring platforms to encourage more applications by female applicants and more engagement with formal sector jobs and improve the job match between female applicants and employers.* Policymakers can do this in many ways—for example, by boosting platforms with proven records on matching firms and job applicants on official government job platforms. Online job portals like Jobberman

25 Katharine M. Christopherson Puh et al., "Chapter 12 Legal Rights: Women's Economic Empowerment," in *Gender Equality and Economic Development in Sub-Saharan Africa* (Washington, D.C.: International Monetary Fund), accessed December 4, 2024, <https://www.elibrary.imf.org/display/book/9798400246968/CH012.xml>.

in Nigeria and Ghana or Brighter Monday in Kenya, Tanzania, and Uganda serve millions of job seekers, particularly young job seekers between the ages of 18 and 40, and can provide both ad targeting, information sharing, and skills training services that can help female applicants and young people connect to jobs.<sup>26</sup> These platforms can also help employers match qualified female applicants more easily. Governments can subsidize access to these platforms for new, young, female job seekers (e.g. by connecting to job seekers at public secondary schools and public universities) and female job seekers in rural areas or from low-income backgrounds. Engagement with the platforms would also allow governments to monitor labor market discrimination against women in a less costly way, building further on the L in the LJC framework.

2. *Lower legal and financial barriers to accessing grants and loans for female entrepreneurs.* Access to finance for female entrepreneurs is relatively low globally.<sup>27</sup> Women in Africa are some of the hardest working entrepreneurs in the world. Nearly 50% of women in the non-agricultural labor force are entrepreneurs, and Africa is the only region in the world where women have a higher likelihood of being entrepreneurs than men.<sup>28</sup> Despite this and Africa having the highest share of female enterprises in the world (26%), female entrepreneurs are more likely to own or work in informal microenterprises. This means they are less able to grow their businesses, often have unstable finances, and lack access to formal lenders and the capital they need to expand, raise their incomes, and boost national employment by creating more jobs in their regions.<sup>29</sup>

Additionally, more than 60% of countries in Africa lack legal protections that actively prevent discrimination against women's access to credit.<sup>30</sup> This lowers sustainable investment ratings of African countries and subsequently reduces the amount of private capital inflows into African countries. By World Bank estimates, closing this gender gap in employment and entrepreneurship could raise global GDP by over 20% and would result in significant financial windfalls for countries ready to invest in female workers and entrepreneurs.<sup>31</sup>

- III. *Cash:* Governments must create targeted social safety nets for women and expand women's financial access by lowering regulatory and infrastructure barriers to opening bank accounts, especially mobile money accounts.<sup>32</sup> This can be achieved through the following two recommendations:

26 Belinda Archibong, "How to Reduce Gender Inequality in Labor Markets in Africa," *Brookings Institution* (blog), February 13, 2024, <https://www.brookings.edu/articles/how-to-reduce-gender-inequality-in-labor-markets-in-africa/>.

27 "Women, Business and the Law - Gender Equality, Women Economic Empowerment", *World Bank*, accessed December 4, 2024, <https://wbl.worldbank.org/>.

28 "Expanding Women's Access to Capital," Bill & Melinda Gates Foundation, accessed December 4, 2024, <https://www.gatesfoundation.org/ideas/womens-economic-power/access-capital>.

29 "Women and the Changing Face of Entrepreneurship in Africa," (Women and the Changing Face of Entrepreneurship in Africa, Harvard University Center for African Studies, 2020), [https://africa.harvard.edu/files/african-studies/files/women\\_and\\_the\\_changing\\_face\\_of\\_entrepreneurship\\_in\\_africa\\_revised\\_concept\\_note.pdf](https://africa.harvard.edu/files/african-studies/files/women_and_the_changing_face_of_entrepreneurship_in_africa_revised_concept_note.pdf).

30 "Expanding Women's Access to Capital."

31 "Women, Business and the Law - Gender Equality, Women Economic Empowerment."

32 Travis W. Reynolds, et al. Exploring the Gender Gap in Mobile Money Awareness and Use: Evidence from Eight Low and Middle Income Countries, *Information Technology for Development* 29.2-3 (2023): 228-255, <https://www.tandfonline.com/doi/full/10.1080/02681102.2022.2073579>.

1. *Create targeted social safety nets.* Not only do African women face gender discrimination in housing and labor markets as described above, but also in financial markets in ways that combine to lower their income, wealth, and access to financial markets more generally. This has catastrophic implications for their vulnerabilities to shocks like floods, epidemics, and droughts that are expected to get worse and more frequent due to climate change. These climate-induced disasters disproportionately affect women and girls. Women and girls experience worse and more prolonged negative effects, including higher mortality, lowered education, and lowered income in the aftermath of these shocks.<sup>33</sup> However, research-based evidence shows that targeting cash grants to women can help alleviate the negative effects these disasters have on women and subsequently entire households and economies.<sup>34</sup> A targeted social safety net that directs cash grants to women and female-headed households, especially during disasters, is good economic policy that both reduces gender inequality, guarantees safety and economic well-being for young people, and promotes long-run, sustainable development.
2. *Ensure that all women have access to bank accounts.* While there have been improvements in financial access across Africa, with 55% of Africans having access to bank accounts in 2021 compared to 23% in 2011 (Figure 16), there remains a gender gap in bank access, with the gap increasing to 12% in 2021.<sup>35</sup> While mobile money accounts provide a promising avenue for improving women's financial access (Figure 17), women, who are often poorer than their male counterparts, also have less access to the information and communication technology that would improve their access to these accounts. Here as with employment, policymakers have a twofold opportunity to invest in economic transformation by first, partnering with mobile money firms to boost awareness and information about how women can access these mobile money accounts, and second to create and enforce regulation that makes it illegal to discriminate against women and prevent women from accessing banking services. Part of the regulation is to invest in regulatory bodies that monitor fraud in mobile money markets to ensure that women are not being overcharged in mobile money transactions.<sup>36</sup>

African policymakers that focus on the three pillars of the LJC framework (Laws, Jobs and Cash) for gender and youth-based economic transformation will be best positioned to boost their countries' economic growth prospects and realize outsized gains for all populations in their regions.

33 Belinda Archibong and Francis Annan, "Climate Change, Epidemics, and Inequality," *Review of Environmental Economics and Policy* 17, no. 2 (June 2023): 336–45, <https://doi.org/10.1086/725211>.

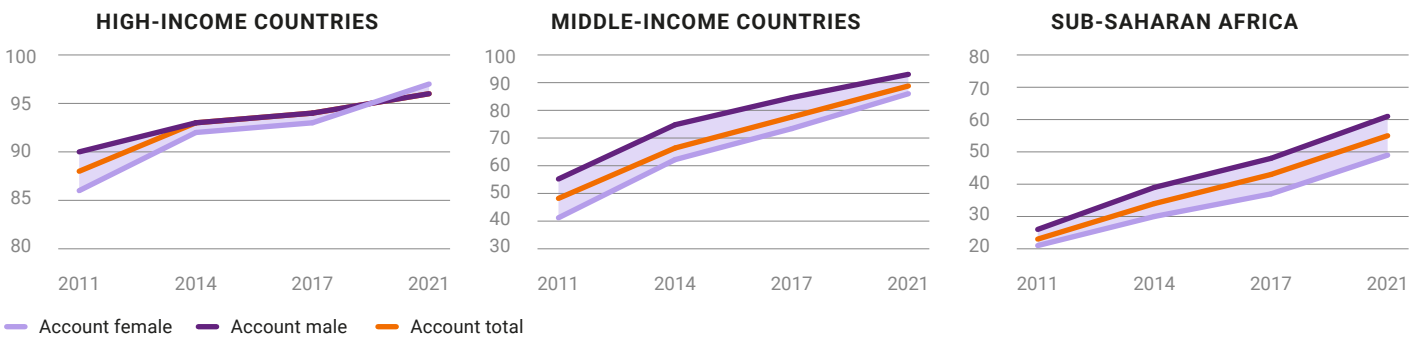
34 Archibong and Annan, "Climate Change, Epidemics, and Inequality."

35 Marie-Helene Ferrer, Caroline Perrin, and Luc Jacolin, "Sub-Saharan Africa: The Financial Gender Gap between Men and Women," *World Bank Blogs* (blog), February 27, 2023, <https://blogs.worldbank.org/en/allaboutfinance/sub-saharan-africa-financial-gender-gap-between-men-and-women>.

36 Francis Annan, "Reducing Misconduct in Ghana's Mobile Money Markets Benefitted All," *VoxDev* (blog), March 6, 2024, <https://voxdev.org/topic/finance/reducing-misconduct-ghanas-mobile-money-markets-benefitted-all>.

**FIGURE 16**  
**BANK COVERAGE AND GENDER GAP**

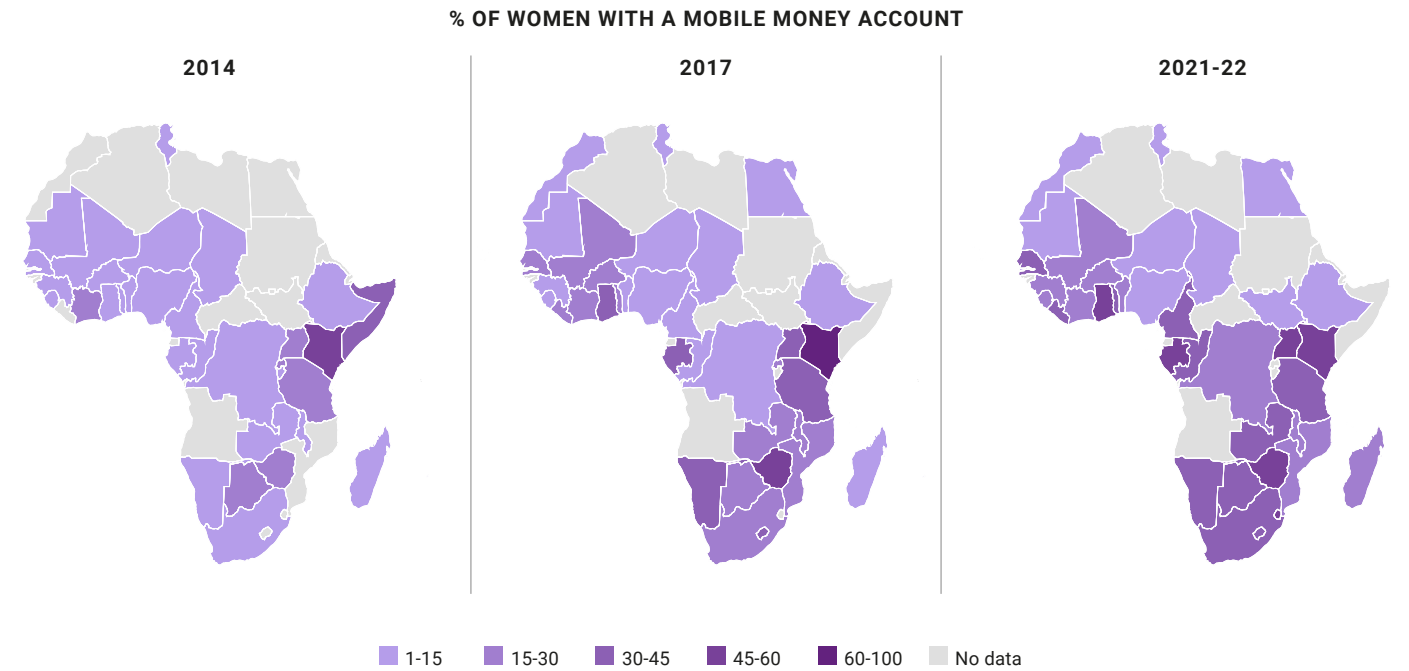
While the percentage of adults with bank accounts has increased over time in Africa, the gender gap has also increased



Note: Percentage of the adult population holding an account at a bank or other financial institution.  
Source: Global Findex and Author's calculations

**FIGURE 17**  
**MOBILE MONEY ACCOUNTS HAVE BECOME AN IMPORTANT ENABLER OF FINANCIAL INCLUSION FOR WOMEN IN SUB-SAHARAN AFRICA**

Overall, the percentage of women with mobile money accounts has increased over the last eight years. However, there are still large disparities across the continent. Many regions with the lowest percentages remain at their 2014 levels. Mobile money accounts are important for the financial and economic inclusion of women across the continent. Improving access can, therefore, have a fundamental impact.



Source: Klapper, Leora. "Digital Finance Boosting Women's Financial Inclusion in sub-Saharan Africa: Emerging Evidence." *Brookings Institution* (blog), March 7, 2024. <https://www.brookings.edu/articles/digital-finance-boosting-womens-financial-inclusion-in-sub-saharan-africa-emerging-evidence/>.

# The future of African youth and women in entrepreneurship: Leading Africa to 2030

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As we approach 2030, Africa's young population stands at the forefront of economic transformation. Youth and women entrepreneurs have had a profound impact on their communities and the continent at large. Their energy, resilience, and creativity are not just changing the landscape of business in Africa—they are driving the realization of the Sustainable Development Goals (SDGs). Yet challenges persist in creating the conditions for entrepreneurs—especially those from marginalized communities—to succeed on the continent. To fully harness their potential, we must focus on empowering youth and women entrepreneurs with the right tools and creating an enabling environment for them to thrive.

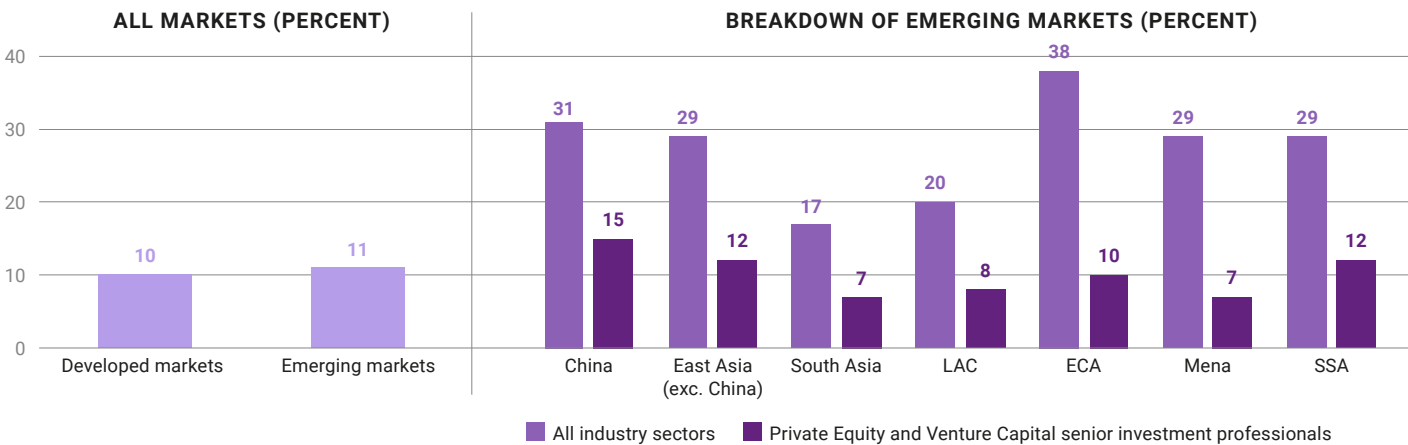
## Harnessing the power of entrepreneurship

Entrepreneurship has always been at the heart of Africa's economic engine, with small and medium enterprises providing the bulk of jobs across the continent.<sup>2</sup> Africans have sought employment through entrepreneurial activities across sectors such as farming, crafts, and informal retail.<sup>3</sup> While many are able to embark on this journey without external assistance, many others hit financial, educational, and/or logistical barriers, making entrepreneurship an unlikely option despite the desire to pursue it. However, entrepreneurship is essential to Africa growth. The creation of 10 successful new businesses, for example, has the potential to add 1.4 billion dollars to a country's gross domestic product and create upwards of 2,400 new jobs.<sup>4</sup> In recent decades, many organizations have looked for ways to minimize these barriers to entrepreneurship so as to enhance economic growth and create employment opportunities on the continent.<sup>5</sup>

- 1 We extend our gratitude to Nichole Grossman, Research Analyst at Brookings Africa Growth Initiative, for her outstanding research and editorial support.
- 2 Daniel Runde, Conor Savory, and Janina Staguhn, "Supporting Small and Medium Enterprises in sub-Saharan Africa Through Blended Finance," Center for Strategic and International Studies, July 7, 2021, <https://www.csis.org/analysis/supporting-small-and-medium-enterprises-sub-saharan-africa-through-blended-finance>
- 3 Ralph Callebert et al., *Entrepreneurship in Africa: A Historical Approach*, ed. Moses E. Ochonu and Moses E. Ochonu, Illustrated edition (Bloomington: Indiana University Press, 2018).
- 4 Çağla Arıker, "Massive Open Online Course (MOOC) Platforms as Rising Social Entrepreneurs: Creating Social Value Through Reskilling and Upskilling the Unemployed for After COVID-19 Conditions," in *Research Anthology on Business Continuity and Navigating Times of Crisis* (New York: IGI Global Scientific Publishing, 2022), 607–29, <https://doi.org/10.4018/978-1-6684-4503-7.ch030>.
- 5 "Welcome to Africa's Young Entrepreneurs Organization," *Africa's Young Entrepreneurs* accessed December 26, 2024, <https://ayeorganization.com/>; "Youth and Women Entrepreneurships | USADF," accessed December 26, 2024, <https://www.usadf.gov/sectors/4>; "IFC Invests More Than Half a Billion Dollars to Advance Egypt's Green Transition and Support Small Businesses," *IFC*, November 25, 2024, <https://www.ifc.org/en/pressroom/2024/ifc-invests-more-than-half-a-billion-dollars-to-advance-egypt-s-green-transition-and-support-small-businesses>; "Home - The African Women's Development Fund," *African Women's Development Fund*, December 26, 2024, <https://awdf.org/>.

**FIGURE 18**  
**PERCENT OF SENIOR INVESTMENT PROFESSIONALS ACROSS PRIVATE EQUITY AND VENTURE CAPITAL WHO ARE WOMEN**

*Across the world, women are underrepresented in private equity and venture capital*



Note: Senior investment professionals are defined as partners, C-suite executives, and managing directors. Share of senior roles (CEO, managing director, chairperson, and other senior decision makers) held by women in other industry sectors is sourced from Grant Thornton (2017). PE = private equity; VC = venture capital.  
Source: Oliver Wyman, IFC, RockCreek, "Report: Moving Toward Gender Balance in Private Equity and Venture Capital," March 6, 2019.

As a major component of the entrepreneurship ecosystem, The Tony Elumelu foundation (TEF) Entrepreneurship Programme is creating opportunities through various projects targeting marginalized groups interested in entrepreneurship. Toward this goal, TEF has committed to disburse \$100 million in seed capital over a period of ten years. With this funding, TEF has trained over 20,000 entrepreneurs, 9,000 of whom are women thus far.<sup>6</sup> In 2023, over half of those employed by the businesses supported by TEF were women and almost one-third were youth.<sup>7</sup>

The BeGreen Africa initiative, a collaboration between the TEF, United Nations Children's Fund Generation Unlimited, IKEA Foundation, and young green entrepreneurs, is targeting 1,000 young entrepreneurs for training and mentorship. From this initial group, 120 will start green energy businesses in Kenya, Nigeria, Morocco, Senegal, or South Africa with \$5,000 of seed funding. By empowering young people to create their own start-ups through social entrepreneurship, these burgeoning businesses will have the power to provide jobs, stimulate the economy, and provide a social good by working to minimize climate change.<sup>8</sup>

6 "Empowering Young African Entrepreneurs: A Decade of Impact" (The Tony Elumelu Foundation), accessed December 26, 2024, [https://www.tonyelumelufoundation.org/wp-content/uploads/dlm\\_uploads/2024/03/2024-selection-fact.pdf](https://www.tonyelumelufoundation.org/wp-content/uploads/dlm_uploads/2024/03/2024-selection-fact.pdf).  
7 "Empowering African Entrepreneurs: The Tony Elumelu Foundation 2023 Annual Report" (Lagos: The Tony Elumelu Foundation, 2023), [https://www.tonyelumelufoundation.org/wp-content/uploads/dlm\\_uploads/2024/04/TEF-2023-ANNUAL-REPORT-TEF-V3-28-03-24-2.pdf](https://www.tonyelumelufoundation.org/wp-content/uploads/dlm_uploads/2024/04/TEF-2023-ANNUAL-REPORT-TEF-V3-28-03-24-2.pdf).  
8 Temitope Somuwa, "BeGreen Africa Empowers Entrepreneurs in Waste Management," *The Tony Elumelu Foundation*, June 26, 2024, <https://www.tonyelumelufoundation.org/news/begreen-africa-entrepreneur-workshop-empowers-kenyan-youth-in-waste-management>.

In 2020, the TEF partnered with the European Union, the Organisation of African, Caribbean and Pacific States, the German Federal Ministry for Economic Cooperation and Development, Seedstars Association For Entrepreneurship in Emerging Markets, and the Deutsche Gesellschaft für Internationale Zusammenarbeit to implement a women-focused initiative called Women Entrepreneurship for Africa (WE4A).<sup>9</sup> Through this initiative, 2,420 women from underserved communities and the informal sector in sub-Saharan Africa received much-needed training, mentoring, networks, and seed capital funding. Of these 2,420 women, 100 went on to participate in the second stage of the program, through which they received advanced technical support and additional funding.<sup>10</sup> Building on the learnings and positive outcome of this partnership, in 2021, the TEF partnered with Google to launch yet another women-focused initiative that saw 500 rural-based aspiring women entrepreneurs receive seed capital of \$5,000 in addition to training, mentoring, and access to networks.<sup>11</sup>

TEF has also joined forces with Sightsavers to implement a program that supports African entrepreneurs with disabilities.<sup>12</sup> A recent case study TEF conducted revealed that many entrepreneurs with disabilities were able to launch their businesses despite systemic barriers. For example, one entrepreneur created a thriving IT services company offering both technical support and assistive technology for visually-impaired individuals. Their entrepreneurial journey is a testament to how comprehensive support—combining seed capital, mentorship, and skills training—can empower even the most marginalized groups to succeed.<sup>13</sup>

As a result of these and other initiatives, TEF is empowering a new generation of African entrepreneurs and helping drive poverty eradication and the amelioration of challenges like climate change. The Foundation also aims to increase economic inclusion and empower rural-based women by strengthening their livelihoods and incomes, while creating decent jobs in the African economy.

9 "Women Entrepreneurship for Africa Acceleration and Growth Programme" (Lagos: The Tony Elumelu Foundation, 2023), <https://www.tonyelumelufoundation.org/women-entrepreneurship-for-africa>.

10 Clemence Eliah, "WE4A: Women Entrepreneurship for Africa Acceleration and Growth Programme Component: Learning and Opportunity Brief," (Women Entrepreneurship for Africa, 2023), [https://www.tonyelumelufoundation.org/wp-content/uploads/dlm\\_uploads/2024/08/Safeem\\_WomenEntrepreneurshipforAfricaAccelerationprogramme\\_V4.pdf](https://www.tonyelumelufoundation.org/wp-content/uploads/dlm_uploads/2024/08/Safeem_WomenEntrepreneurshipforAfricaAccelerationprogramme_V4.pdf); Joshua Praise, "WE4A: Meet Some Of The TEF Alumnae Who Will Receive 2nd Stage Funding of Up to €50,000," *The Tony Elumelu Foundation*, March 7, 2022, <https://www.tonyelumelufoundation.org/news/we4a-meet-some-of-the-tef-alumnae-who-will-receive-2nd-stage-funding-of-up-to-e50000>.

11 Nitin Gajria and Rowan Barnett, "Supporting Startups and SMEs in Africa," Google, June 21, 2021, <https://blog.google/intl/en-africa/company-news/inside-google/googles-commitment-to-underserved/>.

12 "Inclusive Entrepreneurship: Creating Opportunities for People Thriving With Disabilities in Africa," (Lagos: The Tony Elumelu Foundation, June 19, 2023), <https://www.tonyelumelufoundation.org/research-publications/inclusive-entrepreneurship-creating-opportunities-for-people-thriving-with-disabilities-in-africa>.

13 Stephen Kastona, "Inclusive Entrepreneurship: Creating Opportunities for People Thriving with Disabilities in Africa," *The Tony Elumelu Foundation* (blog), June 19, 2023, <https://www.tonyelumelufoundation.org/research-publications/inclusive-entrepreneurship-creating-opportunities-for-people-thriving-with-disabilities-in-africa>.

## Addressing the challenges

While there are many success stories, challenges persist. One of the most significant obstacles is access to finance.<sup>14</sup> Despite the \$5,000 seed capital provided to our entrepreneurs, many continue to struggle with scaling their businesses due to a lack of growth capital. A recent WE4A Tracer Study published by an independent research team reported that 69% of the WE4A participants identified resource constraints as a key barrier to business growth.<sup>15</sup> If we are to fully unlock the potential of African entrepreneurs, we must develop more inclusive financial systems that provide accessible funding at every stage of business growth.

Women entrepreneurs in Africa tend to remain in the informal sector. This occurs for three main reasons: 1) women's overall lower level of education compared to men can instill a sense of inadequacy that makes women hesitant to join the formal sector;<sup>16</sup> 2) culturally, women remain the primary caretaker of the home, limiting the time they can commit to a business;<sup>17</sup> and 3) access to financial capital remains a substantial hurdle.<sup>18</sup> Bringing these businesses into the formal sector could invigorate the economy by providing additional jobs and tax revenue among other societal and personal benefits.<sup>19</sup> The hurdles to doing so can be overcome through appropriate programs which provide business and financial literacy training paired with financing opportunities. However, without a cultural shift, many women will remain unable or unwilling to seek out these options. Therefore, it is important that organizations working to achieve the goal of advancing entrepreneurship across the continent also support policy changes that can lead to a shift in the ways that people view gender roles in society.

Other challenges are posed by infrastructure constraints and market access. Many young entrepreneurs, particularly those from rural areas, face difficulties in accessing digital platforms, supply chains, and critical business networks.<sup>20</sup> Rural entrepreneurs in our programs reported barriers such as poor internet access, which hindered their ability to participate fully in training and online markets.

14 Tomola Marshal Obamuyi, "Start-up Financing and Expectations for Growth: Young and Older Entrepreneurs in sub-Saharan Africa," *International Journal of Entrepreneurship and Small Business* 30, no. 3 (January 2017): 448–59, <https://doi.org/10.1504/IJESB.2017.081953>.

15 ORB International, "Women Entrepreneurship for Africa Tracer Study Report: Third-Party Monitoring and Impact Evaluation Services" (Lagos: The Tony Elumelu Foundation, December 2022).

16 Gertrude Mensah, "Challenges and Prospects of Informal Entrepreneurs in Ghana: Lessons from Agboghloshie Market," in *The Future of Entrepreneurship in Africa: Cross-Sectoral Perspectives Post COVID-19*, 10.4324/9781003302339-3, <https://learning.oreilly.com/library/view/the-future-of/9781000912050/xhtml/c3.xhtml>.

17 Oyedele Martins Ogundana, Amon Simba, and Ugbede Umoru, "Gender Perspectives of African SMEs: The Role of Formal and Informal Institutional Contexts," in *The Future of Entrepreneurship in Africa: Cross-Sectoral Perspectives Post COVID-19*, 10.4324/9781003302339-8, <https://doi.org/10.4324/9781003302339-8>.

18 Olubusola Odeyemi et al., "Entrepreneurship in Africa: A Review of Growth and Challenges," *International Journal of Management & Entrepreneurship Research* 6, no. 3 (November 18, 2024): 608–22, <https://doi.org/10.51594/ijmer.v6i3.874>.

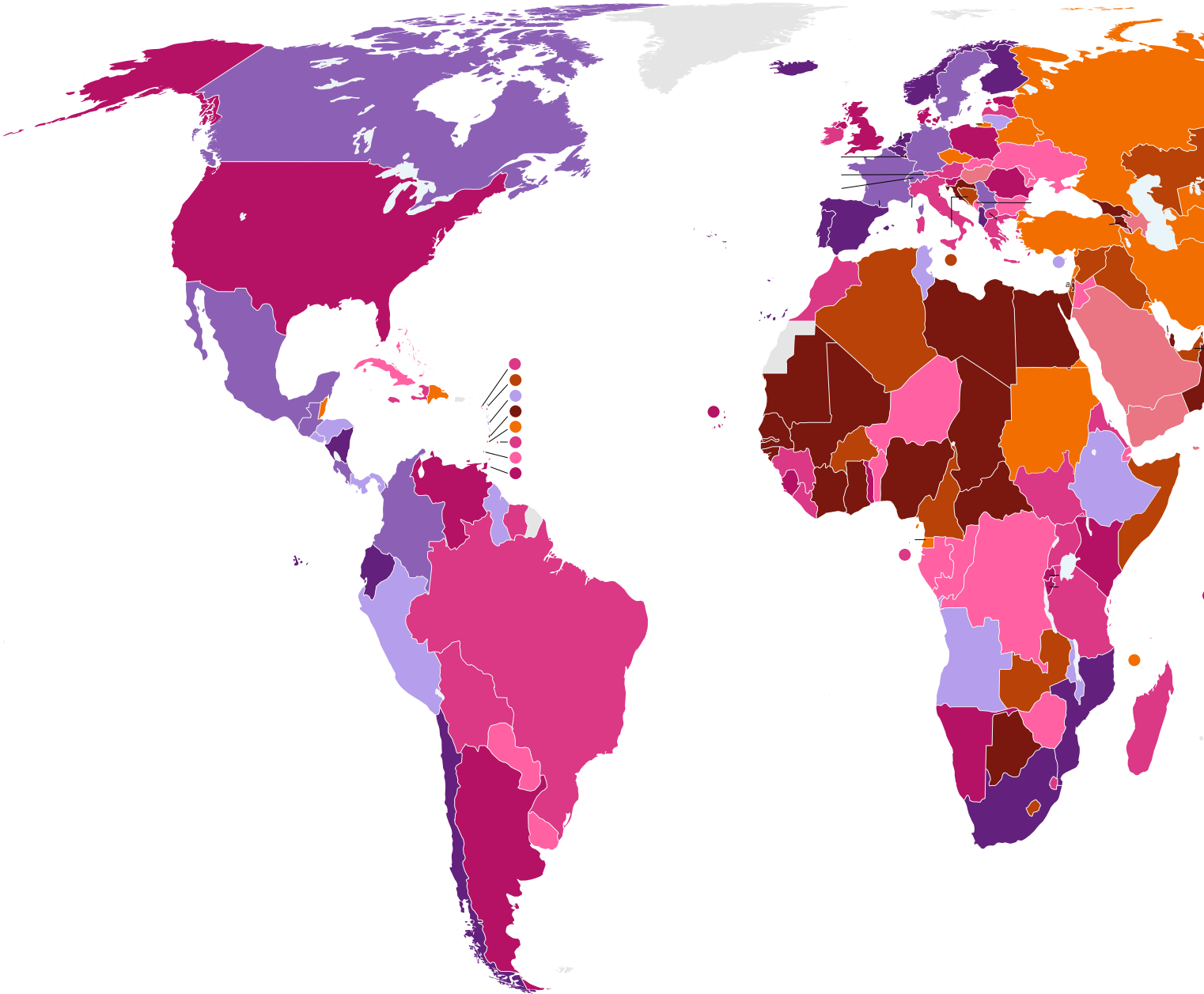
19 Martins Ogundana, Simba, and Umoru, "Gender Perspectives of African SMEs: The Role of Formal and Informal Institutional Contexts."

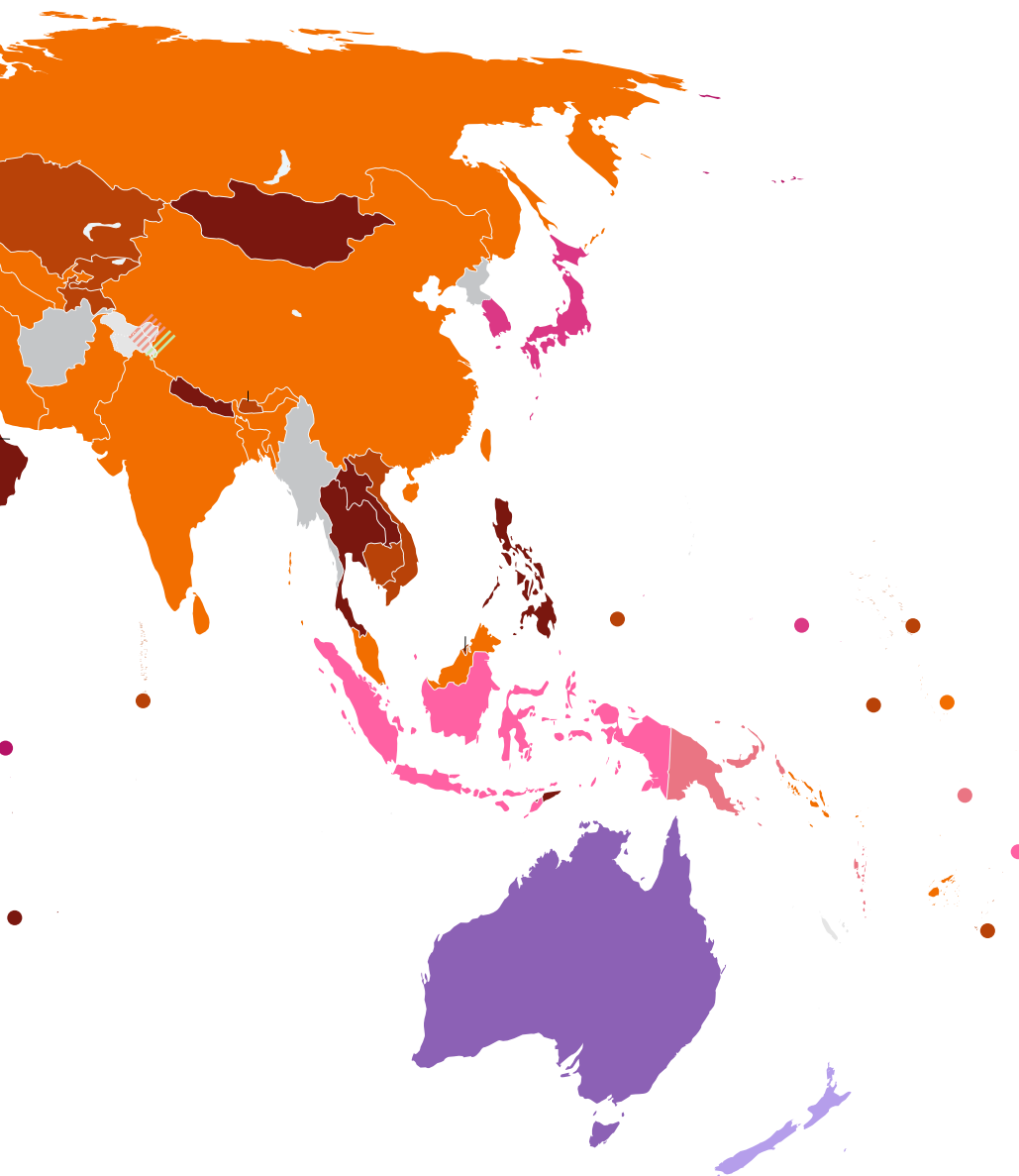
20 Olubusola Odeyemi et al., "Entrepreneurship in Africa: A Review of Growth and Challenges."

**FIGURE 19**

**WOMEN IN POLITICS WORLDWIDE**

*African countries have a wide range of gender parity for elected officials*





## WOMEN CABINET MINISTERS

Country	Total Ministers <sup>1</sup>	Women	% Women
<b>50 - 63.2%</b>			
Mozambique	20	10	50.0
South Africa	30	15	50.0
<b>35 - 39.9%</b>			
Angola	23	9	39.1
Malawi	21	8	38.1
Ethiopia	22	8	36.4
Tunisia	22	8	36.4
<b>30 - 34.9%</b>			
Burundi	15	5	33.3
Sierra Leone	27	9	33.3
Togo	28	9	32.1
Kenya	22	7	31.8
Namibia	19	6	31.6
Rwanda	20	6	30.0
<b>25 - 29.9%</b>			
Liberia	17	5	29.4
Sao Tome and Principe*	11	3	27.3
Madagascar	26	7	26.9
Eswatini*	19	5	26.3
Morocco	19	5	26.3
United Republic of Tanzania*	23	6	26.1
Guinea	27	7	25.9
South Sudan	31	8	25.8
Eritrea	16	4	25.0
Uganda	20	5	25.0
<b>20 - 24.9%</b>			
Zimbabwe	25	6	24.0
Benin	21	5	23.8
Gabon	22	5	22.7
Congo	36	8	22.2
Djibouti	23	5	21.7
Niger*	19	4	21.1
Democratic Rep. of the Congo*	44	9	20.5
<b>15 - 19.9%</b>			
Côte d'Ivoire	31	6	19.4
Nepal	21	4	19.0
Egypt	32	6	18.8
Mauritania	22	4	18.2
Mali	28	5	17.9
Nigeria	34	6	17.6
Senegal	34	6	17.6
Mauritius	23	4	17.4
Chad	29	5	17.2
Ghana	29	5	17.2
Botswana	18	3	16.7
Guinea-Bissau*	24	4	16.7
Central African Republic	31	5	16.1
Libya	26	4	15.4
Gambia	20	3	15.0
Timor-Leste	20	3	15.0
<b>10 - 14.9%</b>			
Cameroon	34	5	14.7
Algeria	28	4	14.3
Zambia	24	3	12.5
Somalia	25	3	12.0
Lesotho	17	2	11.8
Bhutan	9	1	11.1
Burkina Faso	20	2	10.0
<b>4 - 9.9%</b>			
Equatorial Guinea*	24	2	8.3
Comoros*	13	1	7.7
Sudan*	26	2	7.7
Malaysia	27	2	7.4

Note: The countries are ranked according to the share of women Cabinet members who head Ministries as at 1 January 2024.

1 The total includes women and men Cabinet members who head Ministries. Heads of Government were also included where they held ministerial portfolios.

Source: Data compiled from Permanent Missions to the United Nations, official government websites and \*publicly available information.

## Building the ecosystem for growth

While much has been accomplished thus far, the needs across the continent are too high for TEF to fulfill alone. Partnerships have enhanced the ability to reach more people and provide additional training, financing, and services. These partnerships will need to continue and more must be established for entrepreneurship to have its maximum effect on the economies of Africa and help achieve the SDGs by 2030. The private sector cannot do this alone. Governments across Africa should focus on improving infrastructure and implementing policies that are favorable toward start-ups in order to remove substantial barriers to successful entrepreneurial endeavours.<sup>21</sup> Collectively, these varied organizations have the ability to create a positive business environment that empowers all entrepreneurs.

Looking ahead, the success of Africa's entrepreneurial ecosystem will depend on strategic public-private partnerships. These collaborations are essential to ensuring that both youth and women entrepreneurs have access to the resources, mentorship, and networks they need to scale their businesses. At the TEF, we have seen how partnerships with other organizations open significant pathways for market access, skills development, and community-building for African entrepreneurs—allowing us to equip entrepreneurs with long-term mentorship and support. These partnerships are imperative, as one organization cannot meet the enormous need across the continent.

By leveraging the expertise of multiple organizations, entrepreneurship initiatives across Africa will have a profound effect on the economy and daily life. The work of the TEF and other, similar programs will need to be scaled up extensively to meet the needs of entrepreneurs across the continent. While initial seed funding is critical, many entrepreneurs also express the need for ongoing guidance as they navigate the complex stages of growth. This highlights the importance of sustained support systems that go beyond the start-up phase.

## The path forward

At the Tony Elumelu Foundation, we remain committed to nurturing the next generation of African entrepreneurs. We believe that entrepreneurship is the key to unlocking Africa's potential and that young people and women are leading this charge. As we look ahead to 2030, our goal is to ensure that every entrepreneur—regardless of gender, location, or ability—has the tools to succeed. Through entrepreneurship, we can reduce poverty (SDG 1), create decent jobs (SDG 8), and foster inclusive economic growth (SDG 10).

As we continue to witness the transformational power of entrepreneurship, we remain optimistic that Africa's women and youth will not only be the drivers of economic progress, but the architects of a sustainable and prosperous future.

**Entrepreneurship  
is the key to unlocking  
Africa's potential ...  
young people and  
women are leading  
this charge.**

<sup>21</sup> Victor Yawo Atiase et al., "Developing Entrepreneurship in Africa: Investigating Critical Resource Challenges," *Journal of Small Business and Enterprise Development* 25, no. 4 (December 14, 2017): 644–66, <https://doi.org/10.1108/JSBED-03-2017-0084>.

TABLE 2

## WHAT WORKS TO SUPPORT FEMALE-OWNED FIRMS IN AFRICA?

*Female-owned firms are more likely to succeed in Africa when appropriately supported*

POLICY AREA	CONSTRAINT ADDRESSED	TYPOLGY OF FIRMS	MAIN CONCLUSIONS
<b>1. Removing regulatory and institutional constraints for female entrepreneurs</b>	Legal discrimination	All firms	Removing legal gender biases and gaps in the implementation of laws increase women's agency and intra-household bargaining power
	Legal discrimination	All firms	Strengthening land rights for women increases their time and effort in entrepreneurship
	Informality	Micro-enterprises	Easing constraints to formalization by itself is not sufficient to help female-led micro-enterprises grow
<b>2. Improving skills and networks</b>	Skills	Micro-enterprises	Providing traditional managerial training alone does not typically improve the business performance of small female-owned firms
	Skills, confidence/risk preferences, social norms	Micro-enterprises and small-business owners	Training addressing socio-emotional skills and gender-specific content leads to high level of impact on business performance
	Networks and information	Micro-enterprises and small-business owners	Expanding firms' access to new networks may, in the right settings, have positive impacts on business performance
	Skills, network, and information	Micro-enterprises	Providing mentoring on top of traditional business training has limited additional value to micro-entrepreneurs
	Skills, confidence/risk preferences, social norms	Micro-enterprises	Complementing delivery of training programs with direct peer support may be promising

■ Credible evidence of positive impact on business outcomes
 ■ Emerging evidence of impact on business outcomes
 ■ Evidence of no/low impact on business outcomes (not promising)

Note: Key findings from rigorous impact evaluations.

Source: Francisco Moraes Campos et al. "Profiting from Parity : Unlocking the Potential of Women's Businesses in Africa : Main Report." (Washington, D.C.: World Bank, 2019). <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/501971553025918098/Main-Report>.

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POLICY AREA	CONSTRAINT ADDRESSED	TYPOLGY OF FIRMS	MAIN CONCLUSIONS
<b>3. Improving access to capital and assets</b>	Finance and assets	Micro-enterprises	Microcredit has only limited effects on business outcomes for women
	Finance and assets, allocation of factors of production	Micro-enterprises	Providing in-kind grants can lead to higher profits for more successful women micro-entrepreneurs
	Finance and assets, confidence/risk preferences, skills	Start-up or existing businesses	Large cash grants for growth-oriented firms selected through a business plan competition can help overcome capital constraints for women
	Finance and assets, confidence/risk preferences, skills	Micro-enterprises	Providing women with access to secure mechanisms for savings—including mobile savings—can increase business investment
	Finance and assets	Micro-enterprises	Alternative credit scoring technologies using psychometric tests offer the promise of easing women's access to larger business loans
<b>4. Easing household constraints</b>	Time constraints/care	All	Providing childcare can increase female participation in the workforce
	GBV, time constraints/care, allocation of factors of productions	Micro-enterprises	Engaging men can potentially foster a more supportive environment for female entrepreneurs
<b>5. Addressing social norms regarding women's occupational decisions</b>	Skills, networks and information, confidence/risk preference	Young entrepreneurs	Providing information on earnings in traditionally male-dominated sectors and early exposure through apprenticeships and male role models can encourage female entrepreneurs to enter these sectors
<b>6. Facilitating access to markets</b>	Social norms, GBV	Micro-enterprises	Training does not eliminate harassment by guards at border crossings, but can make female traders aware of ways to minimize harassment

■ Credible evidence of positive impact on business outcomes
 ■ Emerging evidence of impact on business outcomes
 ■ Evidence of no/low impact on business outcomes (not promising)

Note: Key findings from rigorous impact evaluations.

Source: Francisco Moraes Campos et al. "Profiting from Parity: Unlocking the Potential of Women's Businesses in Africa: Main Report." (Washington, D.C.: World Bank, 2019). <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/501971553025918098/Main-Report>.

# The importance of a climate-resilient care system for the SDGs in Africa

## CAREN GROWN

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The road to achieving the 2030 Sustainable Development Goals (SDGs) will be paved with good intentions unless serious investments are made in climate-resilient care infrastructure and services. Such investments will accelerate progress toward multiple SDGs in Africa: gender equality; combatting climate change; poverty reduction; full and productive employment; and affordable, reliable, and sustainable energy and other infrastructure.

Caregiving in sub-Saharan Africa, which is largely carried out by women, is characterized by several features.<sup>1</sup> First, African countries have large youth populations and some of the highest fertility rates in the world at 4 children per woman.<sup>2</sup> Second, the aging population is rising; while sub-Saharan Africa currently has a lower proportion of older adults at 5% of the population, the United Nations predicts that this will grow to 12% of the population on the continent by 2050.<sup>3</sup> Importantly, adults tend to age in their own homes or with their children, who attend to their needs. Third, women in many African countries, especially in southern Africa, still have high unpaid care burdens due to HIV/AIDS.<sup>4</sup> Fourth, most African countries have large infrastructure deficits (energy, water/sanitation, and transport), which make caregiving especially onerous. The continent also has the lowest proportion of paid care employment. Other demographic patterns will also affect the needs for care, especially migration and the shift away from agriculture to employment (formal and informal) in urban areas.

Climate change increases the need for care and exacerbates the already-existing care challenges.<sup>5</sup> Climate extremes are becoming more frequent and severe and disproportionately affect African economies and societies. African countries warmed at a rate of +0.3°C per decade between 1991 and 2023, a slightly faster rate than the global average.<sup>6</sup> Some regions on the continent have been experiencing severe, long-term drought, crop failures, and famine; others, intense rains, sea-level rise, and both coastal and riparian flooding which lowers labor

1 Akosua K. Darkwah, "Reflection on the Care Economies of Africa," Nawi Collective, n.d.

2 Lisa Kolovich et al., *Gender Equality and Economic Development in sub-Saharan Africa*, (Washington, D.C.: International Monetary Fund, 2024), <https://doi.org/10.5089/9798400246968.071>.

3 Michael E Kalu et al., "Setting Priorities for Ageing Research in Africa: A Systematic Mapping Review of 512 Studies From Sub-Saharan Africa," *Journal of Global Health* 11 (June 26, 2021), <https://doi.org/10.7189/11.15002>.

4 Olagoke Akintola, "Unpaid HIV/AIDS Care in Southern Africa: Forms, Context, and Implications," *Feminist Economics* 14, no. 4 (October 1, 2008): 117–47, <https://doi.org/10.1080/13545700802263004>.

5 Enos Moyo et al., "Health Effects of Climate Change in Africa: A Call for an Improved Implementation of Prevention Measures," *Eco-Environment & Health* 2, no. 2 (May 8, 2023): 74–78, <https://doi.org/10.1016/j.eehl.2023.04.004>.

6 "State of the Climate in Africa 2023," (Geneva: World Meteorological Organization, November 26, 2024), <https://wmo.int/publication-series/state-of-climate-africa-2023>.

productivity, strains inputs to care, damages care infrastructure, and threatens food security.<sup>7</sup> These challenges fall more heavily on women than men given the former's disproportionate representation in agriculture, care, and informal work.

**Investment is needed for climate-resilient care infrastructure. This involves investments in clean energy (and clean cooking), water/sanitation, and transport, all of which are inputs to effective and quality care.**

Investment is needed for climate-resilient care infrastructure. This involves investments in clean energy (and clean cooking), water/sanitation, and transport, all of which are inputs to effective and quality care. In low- and middle-income countries, more resilient power, water, sanitation, and transport sector assets would cost around 3% more, on average.<sup>8</sup> But over their lifetimes, the net benefits could reach an estimated \$4.2 trillion, or \$4 for each \$1 invested.<sup>9</sup> Such investments have job-creating potential.<sup>10</sup> Importantly, if designed with a mindset to reduce occupational sex segregation and ensure that the new green jobs are available to women, the transition to a low-carbon economy can be accelerated by an increased workforce.<sup>11</sup> Even so, women will only be able to participate in the green transition if new care infrastructure is created.

Domestic resources and international finance are both needed to support the development of resilient care systems, but neither source currently provides adequate funds in most countries. Public spending on pre-primary education alone (without factoring in any climate adaptation measures) is a tiny fraction of gross domestic product (GDP) in the six African countries analyzed by De Henau (2021).<sup>12</sup> Climate finance can play a role to complement development finance. In sub-Saharan Africa, it is estimated that climate adaptation will cost \$30 billion to \$50 billion per year over the next decade, 2%–3% of the regional GDP.<sup>13</sup> These estimates, however, ignore the costs of increased care services in response to climate hazards.

Like investment in green energy, public investment in resilient child and eldercare infrastructure and services creates direct employment and generates multiplier effects, including indirect employment in industries (food, energy, manufacturing) that supply the care sector and increased tax revenue stemming from increased employment, earnings, and consumption.<sup>14</sup>

7 "Africa Faces Disproportionate Burden From Climate Change and Adaptation Costs," (Geneva: World Meteorological Organization, September 2, 2024), <https://wmo.int/news/media-centre/africa-faces-disproportionate-burden-from-climate-change-and-adaptation-costs>.

8 Watkiss, P., Chapagain, D., & Savvidou, G. (2023). "Adaptation Gap Report 2023: Underfinanced. Underprepared. Inadequate Investment and Planning on Climate Adaptation Leaves World Exposed." (Pp. 58-64). (New York: United Nations Environment Programme, 2003), <https://www.unep.org/resources/adaptation-gap-report-2023>.

9 Stephane Hallegatte, Jun Rentschler, and Julie Rozenberg, "Lifelines: The Resilient Infrastructure Opportunity," (Washington, D.C.: World Bank, 2019), <https://doi.org/10.1596/978-1-4648-1430-3>.

10 Hans Peter Lankes et al., "The Relationship Between Climate Action and Poverty Reduction," *The World Bank Research Observer* 39, no. 1 (December 30, 2023): 1–46, <https://doi.org/10.1093/wbro/lkad011>; Xavier Garcia-Casals, Rabia Ferroukhi, and Bishal Parajuli, "Measuring the Socio-economic Footprint of the Energy Transition," *Energy Transitions* 3, no. 1–2 (October 24, 2019): 105–18, <https://doi.org/10.1007/s41825-019-00018-6>; Daniele Malerba and Kirsten S. Wiebe, "Analysing the Effect of Climate Policies on Poverty through Employment Channels," *Environmental Research Letters* 16, no. 3 (2021): 035013, <https://doi.org/10.1088/1748-9326/abd3d3>; Sandeep Pai et al., "Meeting Well-below 2°C Target Would Increase Energy Sector Jobs Globally," *One Earth* 4, no. 7 (July 1, 2021): 1026–36, <https://doi.org/10.1016/j.oneear.2021.06.005>.

11 Lisa Kolovich et al., "Gender Equality and Economic Development in sub-Saharan Africa."

12 Jerome De Henau, "Investing in Free Universal Childcare in sub-Saharan Africa: Côte D'Ivoire, Nigeria, Rwanda, Senegal, and the United Republic of Tanzania," *UN Women*, July 2021, <https://www.unwomen.org/en/digital-library/publications/2021/12/issue-paper-investing-in-free-universal-childcare-in-sub-saharan-africa>.

13 "State of the Climate in Africa 2023."

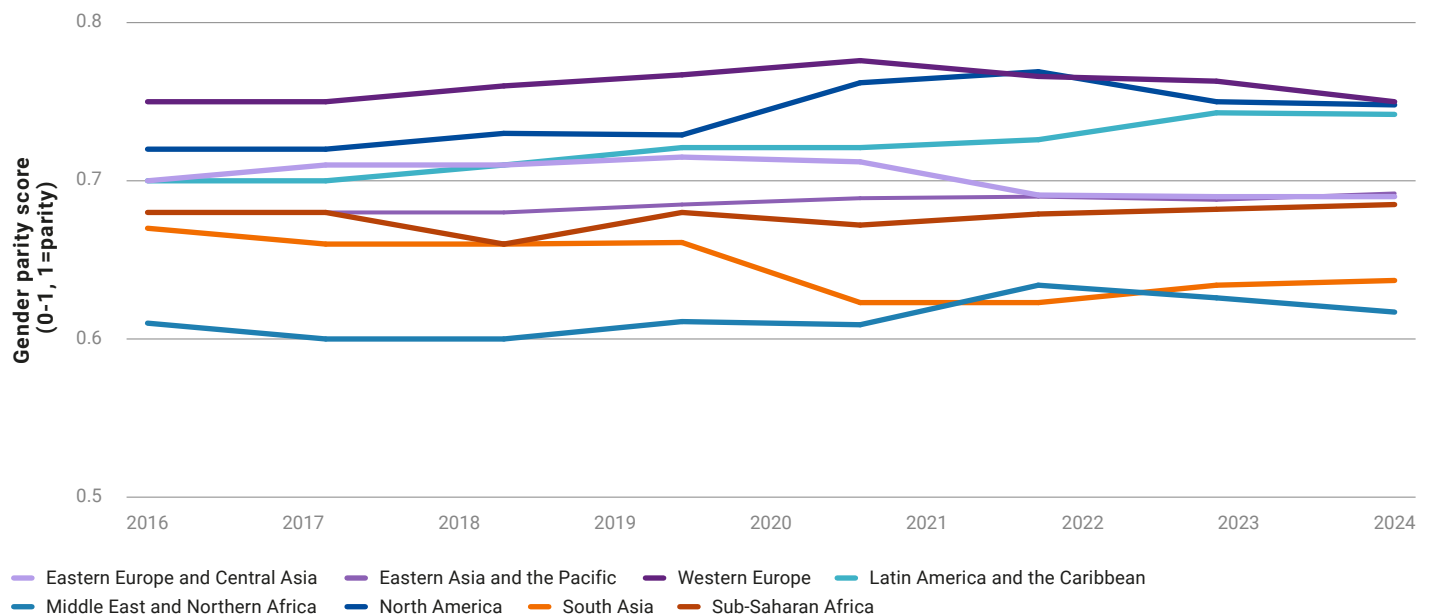
14 De Henau, "Investing in Free Universal Childcare in sub-Saharan Africa: Côte D'Ivoire, Nigeria, Rwanda, Senegal, and the United Republic of Tanzania."

The upfront costs should therefore be seen as a transitional financing issue. Policymakers can look for synergies across investments, for instance, in the health, education, and social protection sectors, that can more effectively support caregivers. The recently enhanced window of the Climate Adaptation Fund for local efforts could include care services/ infrastructure among the funding criteria. It is important to recognize that care provides an essential public good for current and future generations. Prioritizing publicly financed climate-resilient care services and infrastructure will help accelerate progress toward multiple SDGs in Africa while ensuring that no one is left behind.

**FIGURE 20**

## GENDER PARITY SCORE OVER TIME

*Gender parity in sub-Saharan Africa has stagnated in recent years*



Note: 2019 scores were not published due to COVID-19. Population-weighted averaged for the 101 economies featured in all editions of the index.  
Source: Global Gender Gap Index, World Economic Forum.

## YEAR OF PROJECTED PARITY IN REGIONS ACROSS THE WORLD

*Sub-Saharan Africa is expected to reach gender parity before much of the rest of the world*



Source: Source: "Global Gender Gap Report 2024," (Cologny: World Economic Forum, 2024), <https://www.weforum.org/publications/global-gender-gap-report-2024/>.

# Are Africa's youth's aspirations a double-edged sword?

## LOUISE FOX

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**Experimentation has shown, in Africa, that cheap interventions to raise aspirations can have strong positive effects on economic variables.**

Youth is a time of economic and social transition and evolution. This transition necessarily involves experimentation—learning by doing. In the economic realm, the learning needs to cover important “employability skills,” which can be technical or behavioral. It also involves deepening self-knowledge: What types of activities that make money do I like to do? Do these activities make me feel good about myself at the end of the day? Do I like to work in big groups, small groups, or by myself? What types of interactions am I comfortable with at work?

Aspirations are what jump-start this experimentation and learning process. A long literature has established the relationship between high aspirations and improved labor market outcomes (employment and earnings).<sup>1</sup> It has also established a relationship between economic well-being and psychological well-being, as richer people tend to be happier. Although, as Haushofer and Salicath point out, the causality seems to run both ways; the variables are thus endogenous.<sup>2</sup>

Experimentation has shown, in Africa, that cheap interventions to raise aspirations can have strong positive effects on economic variables. A research team working in rural Ethiopia showed videos of successful people from the community discussing their paths to success with villagers and found (i) improvements in aspirations in the treated group of adults, and (ii) subsequent increases in labor supply, savings, assets, and the educational attainment of their children.<sup>3</sup> A study in rural Kenya, using an intervention designed to raise aspirations and provide knowledge on how to achieve these, showed positive effects on economic outcomes (labor supply, assets, and revenues) 19 months later.<sup>4</sup> These types of results may suggest that youth employment interventions should target youths’ aspirations, not just technical skills, which are the most common supply side interventions for out-of-school youth.

But research has also taught us that raising youth's aspirations without creating opportunities for youth to realize them is dangerous. While negative youth employment outcomes, such as high unemployment, are not by themselves correlated with violence committed by youth,<sup>5</sup> raised youths’ aspirations without opportunities are, in some situations, highly related to

1 Anna Fruttero, Noël Muller and Óscar Calvo-González, “The Power and Roots of Aspirations: A Survey of the Empirical Evidence,” *The World Bank Research Observer* (2024): <https://doi.org/10.1093/wbro/lkae004>.

2 Johannes Haushofer and Daniel Salicath, “The Psychology of Poverty: Where Do We Stand?” *Social Philosophy and Policy* 40, no. 1 (2023): 150-184, <https://www.cambridge.org/core/journals/social-philosophy-and-policy/article/psychology-of-poverty-where-do-we-stand/0EE340EA852D6F3688C27F03024FA4DF>.

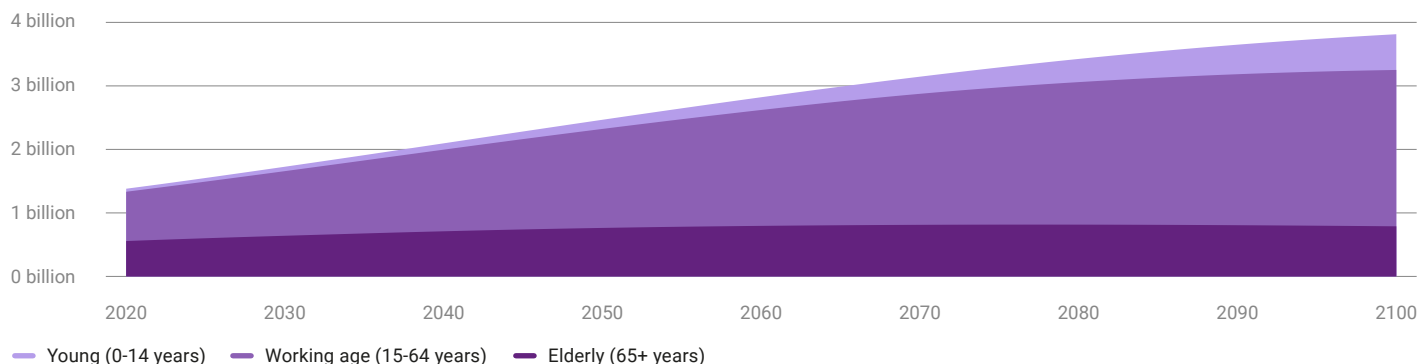
3 Bernard Tanguy et al., “The Future in Mind: Aspirations and Forward-Looking Behavior in Rural Ethiopia,” *Center for Economic Policy Research*, discussion paper no. 10224, November 17, 2014, <https://www.worldbank.org/content/dam/Worldbank/Feature%20Story/Africa/afr-tanguy-bernard.pdf>.

4 Kate Orkin et al., “Aspiring to a Better Future: Can a Simple Psychological Intervention Reduce Poverty?” *National Bureau of Economic Research*, working paper 31735, September 2023, <http://www.nber.org/papers/w31735>.

5 Tilman Brück et al., “Can Jobs Programs Build Peace?” *The World Bank Research Observer* 36, no. 2 (2021): 234–59, <https://doi.org/10.1093/wbro/lkaa004>; “Pathways For Peace: Inclusive Approaches to Preventing Violent Conflict” (Washington, D.C: World Bank Group; United Nations, 2018), <https://www.worldbank.org/en/topic/fragilityconflictviolence/publication/pathways-for-peace-inclusive-approaches-to-preventing-violent-conflict>.

**FIGURE 21****AGE DISTRIBUTION OF AFRICA'S POPULATION (2020-2100)**

*Africa's working age population will balloon over the next century requiring a robust economy for working age adults*



Source: United Nations, Department of Economic and Social Affairs, Population Division (2024). World Population Prospects 2024, Online Edition.

terrorism recruitment.<sup>6</sup>

And what if youths' aspirations are not anchored in reality? A recent study using survey data covering 10 African countries found that most youth want jobs that they are not qualified for and that are rarely being created in their economies, such as secure white collar public sector jobs.<sup>7</sup> Only 10% wanted to work for the private sector.<sup>8</sup> In Mozambique, most university graduates in their final year of study had salary expectations over 50% higher than what was achieved by those who gained employment in the post-graduation year.<sup>9</sup> Students' salary expectations appeared to be rooted in information regarding the top starting salary achieved by recent graduates.<sup>10</sup> Unemployment in Africa is highest among the most educated, despite Africa having a shortage of educated workers compared with other regions.<sup>11</sup> This negative cycle was arguably a factor in triggering the youth protests which turned violent in Kenya last summer.<sup>12</sup>

6 Anne Brockmeyer et al., "Transnational Terrorist Recruitment: Evidence from Daesh Personnel Records," *Review of Economics and Statistics* 105, no. 5 (2023): 1092-1109, <https://direct.mit.edu/rest/article-abstract/105/5/1092/109260/Transnational-Terrorist-Recruitment-Evidence-from?redirectedFrom=fulltext>.

7 Adrien Lorenceau, Ji-Yeun Rim, and Toma Savitki, "Youth Aspirations and the Reality of Jobs in Africa," OECD Development Policy Papers, no. 38, OECD, March 26, 2021, [https://www.oecd.org/en/publications/2021/03/youth-aspirations-and-the-reality-of-jobs-in-africa\\_4b0b8753.html#:~:text=The%20gap%20between%20youth%20aspirations,smooth%20school%20to%20work%20transition](https://www.oecd.org/en/publications/2021/03/youth-aspirations-and-the-reality-of-jobs-in-africa_4b0b8753.html#:~:text=The%20gap%20between%20youth%20aspirations,smooth%20school%20to%20work%20transition).

8 Adrien Lorenceau et al., "Youth Aspirations and the Reality of Jobs in Africa."

9 Sam Jones, Ricardo Santos, and Gimelgo Xirinda, "Misinformed, Mismatched, or Misled? Explaining the Gap Between Expected and Realized Graduate Earnings in Mozambique," WIDER working paper 47, UNU-WIDER, 2020; 64 percent of the sample reported that they were still searching for work. This includes some who took a job but are not satisfied.

10 Sam Jones et al., "Misinformed, Mismatched, or Misled?"

11 Louise Fox and Dhruv Gandhi, "Youth Employment in sub-Saharan Africa: Progress and Prospects," *Brookings Institution* (working paper), March 25, 2021, <https://www.brookings.edu/articles/youth-employment-in-sub-saharan-africa-progress-and-prospects/>.

12 Larry Madowo, "Kenyan Youth Call for 'Mother of All Protests' as President Swears in New Cabinet," *CNN*, August 8, 2024, <https://edition.cnn.com/2024/08/08/africa/kenyan-youth-protests-intl/index.html>.

What can be done? Policymakers have heretofore focused on supply-side approaches to supporting youth in their transition to economic adulthood. Given the importance of skills, including soft skills, and knowledge in the transition process, these approaches are not necessarily problematic, especially if they are low-cost and effective. But other measures are also needed, including the following recommendations.

- Education systems need to help guide and anchor youth's aspirations in reality without diminishing their energy and enthusiasm. This is important for middle-class youth, especially women, who may be the first in their family to complete secondary or post-secondary education, and therefore lack role models and mentors who can guide them through the transition to work.<sup>13</sup>
- Ensure that youth learn the employability skills desired by employers. In the short-run this can be done by working with NGOs that have a proven track record in developing these skills cost-effectively. In the medium term, curriculum reform accompanied by teacher training is needed. One example comes from the Educate! program that is now providing advice on the design of employment-focused curriculum to the Kenyan, Rwandan, Tanzanian, and Ugandan governments.<sup>14</sup>
- Continue to improve opportunities for youth. This involves supporting medium and large firms (including foreign ones) that pay more and offer more secure jobs, as well as improving the business environment for start-ups and informal enterprises.

13 Aspirations are context specific. For results by class and gender for three African countries see Valentina Costa, Ivette Contreras, and Amparo Palacios-Lopez, "Never Too Young to Dream Big: Measuring Youth Aspirations in the Time of the COVID-19 Pandemic," *Policy Research Working Paper 10816*, World Bank, June 6, 2024, <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099526406242424699/idu1d969a0b51a1a914b2319a1f108c52420ff8f>.

14 Fox et al., "Youth Employment in sub-Saharan Africa: Progress and Prospects."; For details about the Educate! program including results of independent evaluations, see "Educate!," *Educate*, <https://www.experienceeducate.org/>.

# Why Africa urgently requires transformation of its education systems

## BENISTER NEPHITALY

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CRECCOM Malawi  
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Transformation

## MODUPE OLATEJU

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Africa is a young continent, with 40% of its population aged 15 or younger as of 2021.<sup>1</sup> This “youth bulge” represents both an opportunity and a risk,<sup>23</sup> with education able to tip the scale in favor of opportunity. For Africa to foster innovation, employment, and social mobility in its teeming population, it is imperative to focus on inclusive, equitable, relevant, and quality education for all. Sustainable Development Goal (SDG) 4, focused on quality education, is considered to be an enabler of the other SDGs.<sup>4</sup> Facing the five-year runway to 2030 and the expiration of SDGs, it is critical to accelerate the pace at which education systems foster and support relevant learning and skills development.

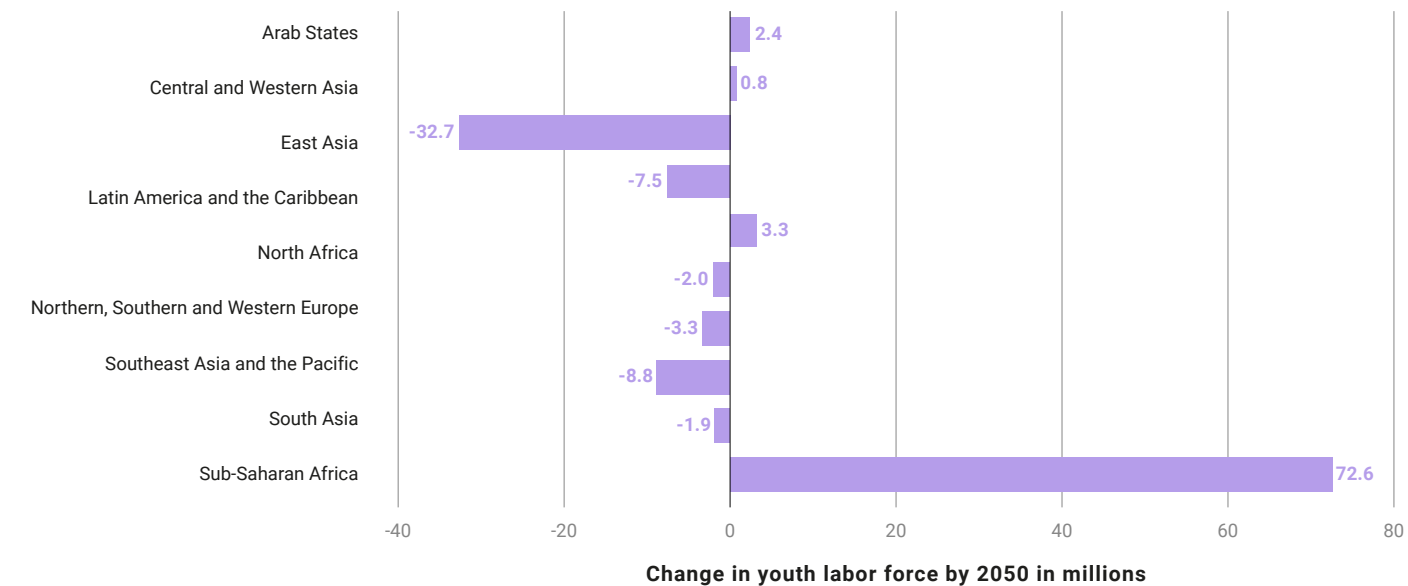
However, systemic barriers to funding, quality teaching, infrastructure, and access, interlaced with sociocultural and governance issues, create a complex challenge for achieving SDG 4. Disconnects between policy and practice are evident,<sup>5</sup> and gender-based discrimination and violence, poverty, rurality, conflict, and disability continue to preclude millions of marginalized children from accessing and completing education. In Malawi, for instance, for the age group between 15 and 17, 85% were deprived of education, making it the metric with the highest level of deprivation.<sup>6</sup>

Sub-Saharan Africa has a teacher shortage of 15 million, greatly undermining access to quality education.<sup>7</sup> Curricular gaps, including a mismatch with labor market demands and a lack of emphasis on relevant skills, severely compromise the quality and relevance of education in Africa.<sup>8</sup> For instance, although the Malawian economy relies on agriculture and

- 1 Saifaddin Galal, “Population of Africa in 2021, By Age Group,” *Statista*, June 30, 2024, <https://www.statista.com/statistics/1226211/population-of-africa-by-age-group/>.
- 2 Julius Abgor, Olumide Taiwo and Jessica Smith, “Sub-Saharan Africa’s Youth Bulge: A Demographic Dividend or Disaster,” in *Foresight Africa: Top Priorities for the Continent in 2012*, Brookings Institution, January 5, 2012, [https://www.brookings.edu/wp-content/uploads/2016/06/01\\_youth\\_bulge\\_agbor\\_taiwo\\_smith.pdf](https://www.brookings.edu/wp-content/uploads/2016/06/01_youth_bulge_agbor_taiwo_smith.pdf).
- 3 “State of World Population 2014 | The Power of 1.8 Billion: Adolescents, Youth and the Transformation of the Future” (New York: UNFPA, 2014), <https://www.unfpa.org/swop-2014>.
- 4 Patrick Walsh, “Education is the Enabler for Sustainable Development,” *SGD Action*, September 9, 2022, <https://sdg-action.org/education-is-the-enabler-for-sustainable-development>.
- 5 Noam Angrist and Stefan Dercon, “Understanding Gaps Between Policy and Practice,” What Works Hub for Global Education (working paper), University of Oxford, July 22, 2024, <https://www.bsg.ox.ac.uk/research/publications/what-works-hub-global-education-understanding-gaps-between-policy-and>.
- 6 “Child Poverty in Malawi: 2018 Report” (Zomba: The Government of Malawi and UNICEF 2018), <https://www.unicef.org/esa/sites/unicef.org.esa/files/2019-01/UNICEF-Malawi-2018-Child-Poverty-in-Malawi.pdf>.
- 7 “Global Report on Teachers: What You Need to Know,” *UNESCO*, accessed December 17, 2024, <https://www.unesco.org/en/articles/global-report-teachers-what-you-need-know>.
- 8 “A Call for the Transformation of Education for All in Africa Through Curricula | International Bureau of Education,” *UNESCO*, May 24, 2024, <https://www.ibe.unesco.org/en/articles/call-transformation-education-all-africa-through-curricula>.

**FIGURE 22**  
**ESTIMATED CUMULATIVE CHANGE IN YOUTH LABOR FORCE BETWEEN 2023 AND 2050 BY SUB-REGION**

*Africa's youth labor force will outpace the rest of the world at an extreme rate by 2050*



Note: The estimation is made by holding the 2023 youth labor force participation rate steady and calculating the youth laobr force by 2050 by applying the 2023 rate to the 2050 population estimate from the UN World Population prospects 2022 by age group.  
Source: "Global Employment Trends for Youth 2024: Decent Work, Brighter Futures." (Geneva: International Labour Organization, 2024), [https://www.ilo.org/sites/default/files/2024-09/GET\\_2024\\_EN%20web.pdf](https://www.ilo.org/sites/default/files/2024-09/GET_2024_EN%20web.pdf).

Addressing these challenges demands a fresh, systemic lens, one that reimagines education not just as schooling but as a holistic and ongoing process.

positioning the country’s agricultural sector as an engine of growth is a major development goal for the country, research reveals glaring gaps in related skills, such as those required for export-oriented agriculture—skills that the education sector should ideally nurture.<sup>9</sup>

Addressing these challenges demands a fresh, systemic lens, one that reimagines education not just as schooling but as a holistic and ongoing process for the development of a range of skills, adaptability, and equity, in alignment with the realities of today’s world and the demands of tomorrow. This transformational paradigm would center the vision and purpose of education for societies, innovate to improve how learning happens, and align incentives, relationships, and mindsets across the system to achieve a shared vision for education.<sup>10</sup>

Strategic partnerships and collaborative networks are required to nurture this paradigm shift. Networks of civil society organizations (CSOs), for example, possess the power and agency to illuminate critical educational issues through an exchange of contextually

9 Komani Tembo, Tembo Mavuto and Mapopa Dominic, "The Consequences for the Absence of Practical Agriculture and TEVET in Primary and Secondary Schools in Malawi on Agribusiness and Employment," *International Journal of Vocational and Technical Education* 15, no. 1 (2023): 1-11, <https://academicjournals.org/journal/IJVTE/article-full-text-pdf/2DB01E570743>.  
10 David Sengeh and Rebecca Winthrop, "Transforming Education Systems: Why, What, and How," *Brookings Institution*, June 2022, [https://www.brookings.edu/wp-content/uploads/2022/06/Brooking\\_2-Pager\\_FINAL.pdf](https://www.brookings.edu/wp-content/uploads/2022/06/Brooking_2-Pager_FINAL.pdf).

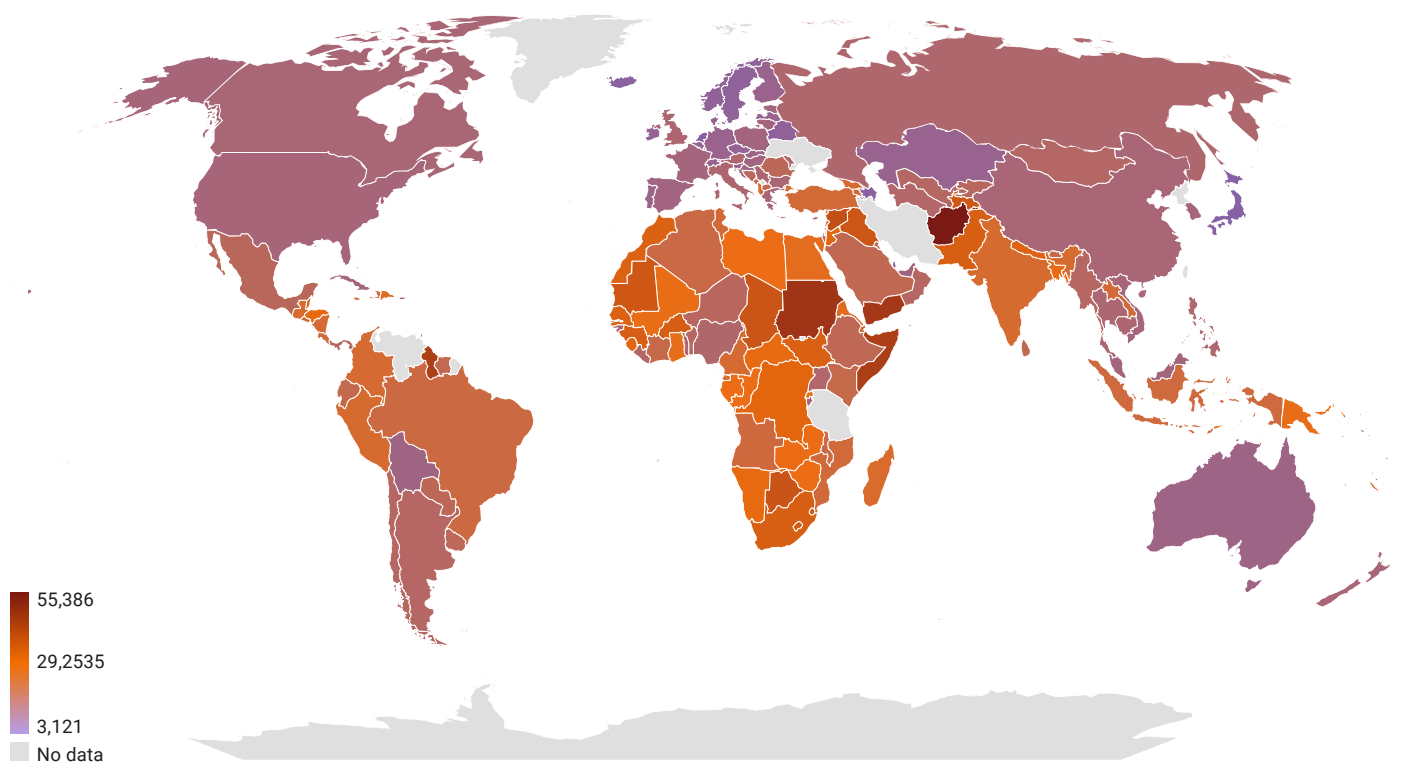
relevant and nuanced perspectives, ensuring that marginalized voices in their ecosystems are centered in the pursuit of quality and inclusive education. The Network for Education Systems Transformation, for example, is a global network of CSOs that views transformation as a comprehensive and systemic process that rethinks how education is delivered, accessed, and valued within a society.<sup>11</sup> Equipping all children with a breadth of skills is the essential pathway to overcoming challenges such as those faced by Africa, and it is through a collaborative mindset shift that our systems can begin to provide children with this breadth of skills.

CSOs have an important role to advocate with other ecosystem actors for the structural, relational, and transformative changes which are systemic conditions that will foster the sustainable development and prosperity of the African continent.<sup>12</sup> With just five years to go until the expiration of SDG 4, the time to act is now.

**FIGURE 23**

### SHARE OF YOUTH AGED 15-24 NOT IN EMPLOYMENT, EDUCATION, OR TRAINING (NEET)

*Africa's high proportion of NEET youth is concerning as the youth population will continue to grow throughout the century*



Source: International Labour Organization Modelled Estimates and Projections (ILOEST) Database, Nov. 2023 edition, ILOSTAT.

11 "Knowing-Doing Network Leadership Coalition," *Brookings Institution*, accessed December 17, 2024, <https://www.brookings.edu/projects/knowning-doing-network-leadership-coalition/>.

12 John Kania, Mark Kramer and Peter Senge, "The Water of Systems Change" (Boston: FSG, June 2018), [https://www.fsg.org/resource/water\\_of\\_systems\\_change/](https://www.fsg.org/resource/water_of_systems_change/).



# 4

## Effective governance: Ensuring service delivery for all African citizens

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# Turning policy into action: Overcoming policy failures and bridging implementation gaps for real-world impact

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## A policy landscape marked by uneven implementation outcomes

One of the biggest challenges policymakers face around the world is bridging the gap between policy intentions and implementation outcomes, whether in meeting public demand for development, education, health, security, or foreign policy, or achieving more specific policy goals.<sup>1</sup> Successful policy implementation is critical at every level of policymaking in both advanced and developing economies, yet its drivers are often overlooked and underexplored,<sup>2</sup> and policymakers do not often engage with the literature on policy implementation. This is especially salient when it comes to addressing Africa's development challenges.<sup>3</sup> This essay addresses the existing shortfalls by providing a concise, systematic account of the causes of policy failures and implementation gaps. It proposes an integrated policy implementation model that builds on the drivers of successful implementation and offers context-specific actionable options to bridge the implementation gap while strengthening governance and policymaking for the effective delivery of policy outcomes that meet the expectations of citizens and stakeholders.

- 1 Landry Signé, "Policy Implementation – A Synthesis of the Study of Policy Implementation and the Causes of Policy Failure," *OCP Policy Center*, no. PP-17/03 (2017), <https://www.policycenter.ma/sites/default/files/OCP-PP-1703.pdf>; 28; Jeffrey L. Pressman and Aaron Wildavsky, *Implementation: How Great Expectations in Washington Are Dashed in Oakland; Or, Why It's Amazing That Federal Programs Work at All, This Being a Saga . . . Morals on a Foundation*, Third edition (Berkeley: University of California Press, 1984); "Chapter 2: 'Enhancing Governance for Development: Why Policies Fail,'" in *World Development Report 2017: Governance and the Law* (Washington, D.C.: International Bank for Reconstruction and Development/World Bank, 2017), 51–81, <https://www.worldbank.org/en/publication/wdr2017>; I have contrasted the findings in the World Development Report 2017 with the early thinking ideas from which this report builds: Landry Signé, "Why Do Development Policies Often Fail in Africa? Perspectives on the World Development Report 2017" *Africa Up Close - Wilson Center* (blog), December 2017, <https://www.wilsoncenter.org/blog-post/why-do-development-policies-often-fail-in-africa-perspectives-on-the-world-development-report-2017>.
- 2 Landry Signé, "Public Service Delivery – What Matters for Successful Implementation and What Can Policy Leaders Do?," *OCP Policy Center* PP-17/04 (2017): 24, <https://www.policycenter.ma/publications/public-service-delivery-%E2%80%93-what-matters-successful-implementation-and-what-can-policy>.
- 3 Landry Signé, "Development Strategies in a Changing Global Political Economy" in *Development Co-Operation Report 2023: Debating the Aid System* (Paris: OECD, 2023), 26, [https://www.oecd-ilibrary.org/development/development-co-operation-report-2023\\_bdba0621-en](https://www.oecd-ilibrary.org/development/development-co-operation-report-2023_bdba0621-en); Landry Signé, *African Development, African Transformation* (Cambridge: Cambridge University Press, 2018), <https://doi.org/10.1017/9781108575041>; Landry Signé, *Innovating Development Strategies in Africa: The Role of International, Regional and National Actors* (Cambridge: Cambridge University Press, 2017), <https://doi.org/10.1017/9781316779699>.

**Successful policy implementation is critical at every level of policymaking in both advanced and developing economies, yet its drivers are often overlooked and underexplored.**

## The effect of implementation challenges on achieving sustainable development

Even in cases where there is an overall alignment of motivation, resources, and plans, there is often a divergence in policy successes and failures both between and within continents, countries, cities, etc. For example, despite global coordination on the Sustainable Development Goals (SDGs), which spell out clear targets and a range of strategies to achieve them, globally, only 16% are on track to be met by the 2030 deadline, while 84% are facing limited progress or a reversal of progress.<sup>4</sup> Uneven levels of policy success are apparent both across and within regions and continents. Across regions, countries like Finland, Sweden, and Denmark score 85 (out of 100) or more across the 125 indicators that make up the SDG index, whereas countries such as Yemen, Afghanistan, and Papua New Guinea score only 46.9, 48.2, and 52.0 points respectively. Similarly, within Africa, Tunisia, Morocco, and Mauritius lead the way with over 70 points according to the 2024 ranking, while Somalia and the Democratic Republic of the Congo are lagging with less than 50 points.<sup>5</sup> Overall, the gap in SDG achievement between the world's poorest and most vulnerable countries and the global average has widened since 2015.<sup>6</sup>

## Implementation challenges are bound up with governance, fragility, and public opinion

Divergence in policy outcomes is not unique to the SDGs. Despite global efforts to combat state fragility through the infusion of resources and the implementation of numerous policies, many countries “have remained ‘trapped’ in fragility for decades.”<sup>7</sup> The “complexity and multidimensionality of fragility” make policy implementation strategies critical to success and explain how the same region can experience a wide range of outcomes.<sup>8</sup> For example, according to the Fragile States Index, Africa is home to 14 of the 20 most fragile countries in the world, yet it is also home to Mauritius, one of the least fragile states in the world, which outperforms countries like the United States, United Kingdom, Italy, and Costa Rica.<sup>9</sup>

Policy implementation success—and, importantly, policy implementation failure—do not go unnoticed by the public. According to new data from Afrobarometer, of 39 African countries surveyed, “only a quarter (26%) of citizens say their government is doing ‘fairly well’ or ‘very

4 Jeffrey Sachs, Guillaume Lafortune, and Grayson Fuller, “The SDGs and the UN Summit of the Future. Sustainable Development Report 2024” (Dublin: Dublin University Press, 2024), <https://doi.org/10.25546/108572>.

5 The respective scores are as follows: Tunisia (75.53 points), Morocco (70.85 points), and Mauritius (70.45 points) are leading the way, while Chad (45.07 points), Somalia (45.42 points), and the Democratic Republic of the Congo (48.71 points) are lagging.

6 Sachs, Lafortune, and Fuller, “The SDGs and the UN Summit of the Future. Sustainable Development Report 2024.”

7 Landry Signé, “Leaving No Fragile State and No One Behind in a Prosperous World: A New Approach,” in *Leave No One behind: Time for Specifics on the Sustainable Development Goals.*, ed. Homi Kharas, John W. McArthur, and Izumi Ohno (Washington, D.C.: Brookings Institution Press, 2019), [https://www.brookings.edu/wp-content/uploads/2019/09/LNOB\\_Chapter11.pdf](https://www.brookings.edu/wp-content/uploads/2019/09/LNOB_Chapter11.pdf).

8 Signé, “Leaving No Fragile State and No One Behind in a Prosperous World: A New Approach.”

9 “Fragile States Index,” (The Fund for Peace), accessed December 9, 2024, <https://fragilestatesindex.org/excel/>.

well' in managing the economy, while 71% think they are doing a poor job."<sup>10</sup> More specifically, the public's approval of their government's ability to deliver is strikingly low: Only 22% approve of their governments' efforts to improve the living standards of the poor, 20% approval on creating jobs, 16% for narrowing income gaps, and 12% for keeping prices stable.<sup>11</sup>

These low approval ratings are reflected in governance trends at large. According to the Mo Ibrahim Index report,<sup>12</sup> overall governance performance scores have deteriorated across Africa for 47.9% of the population (across 21 countries) and have improved for 52.1% of the population (across 33 countries) in the past decade (2014-2023). However, improvement has mostly stalled since 2018.<sup>13</sup> The deterioration of some countries (e.g., Botswana, Mauritius, Namibia, and Tunisia are among the top 10 scorers in governance performance as of the 2023 rankings, yet are also some of the countries that have deteriorated the most since 2014) and the improvement of others (e.g., Seychelles is the best performing and most improved) reflect how policy implementation is a continuous process that, without coordination, can lead to diverging policy outcomes.

## Review of the policy implementation literature: Various approaches to a complex issue

What drives different policy outcomes when it comes to effective service delivery and good governance? The study of policy implementation provides frameworks for understanding how contextual factors impact the success or failure of policies and can help policymakers better address the implementation gap.<sup>14</sup> While scholars agree that implementation cannot be understood through a single theory,<sup>15</sup> the following systematic review of the implementation literature can help explain why and how the implementation gap exists.<sup>16</sup>

Scholars offer many definitions of implementation, but at its core, implementation refers to *how* a practice, activity, or policy will be carried out,<sup>17</sup> and implementation science is the

10 Josephine Appiah-Nyamekye Sanny, "Africans' Bleak Views of Economic Conditions Match Their Escalating Experience of Poverty, Afrobarometer Surveys Find" (Accra: Afrobarometer, May 27, 2024), <https://www.afrobarometer.org/articles/africans-bleak-views-of-economic-conditions-match-their-escalating-experience-of-poverty-afrobarometer-surveys-find/>.

11 Appiah-Nyamekye Sanny. "Africans' Bleak Views of Economic Conditions Match Their Escalating Experience of Poverty, Afrobarometer Surveys Find."

12 "2024 Ibrahim Index of African Governance: Index Report" (Accra, Ghana: Mo Ibrahim Foundation, October 2024), <https://mo.ibrahim.foundation/sites/default/files/2024-10/2024-index-report.pdf>.

13 Africa's overall governance score has not improved since 2018, aside from a +0.1-point increase in 2022, according to the Mo Ibrahim Index Report.

14 Landry Signé, "How to Implement Domestic Resource Mobilization (DRM) Successfully for Effective Delivery of Sustainable Development Goals (SDGs) in Africa: An Innovative Policy Delivery Model," *OCP Policy Center* PB-16/23 (July 2016), <https://www.policycenter.ma/publications/how-implement-domestic-resource-mobilization-drm-successfully-effective-delivery>; 10; Jamie F Chriqui et al., "Advancing the Science of Policy Implementation: A Call to Action for the Implementation Science Field," *Translational Behavioral Medicine* 13, no. 11 (November 5, 2023): 820–25, <https://doi.org/10.1093/tbm/ibad034>.

15 Bertrand Badie, Dirk Berg-Schlosser, and Leonardo Morlino, eds., "Implementation," in *International Encyclopedia of Political Science* (SAGE Publications, Inc., 2011), <https://doi.org/10.4135/9781412994163>.

16 Signé, "Policy Implementation – A Synthesis of the Study of Policy Implementation and the Causes of Policy Failure."

17 Abraham Wandersman et al., "Bridging the Gap Between Prevention Research and Practice: The Interactive Systems Framework for Dissemination and Implementation," *American Journal of Community Psychology* 41, no. 3 (June 1, 2008): 171–81, <https://doi.org/10.1007/s10464-008-9174-z>.

study of “how best to engage in the delivery of specific innovations.”<sup>18</sup> Early research on implementation gaps identified a number of decision points—what has been referred to as the “complexity of joint action”—that create a barrier to implementation and serve as the foundation for the following models.<sup>19</sup> Top-down policy implementation models emphasize the ability of top authorities to administer policies and the availability of resources,<sup>20</sup> often focusing attention on policy enforcers rather than those affected by a policy.<sup>21</sup> These models measure policy success by evaluating legislative objectives. Bottom-up implementation models,<sup>22</sup> on the other hand, emphasize the perspectives of service deliverers and those affected by a policy, often focusing on flexibility and the need to adapt policies to local conditions based on standards developed by users and deliverers.<sup>23</sup>

While these models are the most often discussed, other approaches which may or may not contain elements of top-down or bottom-up approaches, exist.<sup>24</sup> Governance approaches attempt to synthesize the different stages of the implementation process. One example is the “quality implementation framework” which includes four phases, each of which is considered a variable of implementation success or failure: 1) initial considerations regarding the host setting, 2) creating an implementation structure, 3) the ongoing structure post-start, and 4) improving future applications.<sup>25</sup> The literature also discusses potential causes of failure, often pointing to the level of ambiguity of a particular intervention, the degree of discretion of front-line implementers, access to funding and resources, and politics and conflict as key determinants of policy failure.<sup>26</sup>

- 18 Per Nilsen et al., “Never the Twain Shall Meet? - A Comparison of Implementation Science and Policy Implementation Research,” *Implementation Science* 8 (2013): 63, <https://doi.org/10.1186/1748-5908-8-63>; Trisha Greenhalgh et al., “Diffusion of Innovations in Service Organizations: Systematic Review and Recommendations,” *Milbank Quarterly* 82, no. 4 (December 2004): 581–629, <https://doi.org/10.1111/j.0887-378X.2004.00325.x>; R. Grol, “Twenty Years of Implementation Research,” *Family Practice* 17, no. 90001 (February 1, 2000): 32S – 35, [https://doi.org/10.1093/fampra/17.suppl\\_1.S32](https://doi.org/10.1093/fampra/17.suppl_1.S32).
- 19 Pressman and Wildavsky, *Implementation*; Badie, Berg-Schlosser, and Morlino, “Implementation.”
- 20 Paul A. Sabatier, “Top-down and Bottom-up Approaches to Implementation Research: A Critical Analysis and Suggested Synthesis,” *Journal of Public Policy* 6, no. 1 (1986): 21–48; Daniel A. Mazmanian, *Implementation and Public Policy: With a New Postscript* (Lanham, MD: University Press of America, 1989).
- 21 Lucie Cerna, “The Nature of Policy Change and Implementation: A Review of Different Theoretical Approaches,” *Organisation for Economic Co-Operation and Development*, 2013, 31.
- 22 Steven Maynard-Moody, Michael Musheno, and Dennis Palumbo, “Street-Wise Social Policy: Resolving the Dilemma of Street-Level Influence and Successful Implementation,” *The Western Political Quarterly* 43, no. 4 (1990): 833–48, <https://doi.org/10.2307/448738>; Benny Hjern and Chris Hull, “Implementation Research as Empirical Constitutionalism - HJERN - 1982 - European Journal of Political Research,” *European Journal of Political Research* 10, no. 2 (June 1982): 105–15, <https://doi.org/10.1111/j.1475-6765.1982.tb00011.x>; Richard F. Elmore, “Backward Mapping: Implementation Research and Policy Decisions,” *Political Science Quarterly* 94, no. 4 (1979): 601–16, <https://doi.org/10.2307/2149628>; Michael Lipsky, *Street-Level Bureaucracy: Dilemmas of the Individual in Public Services*, Publications of Russell Sage Foundation (New York: Russell Sage Foundation, 1980).
- 23 Søren C. Winter, “Implementation Perspectives: Status and Reconsideration” in *The Sage Handbook of Public Administration*, ed. B. Guy Peters and Jon Pierre, 2nd ed. (Los Angeles, London, New Delhi, Singapore, Washington, D.C.: SAGE Publications, 2012), 265–78, [https://www.researchgate.net/publication/292392013\\_Implementation\\_Perspectives\\_Status\\_and\\_Reconsideration](https://www.researchgate.net/publication/292392013_Implementation_Perspectives_Status_and_Reconsideration).
- 24 Another model is the rational choice model, which focuses on the assumption of fixed preferences and rational behavior to explain implementation success. Some scholars also rely on game theory to explain potential collaboration throughout the implementation process and opportunities to influence cooperation. As some scholars have noted, rational choice models may be more helpful in understanding how decisions were made after the fact, rather than how they came to be; Signé, “Policy Implementation – A Synthesis of the Study of Policy Implementation and the Causes of Policy Failure.”
- 25 Duncan C. Meyers, Joseph A. Durlak, and Abraham Wandersman, “The Quality Implementation Framework: A Synthesis of Critical Steps in the Implementation Process,” *American Journal of Community Psychology* 50, no. 3 (December 1, 2012): 462–80, <https://doi.org/10.1007/s10464-012-9522-x>.
- 26 Signé, “Policy Implementation – A Synthesis of the Study of Policy Implementation and the Causes of Policy Failure.”

## An integrated policy implementation model for effective delivery

How can these models and approaches be integrated in a systematic way to allow policymakers to bridge the implementation gap between policy intentions and policy outcomes?<sup>27</sup> In the context of this review of the implementation literature, I expand and apply an explanatory model for different outcomes in effective policy implementation that builds on Matland's integrated implementation model<sup>28</sup> complemented by my work on the causes of policy failure,<sup>29</sup> and an expansion of the drivers of successful implementation.<sup>30</sup>

Matland's ambiguity-conflict model reconciles both top-down and bottom-up models in an integrated approach to propose that, within a given context, degrees of 1) policy ambiguity and 2) policy conflict impact the factors driving the success or failure of policy implementation.<sup>31</sup> The level of policy ambiguity depends on how clear the goals or means of a policy are and can vary based on the availability of technology, the degree of coordination among players, and the ability to leverage tools or financing to reach a goal. For example, high policy ambiguity might exist within public service delivery if the tools, technology, or means of coordination required to deliver on a policy are not clear. The level of policy conflict depends on the intensity of disputes or incompatibilities between different players over the means or goals of a policy. For example, policy conflict might exist within public service delivery when there are political disagreements or divergences among players that make it impossible to move public service delivery forward.

Four implementation scenarios emerge from four possible combinations of policy ambiguity and policy conflict (Table 3). Each of these scenarios represents a unique context, that, if properly understood, can yield insight into what factors might be the most impactful for overcoming implementation barriers to achieving public service delivery outcomes. These scenarios can be identified at various levels—from countries to ministries to specific policies—and can change over time and across different implementation phases. Despite these varied and layered configurations, the model can help disentangle specific barriers to implementation and lead policymakers toward actionable policy options.

27 Signé, "How to Implement Domestic Resource Mobilization (DRM) Successfully for Effective Delivery of Sustainable Development Goals (SDGs) in Africa: An Innovative Policy Delivery Model."

28 Richard E. Matland, "Synthesizing the Implementation Literature: The Ambiguity-Conflict Model of Policy Implementation," *Journal of Public Administration Research and Theory: J-PART* 5, no. 2 (1995): 145–74, <https://www.jstor.org/stable/1181674>.

29 Signé, "Policy Implementation – A Synthesis of the Study of Policy Implementation and the Causes of Policy Failure;" Causes of failure include ambiguity in a particular intervention, implementers at the front lines, funding and resources, and politics, conflict, and the political economy.

30 Signé, "Public Service Delivery – What Matters for Successful Implementation and What Can Policy Leaders Do?"; Some drivers of implementation include resources; motivation, learning; staff competency, processes, power, autonomy, governance, leadership, contextual conditions, institutional factors, organizational structure, culture, coalition strength, incentives and constraints, network management, and communication.

31 Matland, "Synthesizing the Implementation Literature."

TABLE 3

AMBIGUITY-CONFLICT MODEL OF POLICY IMPLEMENTATION, REVISITED

The model below can lead policymakers toward actionable policy options

	Low policy conflict	High policy conflict
Low policy ambiguity	<p><b>ADMINISTRATIVE IMPLEMENTATION</b></p> <p><b>Context:</b> Clear goals and strategy, but need labor, capital, or technological resources for implementation.</p> <p><b>Driver of success:</b> Resources, human capital, technology, motivation, learning, staff competency, and appropriate processes.</p>	<p><b>POLITICAL IMPLEMENTATION</b></p> <p><b>Context:</b> Clear goals and strategy, but clash of ideology stymies implementation.</p> <p><b>Driver of success:</b> Power, autonomy, governance, and agile leadership.</p>
High policy ambiguity	<p><b>EXPERIMENTAL IMPLEMENTATION</b></p> <p><b>Context:</b> General strategies or theories that lack specific clarity or have undefined roles.</p> <p><b>Driver of success:</b> Contextual conditions, institutional factors, organizational structure, agility, and culture.</p>	<p><b>SYMBOLIC IMPLEMENTATION</b></p> <p><b>Context:</b> Unclear goals or strategy, but deeply conflicting on an ideological basis.</p> <p><b>Driver of success:</b> Coalition strength, incentives and constraints, network management, communication, political economy, and strategic agility.</p>

Source: Matland, "Synthesizing the Implementation Literature: The Ambiguity-Conflict Model of Policy Implementation." 145–74; Signé, "Policy Implementation – A Synthesis of the Study of Policy Implementation and the Causes of Policy Failure."; Signé, "Public Service Delivery – What Matters for Successful Implementation and What Can Policy Leaders Do?"

Low policy ambiguity and low policy conflict: Administrative implementation

In contexts where both policy ambiguity and policy conflict are low, a focus on “administrative” implementation is needed, with the most important factors for overcoming implementation barriers being the availability of resources, motivation, learning, staff competency, and processes. For example, when government actors and external actors agree (low conflict) that digital health services could help more citizens access health care and improve health outcomes (low ambiguity), a solution can be implemented if the technology and resources are available.<sup>32</sup> In the Central African Republic, actors agree that security forces are needed

32 Signé, “How to Implement Domestic Resource Mobilization (DRM) Successfully for Effective Delivery of Sustainable Development Goals (SDGs) in Africa: An Innovative Policy Delivery Model.”

for enforcing citizen security (low policy ambiguity and conflict), but insufficient resources hinder successful implementation.<sup>33</sup> Potential solutions, therefore, include securing technical knowledge and investing in available financing.<sup>34</sup>

### *High policy ambiguity and high policy conflict: Symbolic implementation*

In contexts where policy ambiguity and policy conflict are both high, a focus on “symbolic” implementation is needed. In this case, the most important factors for overcoming implementation barriers are the strength of the coalition on the local level and the most important strategies include strengthening democracy and building capacity. For example, if the goal of a public service program is unclear (high policy ambiguity) and multiple players are trying to impose a way forward (high policy conflict), implementation will become highly political and dominated by local actors as different coalitions form and coercion and bargaining become the means to arriving at a solution. For example, Nigeria’s attempt to implement a diversity program within the civil service recruitment process, known as the Federal Character Principle, has yet to achieve the diversity it sought to create since its addition to the constitution in 1999. This is due to ambitious and unclear goals (high policy ambiguity) and the numerous political cleavages have led to immense differences of opinion on how to best implement the policy, either weighted by the population of each state or a set number per state (high policy conflict).<sup>35</sup> The implementation of the policy depends on the perception that leaders hold and their responses.<sup>36</sup>

In contexts where fragility, violence, and instability are prevalent, such as Niger, Burkina Faso, Chad, Guinea, and Mali,<sup>37</sup> the delivery of public services, especially in alignment with a long-term implementation plan, becomes extremely complex. Leaders in fragile democracies or transitional governments are likely to be preoccupied with a multitude of problems and with the quest for power. In such contexts, resources alone will not be enough to implement public service policy goals.<sup>38</sup> In addition to resources, these countries will need to focus on reducing conflict, supporting democratic elections, and informing and incentivizing leaders to commit to solutions.

### *Low policy ambiguity and high policy conflict: Political implementation*

In contexts with low policy ambiguity and high policy conflict, a focus on “political” implementation is needed, with the most important factors for overcoming implementation barriers being strong political direction and sound governance among other top-down considerations. This combination appears when the goals of a policy are clearly defined (low policy ambiguity), but the means or steps to achieving these goals are contested among players

33 Signé, “Why Do Development Policies Often Fail in Africa?”

34 Signé, “How to Implement Domestic Resource Mobilization (DRM) Successfully for Effective Delivery of Sustainable Development Goals (SDGs) in Africa: An Innovative Policy Delivery Model.”

35 Timothy Onimisi and Shakira Hannah Osasona, “Factors Affecting Effective Policy Implementation in Nigeria: Focus on Federal Character Principle,” *Zamfara Journal of Politics and Development* 2, no. 1 (2021): 12–12.

36 Signé, “How to Implement Domestic Resource Mobilization (DRM) Successfully for Effective Delivery of Sustainable Development Goals (SDGs) in Africa: An Innovative Policy Delivery Model.”

37 “Sahel Human Development Report 2023: Sustainable Energy for Economic and Climate Security in the Sahel” (New York: UNDP, January 2024), 9789210030571, <https://www.undp.org/africa/publications/sahel-human-development-report-2023>.

38 Signé, “Leaving No Fragile State and No One Behind in a Prosperous World: A New Approach.”

(high policy conflict), either or both internally or externally.<sup>39</sup> For example, a government might have figured out how to adopt and expand electronic financial systems, but external conflict from the informal sector, which might have competing interests, could threaten successful implementation. In Chad, despite a widespread belief in the need to preserve resources (low policy ambiguity), leaders often disagree on how to prioritize government spending (high policy conflict), leading to saving policies that are highly impacted by commodity prices.<sup>40</sup> Whoever has the power and whether or not they can promote compliance in these contexts will be the deciding factors of if, or how, public service delivery will be implemented. Accountable leadership will be key.

### *High policy ambiguity and low policy conflict: Experimental implementation*

In contexts with high policy ambiguity and low policy conflict, a focus on “experimental” implementation is needed, with the most important factors for overcoming implementation barriers being contextual conditions, institutional factors, organizational structure, and culture. For example, in countries that have the political commitment to achieve the Sustainable Development Goals (low policy conflict) but lack clarity as to the means to achieve such goals (high policy ambiguity), implementation will rely on experimental factors. Most African countries are facing such a challenge. By aligning the goals and means, actors can move toward taking action to implement their policies. Potential solutions may include focusing on evaluation, enabling knowledge development and transfer, bolstering the role of civil society organizations, and aligning goals with institutions.<sup>41</sup>

## Conclusion

This extended version of Matland’s model in conjunction with other implementation science models can help leaders think systematically through an aspect of public policy that is often overlooked: The different factors that might be more or less important for overcoming implementation barriers within a given context.<sup>42</sup> While resources will always be necessary, it is clear from these four scenarios that they will likely need to be complemented by other interventions to successfully bridge the implementation gap. Given the vast differences between the 54 African countries, and the fact that continents, regions, countries, ministries, and policies move across the spectrum of policy conflict and ambiguity, leaders must constantly evaluate contextual conditions to better understand the necessary drivers of successful implementation. By doing so, attempts to improve governance can find a firm foundation, and true commitment to moving beyond strategies and goals and toward strategic action can take shape.

39 Signé, “How to Implement Domestic Resource Mobilization (DRM) Successfully for Effective Delivery of Sustainable Development Goals (SDGs) in Africa: An Innovative Policy Delivery Model.”

40 Signé, “Why Do Development Policies Often Fail in Africa?,” “Regional Focus: Africa’s Oil Exporters: Balancing Saving and Spending,” *IMF Survey* 36, no. 009 (May 31, 2007), <https://doi.org/10.5089/9781451938432.023.A008>.

41 Signé, “How to Implement Domestic Resource Mobilization (DRM) Successfully for Effective Delivery of Sustainable Development Goals (SDGs) in Africa: An Innovative Policy Delivery Model.”

42 Chriqui et al., “Advancing the Science of Policy Implementation.”

# People-centered development: Why the policy priorities and lived experiences of African citizens should matter for national development policy

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Development agenda setting is a key function of governments. But since the Millennium Declaration was adopted in 2000,<sup>1</sup> national development agendas have been increasingly shaped by global and continental development policy frameworks, notably the United Nations (U.N.) Millennium Development Goals and their successor, the Sustainable Development Goals (SDGs), as well as the African Union (AU) Agenda 2063.

As governments seek to align their national development priorities with global and continental frameworks in order to facilitate tracking, reporting, and accountability, we argue that a critical place to start should be citizens' policy priorities and lived experiences. People-centered development—inclusive growth and sustainable development that “leaves no one behind”—must be at the core of both national development agendas and the international development frameworks to which governments collectively commit.<sup>2</sup>

What are the policy priorities of African citizens, and how have these changed over time? How do people assess the performance of their governments on their priority issues? We draw from recent survey data from Afrobarometer to point policymakers toward critical inputs for their agenda setting.

## Citizens' top policy priorities

Across 39 African countries surveyed between late 2021 and mid-2023, unemployment, management of the economy, and health top the list of the “most important problems” that Africans want their government to address (Figure 24). Water supply and infrastructure/roads round out the top five, followed by education and crime/security.

Since priorities vary by context, careful analysis by country and demographic group, as detailed in this Afrobarometer's Pan-Africa Profile, is essential.<sup>3</sup> For example, while unemployment is

1 “United Nations Millennium Declaration,” 55/2 General Assembly resolution (2000), <https://www.ohchr.org/en/instruments-mechanisms/instruments/united-nations-millennium-declaration>.

2 Swati Banerjee, Stephen Carney, and Lars Hulgård, *People Centered Social Innovation: Global Perspectives on an Emerging Paradigm*, eds. Swati Banerjee, Stephen Carney and Lars Hulgård., 1st ed., Routledge Studies in Social Enterprise & Social Innovation (New York: Routledge, 2020).

3 Mohamed Najib Ben Saad and Carolyn Logan, “Keeping up with the People's Agenda: Popular Priorities for Government Action, and How They are Evolving,” Afrobarometer Dispatch (Accra: Afrobarometer, August 9, 2024), <https://www.afrobarometer.org/wp-content/uploads/2024/08/AD833-PAP17-Africans-priorities-for-government-action-and-how-they-are-changing-Afrobarometer-7aug24.pdf>.

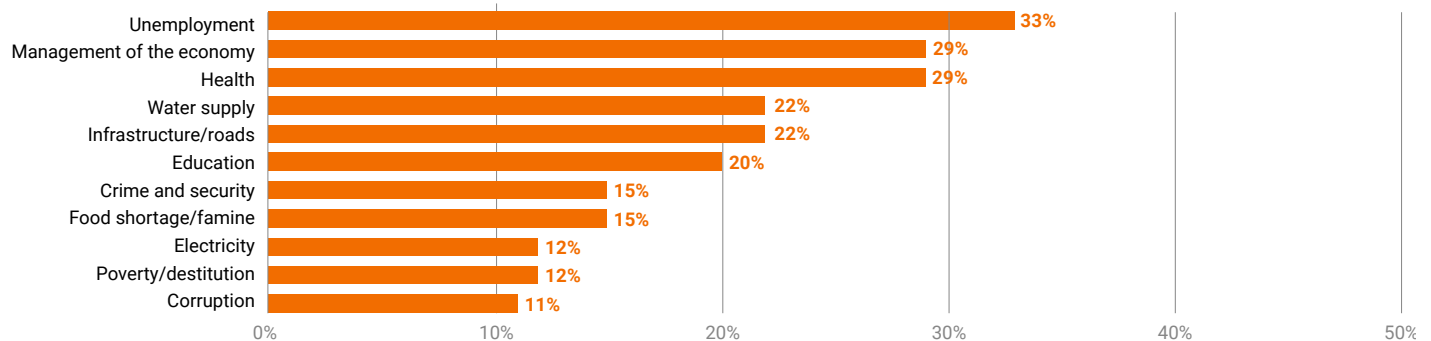
the top-ranked concern in 11 surveyed countries, and is of particular concern among young people and urban residents, other issues take first place in 28 other countries and among certain subgroups (Figure 25).

The data also reveal important shifts in citizen priorities over the past decade. Across 30 countries surveyed consistently since 2011, management of the economy has almost doubled its share, highlighting the importance that citizens attach to economic management in the wake of the COVID-19 pandemic and its economic impacts.

**FIGURE 24**

### **MOST IMPORTANT PROBLEMS | 39 AFRICAN COUNTRIES | 2021/2023**

*Africans believe unemployment, management of the economy, and health are the biggest issues they face*

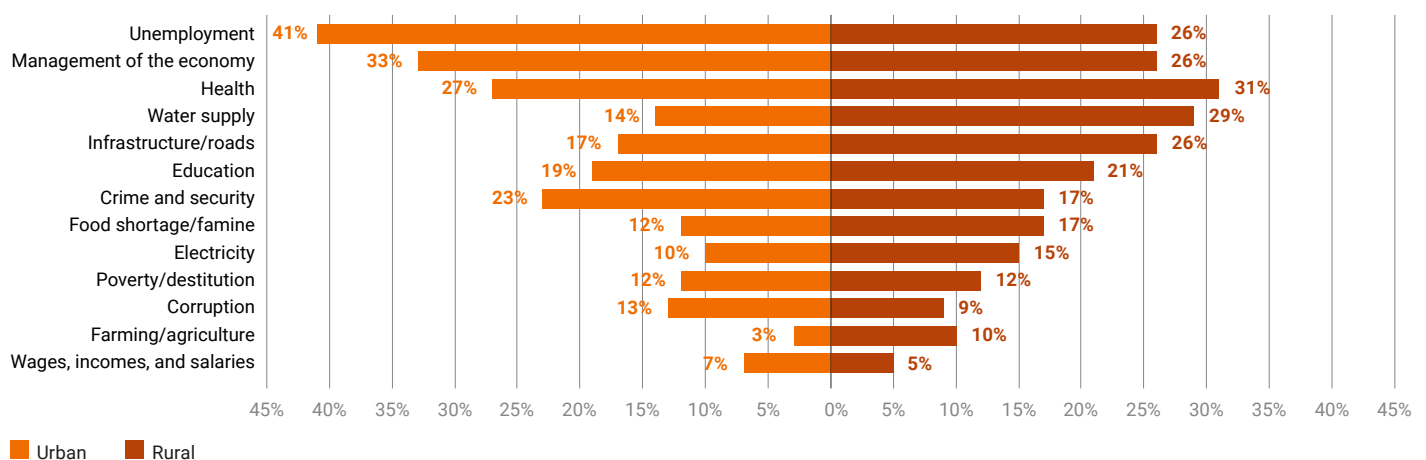


Note: Respondents were asked: In your opinion, what are the most important problems facing this country that government should address? (Respondents could give up to three responses. Figure shows % of respondents who cite each problem as one of their top three priorities, for all problems cited by at least 10% of respondents.)  
Source: Afrobarometer

**FIGURE 25**

### **MOST IMPORTANT PROBLEMS | BY URBAN-RURAL LOCATION | 39 AFRICAN COUNTRIES | 2021/2023**

*Priorities are dependent on the demographics of the respondent*



Note: Respondents were asked: In your opinion, what are the most important problems facing this country that government should address? (Respondents could give up to three responses. Figure shows % of respondents who cite each problem as one of their top three priorities, for all problems cited by at least 10% of respondents.)  
Source: Afrobarometer.

Crime/security also climbed among priorities, up by 7 percentage points between 2011 and 2023, claiming first place in Burkina Faso and Nigeria and second in Botswana, Cabo Verde, Madagascar, Mali, Senegal, and South Africa.

Shifts like these in citizens' priorities should matter to policymakers and suggest that governments and development stakeholders must periodically revisit their development policy priorities to ensure broad alignment with the concerns of the people they seek to serve.

## Government performance on citizens' top policy priorities

How do Africans rate the performance of their governments in addressing their top policy concerns? Data from Afrobarometer surveys reveal a gloomy picture (Figure 26). Across 39 countries, fewer than three in 10 Africans say their governments are doing "fairly well" or "very well" on the top priorities: creating jobs (20%) and managing the economy (26%). Positive ratings are equally low for government performance on improving living standards of the poor (22%), reducing inequality (16%), and controlling inflation (12%).

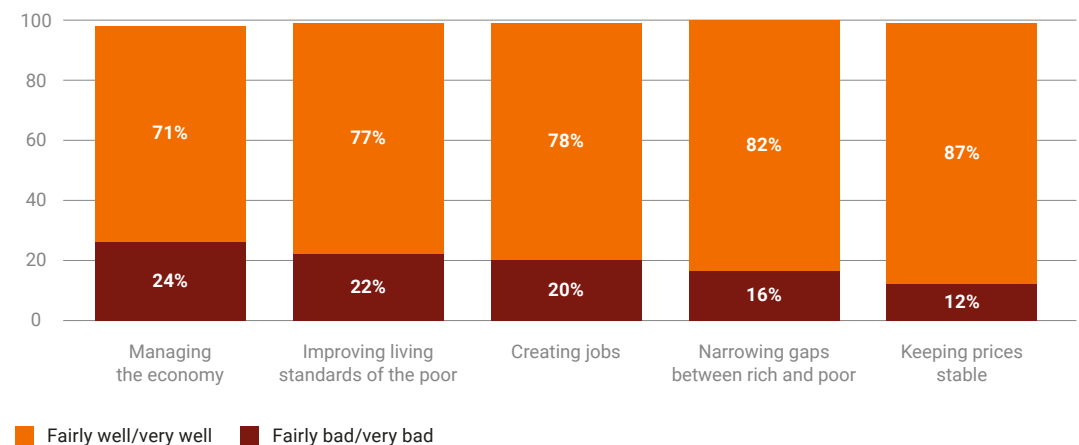
**Across 39 countries, fewer than three in 10 Africans say their governments are doing "fairly well" or "very well" on the top priorities.**

Over the past decade, a period that coincides with the 10-year implementation window of the AU Agenda 2063, these performance ratings show significant deterioration. Across 30 countries for which we have complete longitudinal data, approval of governments' overall management of the economy is down by 12 percentage points, from 39% in 2014 to 27% in 2023, and approval on job creation is down by 7 points (Figure 27). Satisfaction with government performance has also declined in other areas, including improving living standards of the poor (-6 points), narrowing gaps between rich and poor (-5 points), and keeping prices stable (-14 points).

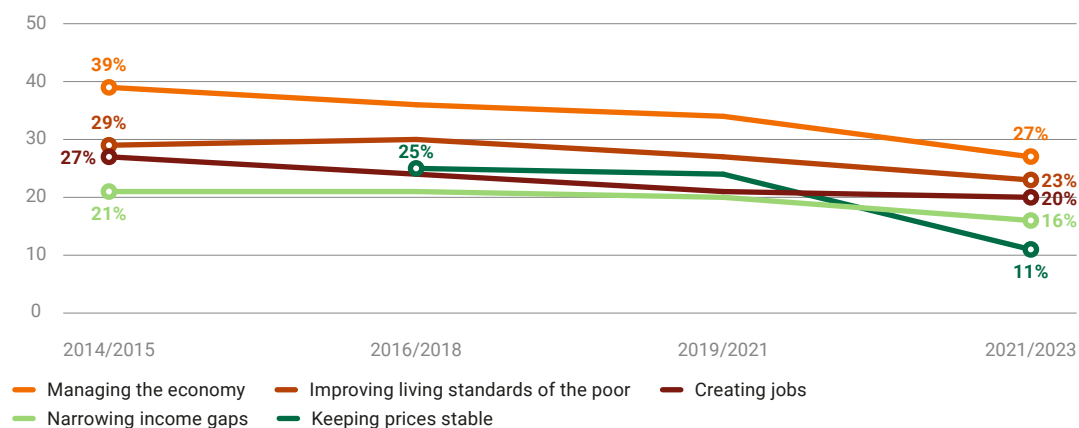
**FIGURE 26**

### EVALUATION OF GOVERNMENT'S ECONOMIC PERFORMANCE

*African respondents overwhelmingly thought their government's economic performance was fairly bad or very bad*



Note: Respondents were asked: How well or badly would you say the current government is handling the following matters, or haven't you heard enough to say?  
Source: Afrobarometer.

**FIGURE 27****AFROBAROMETER RESPONDENTS WHO HAD A POSITIVE ASSESSMENT OF THE GOVERNMENT'S ECONOMIC PERFORMANCE***The decline over time is most stark regarding inflation*

Note: Respondents were asked: How well or badly would you say the current government is handling the following matters, or haven't you heard enough to say? (% who say "fairly well" or "very well").

Source: Afrobarometer.

**Deteriorating perceptions of economic and living conditions**

Mirroring their economic performance ratings, popular evaluations of perceptions of economic conditions have also deteriorated. Across 30 countries surveyed consistently since 2011, two-thirds (66%) of respondents see their country as moving in "the wrong direction," in the most recent round of the survey, a 20-percentage-point increase from 46% in the 2011/2013 survey round (Figure 28).

Similarly, the share of respondents who rate their country's economic condition as "fairly bad" or "very bad" has climbed from about half (51%) in the 2014/2015 survey round to two-thirds (66%) in the 2021/2023 survey round (Figure 29). Negative evaluations of personal living conditions increased by 7 points, from 46% to 53%.

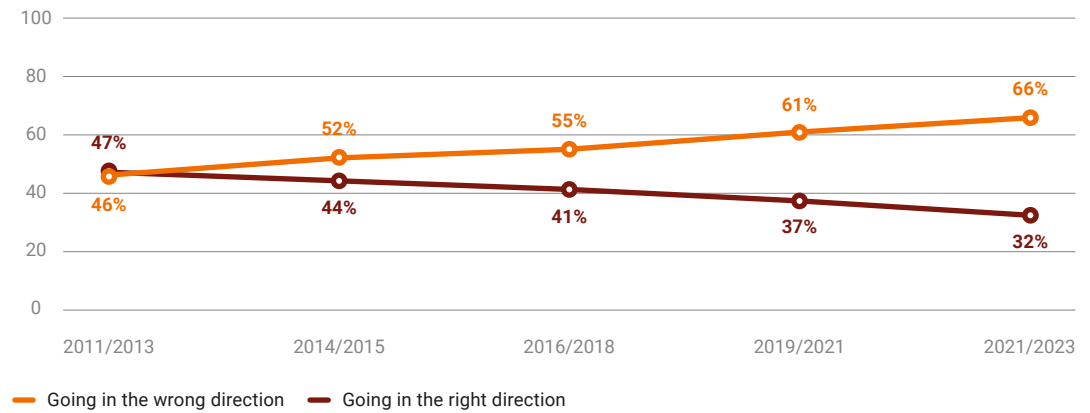
Although raising real per-capita income was one of the first 10-year targets to which African governments committed under Agenda 2063, respondents indicating they are experiencing income poverty remains widespread and has worsened over time. Across 31 countries where we have longitudinal data, more than eight in 10 respondents (81%) say they or a family member went without a cash income at least once during the previous year, a 6-point increase from the 2014/2015 survey (Figure 30). The proportions of respondents who went without medical care (65%) and suffered shortages of food (57%), water (56%), and cooking fuel (50%) all recorded double-digit increases between 2014 and 2023.

Taking these indicators together to measure levels of "lived poverty," we find that a growing share of respondents are experiencing moderate or high levels of lived poverty: 60% in the 2021/2023 survey round, up from 48% in the 2014/2015 survey round.

**FIGURE 28**

**AFROBAROMETER RESPONDENTS PERCEPTION OF THE OVERALL DIRECTION OF THEIR COUNTRY**

*Africans increasingly perceive their country as going in the wrong direction*

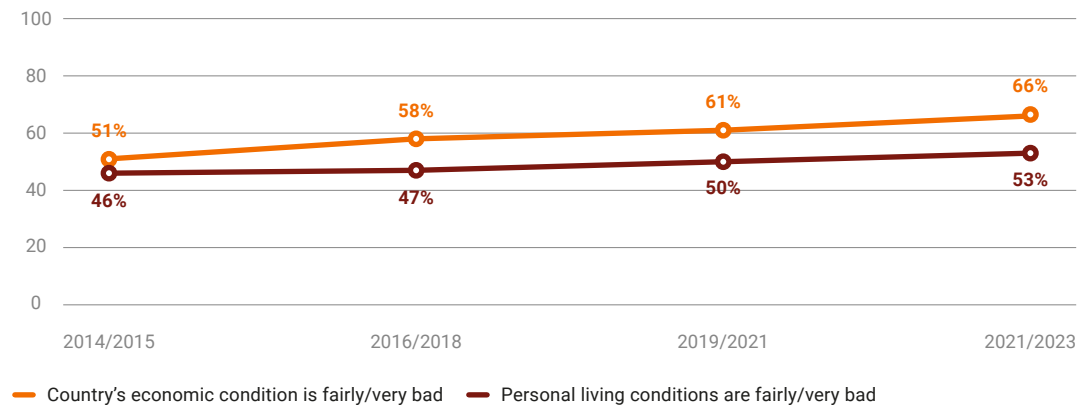


Note: Respondents were asked: Let's start with your general view about the current direction of our country. Some people might think the country is going in the wrong direction. Others may feel it is going in the right direction. So, let me ask you about the overall direction of the country: Would you say that the country is going in the wrong direction or going in the right direction?  
Source: Afrobarometer.

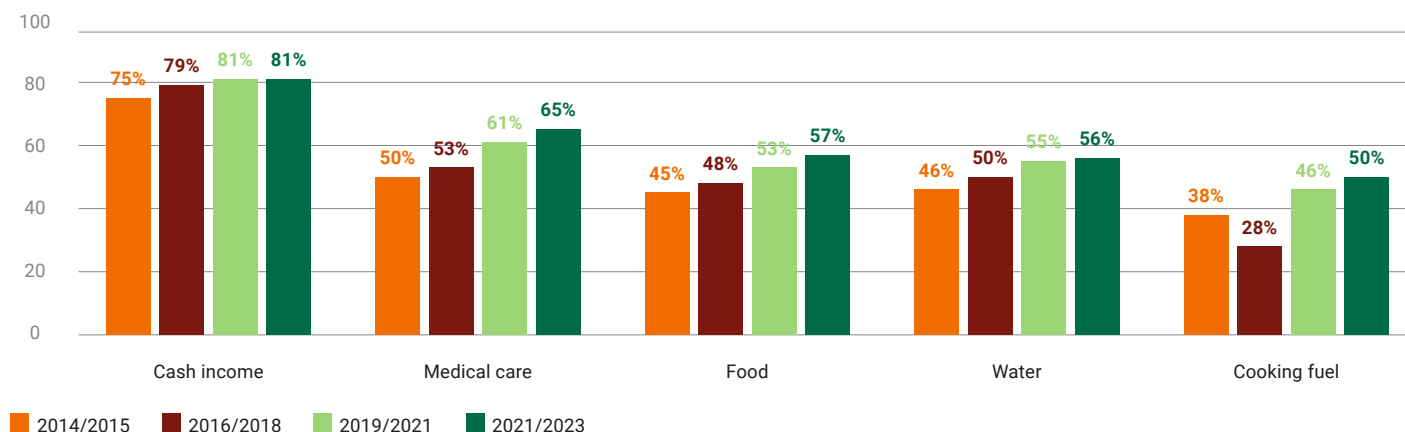
**FIGURE 29**

**AFROBAROMETER RESPONDENTS WHO RESPONDED NEGATIVELY TO THE COUNTRY'S ECONOMIC CONDITION AND THEIR OWN PERSONAL LIVING CONDITIONS**

*As with other governance metrics, those responding negatively has increased over time*



Note: Respondents were asked: In general, how would you describe: The present economic condition of this country? Your own present living conditions?  
Source: Afrobarometer.

**FIGURE 30****AFROBAROMETER RESPONDENTS WHO WENT WITHOUT BASIC NEEDS***The percentage of people who report going without basic needs continues to increase*

Note: Respondents were asked: Over the past year, how often, if ever, have you or anyone in your family gone without: Enough food to eat? Enough clean water for home use? Medicines or medical treatment? Enough fuel to cook your food? A cash income? (% who say “just once or twice,” “several times,” “many times,” or “always”).

Source: Afrobarometer.

## Taking stock, looking ahead

The early to mid-2010s were a period of enthusiasm and hope for Africa. Relative peace and stability, rapid economic growth in some countries, and declining poverty fueled the “Africa rising” narrative.<sup>4</sup>

A decade later, the assessments and lived experiences of citizens on the continent indicate that these optimistic expectations have not been realized. A growing number of Africans struggle to secure the basic necessities of life. Income stands out as the most widespread unmet need, which may partly explain why unemployment ranks at the top of citizens’ policy priorities. Clearly, the basics of development—effective and sustainable poverty reduction—are still on the action agenda and governments must take the necessary steps to address the escalating incidence of poverty. Citizens’ focus on unemployment and, to a growing extent, economic management, suggests that they hold their governments responsible for creating conditions in which the quality of their lives can improve.

While poverty reduction remains urgent, African governments must also pay attention to emerging issues of concern to their citizens, notably insecurity. This is particularly so across the Sahel region, where security has displaced key basic social issues such as health and education as a public priority.

**Clearly, the basics of development—effective and sustainable poverty reduction—are still on the action agenda and governments must take the necessary steps to address the escalating incidence of poverty.**

4 Lorenzo Fioramonti, “The ‘Africa Rising Story’ was Based on Faulty Logic – Here’s How to Fix it,” *The Conversation* (blog), October 30, 2017, <http://theconversation.com/the-africa-rising-story-was-based-on-faulty-logic-heres-how-to-fix-it-86327>.

# Africa's governance landscape: A tale of mixed progress and unmet expectations

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The results of the 2024 Ibrahim Index of African Governance (IIAG) are sobering. After several years of steady progress at the beginning of the 21st century—which saw hopeful strides in development, democracy, and the end of many long-standing conflicts—Africa's overall public governance performance has stalled since 2018, grounding to a complete halt in 2022. For nearly half of the continent's population, overall governance performance is worse in 2023 than it was in 2014.<sup>1</sup>

As highlighted in the report, a deepening security crisis and shrinking participatory environment across most of the continent are driving this trend and are offsetting any progress still being made in human and economic development. Of course, escalating conflicts and growing mistrust in democracy are sadly not unique to Africa. However, this trend is particularly concerning for Africa because it threatens both the progress already achieved and that which has yet to be built.

However, as a continent of 54 countries, Africa cannot be summarized by a single average. Indeed, the 2024 IIAG highlights notably divergent trends between countries.

On one hand, we watch concerning deteriorations in Sudan, in countries that underwent a coup in recent years, in the Democratic Republic of the Congo (DRC), in Tunisia, and even in Mauritius, which lost its first place ranking on the continent for the first time in IIAG history. Various lessons can be drawn here from each case, for both African countries and their partners.

The recent deterioration of governance in Mauritius makes it clear that resting on one's laurels is not sufficient. Maintaining success requires an ongoing commitment, with no room for complacency. Tunisia has shown us that trade-offs between economic development and democracy are not sustainable. Although progress was still recorded in economic terms, the country has experienced the greatest decline in the participation indicator over the decade and the second largest decline in the accountability and transparency indicator.

<sup>1</sup> 2024 Ibrahim Index of African Governance: Index Report (London: Mo Ibrahim Foundation, October 2024), <https://mo.ibrahim.foundation/sites/default/files/2024-10/2024-index-report.pdf>.

The DRC's widening gap between national wealth and its citizens' poverty can only fuel increased instability. Africa's wealthiest country when it comes to minerals, the DRC also ranks in the lowest end of the Human Development Index (HDI), having lost almost 20 points over the last decade in the security and safety category alone.

But partners also play a role.

The ongoing proxy war in Sudan led by non-African countries, and the international community's hesitation in enabling the swift delivery of the dividends of a peaceful, civil transition, bear as much responsibility in Africa's biggest crisis, as the Sudanese stakeholders.

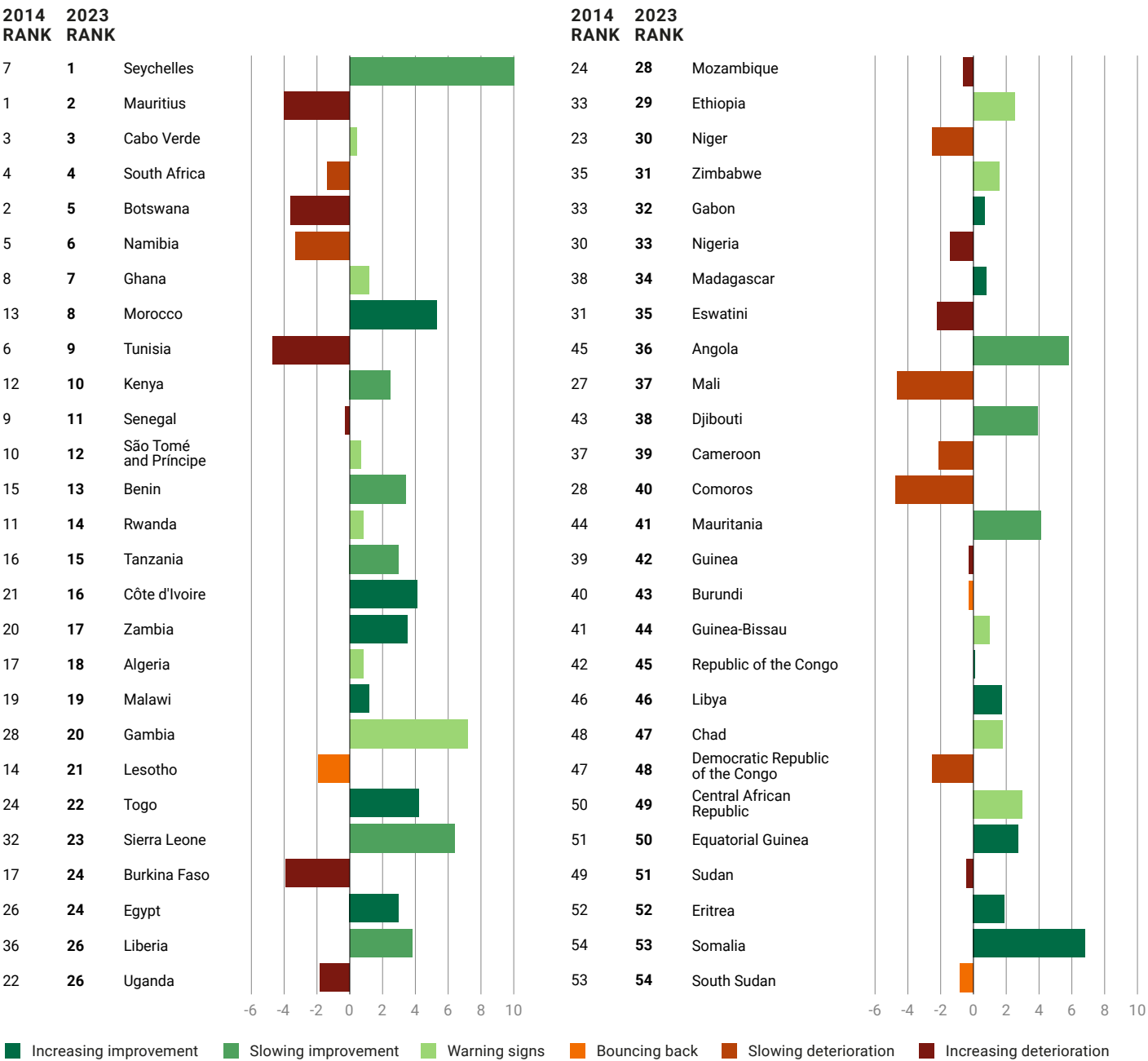
The international community's predilection for condemning a coup after the fact and calling for the "reestablishment of democratic institutions" comes too late for countries affected by coups. Often, it only fuels the mistrust of local populations toward these lesson-giving entities. To safeguard the international system, reactions should begin as soon as warning signs of overthrown democratic rules and practices by "democratically elected governments" are detected. There too, partners should strengthen efforts to help provide relevant economic and social prospects for the youth who often feel defeated by a poor economy and incentivized to join rebellions, enhancing the likelihood for violence. The inability of "democracy" to provide such opportunities was a key trigger for instability in Mali, Burkina Faso, Niger, and the Central African Republic, all of which sit on the lowest rungs of the latest (HDI).

On the other hand, many countries have made remarkable progress over the 2014-2023 decade. For thirteen countries—including Côte d'Ivoire, Egypt, Morocco, Somalia, and Togo—governance performance is not only significantly better in 2023 than in 2014, but progress has accelerated over the decade. Gambia, Seychelles, Somalia, Sierra Leone, and Djibouti feature among the ten best-improved countries over the decade, gaining between 4 and 10 points, compared to the only marginal continental improvement of 1 point overall.

Every country that exhibited marked improvement over the decade was able to balance their progress across most governance dimensions without any damaging trade-off between development and democracy. Seychelles, which gained 10 points, landing in first place, managed to progress in all 16 Index sub-categories, the only country, along with Sierra Leone, to achieve this.

Many countries showed a notable improvement in the public administration dimension of the IIAG index, with the largest improvements registered by Somalia, Benin, and Morocco. Mostly, this is driven by impressive progress in the capacity of the statistical system indicator, which measures the extent of statistical data coverage and openness within a given country, the independence of national statistics offices, and a government's cybersecurity capacity. Overall, the continent experienced a 7.9 point improvement on this metric. This is crucial to define relevant public policies and ensure their efficient implementation.

**FIGURE 31**  
**10-YEAR CHANGE AND TREND OF OVERALL GOVERNANCE SCORES**  
*Governance across the continent has seen extreme variation since 2014*



**Increasing improvement (13):** Republic of the Congo, Côte d'Ivoire, Egypt, Equatorial Guinea, Eritrea, Gabon, Libya, Madagascar, Malawi, Morocco, Somalia, Togo, Zambia

**Slowing improvement (9):** Angola, Benin, Djibouti, Kenya, Liberia, Mauritania, Seychelles, Sierra Leone, Tanzania

**Warning signs (11):** Algeria, Cabo Verde, Central African Republic, Chad, Ethiopia, Gambia, Ghana, Guinea-Bissau, Rwanda, São Tomé and Príncipe, Zimbabwe

**Bouncing back (3):** Burundi, Lesotho, South Sudan

**Slowing deterioration (7):** Cameroon, Comoros, Democratic Republic of the Congo, Mali, Namibia, Niger, South Africa

**Increasing deterioration (11):** Botswana, Burkina Faso, Eswatini, Guinea, Mauritius, Mozambique, Nigeria, Senegal, Sudan, Tunisia, Uganda

Note: The Ibrahim Index of African Governance takes into consideration a country's security and safety, rule of law and justice, accountability and transparency, anti-corruption, participation, rights, inclusion and equality, women's equality, public administration, business and labour environment, infrastructure, rural economy, health, education, social protection and welfare, and sustainable environment.  
Source: 2024 Ibrahim Index of African Governance: Index Report (London: Mo Ibrahim Foundation, October 2024).

**Even when governments make progress in areas like infrastructure and economic opportunities, many citizens perceive a lack of tangible improvements in their daily lives.**

The tax and revenue mobilization indicator, however, remains a challenge. This component has lost almost two points at continental average over the decade under review. African governments can benefit from the expertise of various partners on this issue. Key to governance, it is the best way to ensure the delivery of public goods and services expected by citizens and the sovereignty and ownership of public policies.

But one of the most striking findings of the 2024 IIAG is the widening gap between governance improvements and the perceptions of Africa's citizens. Even when governments make progress in areas like infrastructure and economic opportunities, many citizens perceive a lack of tangible improvements in their daily lives, or at least unmet expectations. And unmet expectations, especially among young people, fuel frustration and anger, which are strong drivers of unrest and conflict which undermine successful governance.

# Creating jobs for millions of unemployed young Africans is the way out of fragility

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**In Africa, various dimensions of fragility—economic, political, climate-related, and capacity-based—are evident and deeply interwoven.**

According to the United Nations, nearly half of the world's 1.1 billion poor live in conflict-affected settings.<sup>1</sup> The World Bank predicts that nearly 60% of the world's extreme poor will live in fragile and conflict-affected situations by 2030.<sup>2</sup>

According to the Organisation for Economic Co-operation and Development, fragility is “the combination of exposure to risk and insufficient coping capacities of the state, system, and/or communities to manage, absorb, or mitigate those risks.”<sup>3</sup>

In Africa, various dimensions of fragility—economic, political, climate-related, and capacity-based—are evident and deeply interwoven.

Economically, many of the continent's key sectors were severely affected by the COVID-19 pandemic, which pushed 23 million Africans into extreme poverty in 2020.<sup>4</sup> Recent conflicts in Ukraine and the Middle East have further complicated the macroeconomic situation in sub-Saharan African countries.<sup>5</sup>

Politics has also caused disruptions across much of Africa. Between August 2020 and August 2023, the continent recorded seven coups d'état, causing severe economic and social consequences.<sup>6</sup> Looking closely at their specific contexts, we can observe some trade-offs between security spending and social spending. For example, according to International Monetary Fund estimates, security spending in the Sahel countries (except Mauritania) averaged 3.9% of GDP in 2022, which corresponded to an average of 25% of their tax revenues excluding grants.<sup>7</sup> Security spending has stretched budgets thin, leaving other priorities without sufficient funds.

1 “Nearly Half the World's 1.1 Billion Poor Live in Conflict Settings,” *UN News*, October 17, 2024, <https://news.un.org/en/story/2024/10/1155821>.

2 “Fragility, Conflict & Violence | Overview,” *World Bank*, accessed December 16, 2024, <https://www.worldbank.org/en/topic/fragilityconflictviolence/overview>.

3 “States of Fragility 2022” (Paris: OECD, 2022), [https://www.oecd.org/en/publications/2022/09/states-of-fragility-2022\\_9ee73e08.html](https://www.oecd.org/en/publications/2022/09/states-of-fragility-2022_9ee73e08.html).

4 Kibrom A. Abay et al., “Revisiting Poverty Trends and the Role of Social Protection Systems in Africa during the COVID-19 Pandemic,” (Washington, D.C.: International Food Policy Research Institute, 2022), <https://doi.org/10.2499/p15738coll2.136411>.

5 Sherilyn Raga et al., “Impact of the Russia–Ukraine War on Africa,” *ODI*, January 2024, <https://odi.org/en/publications/impact-of-the-russia-ukraine-war-on-africa-policy-implications-for-navigating-shocks-and-building-resilience/>.

6 Alex Vines, “Understanding Africa's Recent Coups,” *Georgetown Journal of International Affairs* (blog), April 13, 2024, <https://gjia.georgetown.edu/2024/04/13/understanding-africas-coups/>.

7 “The Sahel, Central African Republic Face Complex Challenges to Sustainable Development | IMF Country Focus,” *IMF News*, November 16, 2023, <https://www.imf.org/en/News/Articles/2023/11/16/cf-the-sahel-car-face-complex-challenges-to-sustainable-development>.

Climate-fueled disasters are becoming commonplace, resulting in an increase in migration and strained government budgets.<sup>8</sup> African countries are disproportionately affected by global warming, despite contributing the least to climate change. Without climate change adaptation measures, 86 million Africans could migrate internally, with an estimate that climate change will cost African countries \$50 billion per year by 2050.<sup>9</sup>

Capacity issues have been exacerbated by the economic and security shocks across Africa. As a matter of social contract, the state is expected to provide the necessary safety and other basic services for its citizens. The Maslow Pyramid, a psychological theory of human needs, places physiological need at the base, immediately followed by safety and security needs.<sup>10</sup> When states are fragile, citizens become more vulnerable, which feeds into a vicious cycle where governments are challenged to effectively implement policies for structural change to cope with external shocks, debt crises, climate change, or natural disasters without the capacity to do so effectively.

These dynamics are not without consequences. Social unrest due to power cuts, rising prices, and tax reforms highlights the erosion of social cohesion. Addressing these challenges requires a multidimensional and systemic approach, integrating economic development, governance reform, and climate resilience. To rise to this challenge, African nations should consider the following recommendations:

1. Role of governments: More people-centric and inclusive policies focusing on youth and women are needed. These are critical to successfully address people's vulnerabilities and strengthen the rule of law. Governments should utilize their growing youth population in addressing these issues given the growing rate of youth across the continent.<sup>11</sup> Including women in the creation and implementation of such policies will ensure that policy recommendations are tailored to the needs of the most vulnerable citizens.
2. Role of the private sector: The African working-age population is expected to be roughly 450 million by 2035. Without appropriate reforms, the continent will only be able to create 100 million jobs for these millions of young people.<sup>12</sup> Strengthening public institutions to create a conducive environment for private investment is essential. Public-private partnerships can drive job creation and economic diversification, particularly in countries experiencing fragility, conflict, and violence (FCVs).

8 Desmond Oklikah Ofori et al., "A Systematic Review of International and Internal Climate-Induced Migration in Africa," *Sustainability* 15, no. 22 (January 2023): 16105, <https://doi.org/10.3390/su152216105>.

9 Ofori et al., "A Systematic Review of International and Internal Climate-Induced Migration in Africa."

10 "Maslow's Hierarchy of Needs," January 24, 2024, <https://www.simplypsychology.org/maslow.html>.

11 "Africa's Future Hinges on Youth Leadership, Says ECA's Gatete," *United Nations Economic Commission for Africa*, September 21, 2024, <https://www.uneca.org/stories/africa%E2%80%99s-future-hinges-on-youth-leadership%2C-says-eca%E2%80%99s-gatete>

12 "The Africa Competitiveness Report 2017: Addressing Africa's Demographic Dividend" (Geneva: World Economic Forum, 2017), <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/733321493793700840/the-africa-competitiveness-report-2017-addressing-africa-s-demographic-dividend>.

3. Role of the United Nations: Of the 44 Least Developed Countries (LDCs), 33 are in Africa, highlighting the continent's distinct challenges and opportunities for advancing sustainable development. Recognizing LDCs as the most vulnerable nations globally, the United Nations established the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries, and Small Island Developing States to advocate for their needs and drive solutions to their development challenges.<sup>13</sup> The implementation of the Doha Programme of Action for the LDCs (DPOA) serves as a comprehensive framework with specific targets, commitments, and deliverables to support these nations in six issue areas associated with fragility: investing in people to eradicate poverty and building capacity, leveraging innovation to achieve the SDGs, supporting structural transformation, enhancing international trade, addressing climate change, and mobilizing global partnerships.<sup>14</sup>
4. Efficiency is essential: For the social contract to yield results, it will be critical to develop service delivery mechanisms that will be more agile. Institutions will need to consider speed of delivery, scale of resources, and impact of proposed solutions. A key discussion during the International Development Association's 21st replenishment process (IDA21) will be streamlining its operations by cutting the number of required metrics from 1,011 (the number used for IDA20) to under 500 (to be used for IDA21).<sup>15</sup>
5. Increased concessional financing for countries in fragile situations: A comparison of investments needed for mitigation and adaptation by 2030 and net official development assistance received in recent years shows the extent of the financing gap of four FCV countries in the Sahel. According to the Country Climate and Development report of the G5 Sahel (Figure 32) countries, without appropriate financing, 13.5 million people will be in extreme poverty by 2050 due to climate change-related shocks.<sup>16</sup> To address these development challenges, fragile countries need predictable and long-term financial resources more than ever.

The cost of inaction for countries remaining in fragile situations will be very high for the international community. The recent migration crises and global pandemic highlight some of the costs of inaction.

13 "Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States," *United Nations*, accessed December 17, 2024, <https://www.un.org/ohrls/>.

14 "Doha Programme of Action | 5th United Nations Conference on the Least Developed Countries (LDC5)," *United Nations*, accessed December 17, 2024, <https://www.un.org/ldc5/doha-programme-of-action>.

15 "IDA21 Replenishment: An Overview of the Draft IDA21 Policy Framework: Ending Poverty on a Livable Planet: Delivery Impact with Urgency and Ambition | Draft for Comments, November 7-14, 2024," *World Bank*, accessed December 16, 2024, <https://thedocs.worldbank.org/en/doc/11c71e495b590f17c365c7b69398162c-0410012024/original/IDA21-Policy-Package-for-Discussion-10-15-2024.pdf>.

16 "G5 Sahel Region: Country Climate and Development Report," (Washington, D.C.: World Bank, 2022), <https://openknowledge.worldbank.org/entities/publication/50936c70-3771-5618-8b3e-52e7c01be5f8>.

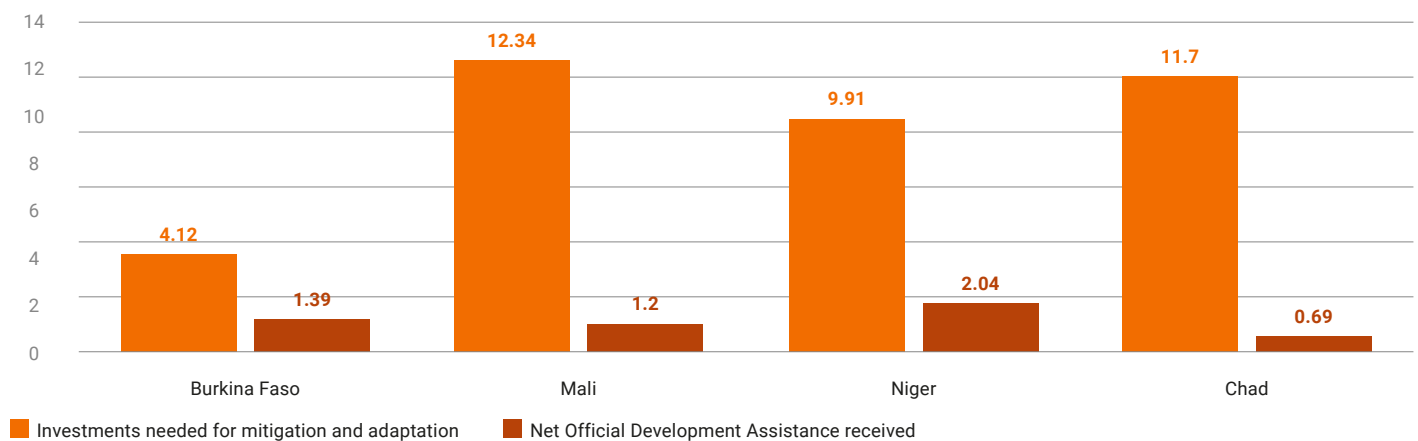
## Conclusion

Creating jobs for millions of unemployed youths in Africa, strengthening governance, and fostering international collaboration are critical to breaking the cycle of fragility. Integrated approaches, such as those outlined in the DPOA and supported by initiatives from the World Bank, other international financial institutions, and multilateral development banks provide a pathway for opportunities and growth.

**FIGURE 32**

### COMPARISON INVESTMENTS NEEDED FOR MITIGATION AND ADAPTATION BY 2030, AND NET OFFICIAL DEVELOPMENT ASSISTANCE RECEIVED FOR 4 FRAGILE COUNTRIES

*With an expectation that climate-related shocks will lead to 13.5 million people living in extreme poverty through Africa by 2050, fragile countries need predictable and long-term financial resources more than ever*



Source: World Bank DataBank.

# Debt, development, and democracy: Prospects for meeting the SDGs in Africa

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Policymakers and politicians are increasingly concerned about the impact of sovereign debt on meeting the Sustainable Development Goals (SDGs) by 2030. In 2023, debt servicing costs and interest payments in low and middle-income countries reached a record high of \$1.4 trillion.<sup>1</sup> This diverts much-needed resources for investments in health care, education, and agriculture, all of which are essential for meeting several of the SDGs. In Africa, the concern is particularly acute given that governments' debt burdens have returned to levels witnessed in the late 1990s when the Heavily Indebted Poor Countries Initiative began.<sup>2</sup> The expansion into Eurobonds and other commercial financing during the 2010s, as well as diversification toward other donors outside the Paris Club of creditors,<sup>3</sup> rising global interest rates, and the COVID-19 pandemic collectively contributed to the region's re-escalating debt.<sup>4</sup>

However, as previous debt crises from the 1980s and 1990s demonstrate, tackling rising debt poses distinct challenges for African governments since obtaining a bailout from the International Monetary Fund (IMF) typically requires adopting unpopular austerity and revenue mobilization measures.<sup>5</sup> The challenge is especially daunting in electoral democracies where governments fear the consequences of retrenching subsidies, freezing civil servants' wages, and raising taxes. For instance, even after former President Edgar Lungu of Zambia defaulted on the country's debt in late 2020, he refused to abandon \$500 million in contracts to support the fertilizer subsidy program in advance of the 2021 elections.<sup>6</sup> In Kenya, President William Ruto's attempts to raise taxes as part of the country's 2024 Finance Bill, precipitated weeks of public protests in July 2024 that culminated with not only rescinding the Bill but also reshuffling his cabinet.<sup>7</sup>

1 "International Debt Report 2024," (Washington, D.C.: World Bank, 2024), <https://doi.org/10.1596/978-1-4648-2148-6.a>.

2 "State of Play of Debt Burden in Africa 2024 Debt Dynamics and Mounting Vulnerability" (Cairo: Afreximbank, 2024), <https://www.afreximbank.com/reports/state-of-play-of-debt-burden-in-africa-2024-debt-dynamics-and-mounting-vulnerability/>.

3 Paris Club creditors are represented by 22, mostly OECD countries, that meet regularly to coordinate on debt management once a debtor country has reached an agreement on an IMF program. See: "Office of Finance Development, Bureau of Economic and Business Affairs: The Paris Club," *U.S. Department of State*, March 1, 2000, [https://1997-2001.state.gov/issues/economic/fs\\_000301\\_parisclub.html](https://1997-2001.state.gov/issues/economic/fs_000301_parisclub.html).

4 "Unpacking Africa's Debt: Towards a Lasting and Durable Solution" (New York: United Nations, Office of the Special Adviser on Africa, 2024), <https://www.un.org/osaa/content/unpacking-debt-africa-towards-lasting-and-durable-solution>.

5 Nicolas van de Walle, *African Economics and the Politics of Permanent Crisis, 1979-2001* (New York: Cambridge University Press, 2001).

6 Danielle Resnick, "How Zambia's Opposition Won," *Journal of Democracy* 33, no. 1 (January 2022): 70–84, <https://www.journalofdemocracy.org/articles/how-zambias-opposition-won/>.

7 Evelyne Musambi, "Kenyan President Dismisses Cabinet Ministers after Weeks of Protests over Taxation, Poor Governance" *Associated Press*, July 11, 2024, <https://apnews.com/article/kenya-cabinet-ministers-dismissed-0832b7c3c95b1242097cc0d135e56840>.

**It will be pivotal to identify savvy policy options to reconcile rising debt costs with public resistance to economic reforms.**

In Nigeria, protests erupted after President Tinubu removed costly fuel subsidies in 2023,<sup>8</sup> which were then partially reinstated a year later as price inflation escalated.<sup>9</sup>

Consequently, it will be pivotal to identify savvy policy options to reconcile rising debt costs with public resistance to economic reforms, even those that will have long-term national welfare benefits. In this regard, the lessons from prospect theory—an approach from behavioral economics that highlights that people are naturally more risk averse to certain short-term losses than they are accepting of longer-term, uncertain gains—are instructive.<sup>10</sup> This is particularly true in settings where citizens have high mistrust in their governments' intentions and institutions, which Afrobarometer data reveals has become more pronounced across the continent over the last decade.<sup>11</sup> This implies that international financial institutions and governments should be intentional about debt reform measures that could adversely affect the poorest citizens and make sure that adjustment measures, including targeted cash transfers and other forms of social protection, are in place to cushion vulnerable communities before the substantive retrenchment of more unproductive expenditures. In Zambia, for instance, the Extended Credit Facility Arrangement provided by the IMF in 2022 emphasized the need to expand the country's Social Cash Transfer program to help cushion the impacts of macroeconomic reform on the most vulnerable populations.<sup>12</sup>

Encouragingly, the largest replenishment of International Development Assistance (IDA) finance—intended to provide grant or low-interest assistance—was announced in December 2024, which will be an important mechanism to help debt-constrained, low-income countries in Africa tackle their development needs as the SDG 2030 deadline approaches.<sup>13</sup> While democratic contexts make managing debt more challenging due to the pressures from the electoral cycle, they also may be more likely to provide the foundations for better budget management over the longer-term compared to more autocratic settings due to the former's higher transparency and information flows. In this regard, the IDA replenishment represents a possible fresh start, providing an opportunity for impartial civil society actors, parliamentarians, and national audit bodies to monitor how governments are sourcing and spending financing to ensure greater expenditure accountability going forward.<sup>14</sup>

8 Camillus Eboh and Felix Onuah, "Nigeria's Main Labour Federation to Strike over Fuel Subsidy Removal," *Reuters*, June 2, 2023, sec. Africa, <https://www.reuters.com/world/africa/nigerias-main-labour-union-strike-over-fuel-subsidy-removal-local-media-2023-06-02/>.

9 Libby George, "In Deluge of Protests, Fuel Subsidies Prove Hard to Abolish," *Reuters*, August 8, 2024, <https://www.reuters.com/world/africa/deluge-protests-fuel-subsidies-prove-hard-abolish-2024-08-08/>.

10 Daniel Kahneman and Amos Tversky, "Prospect Theory: An Analysis of Decision under Risk," *Econometrica* 47, no. 2 (March 1979): 263–92, <https://doi.org/10.2307/1914185>.

11 Koffi Amessou Adaba and David Boio, "AD891: Across Africa, Public Trust in Key Institutions and Leaders is Weakening," *Afrobarometer* (dispatch), October 31, 2024, <https://www.afrobarometer.org/publication/ad891-across-africa-public-trust-in-key-institutions-and-leaders-is-weakening/>.

12 "Zambia: Request for an Arrangement under the Extended Credit Facility" (Washington, D.C.: International Monetary Fund, 2022).

13 "World Bank Group Announces Record \$100 Billion IDA Replenishment," *World Bank*, December 5, 2024, <https://www.worldbank.org/en/news/press-release/2024/12/05/donors-and-world-bank-group-boost-IDA-development>.

14 Danielle Resnick and Landry Signé, "Democratic Resilience in Africa: Lessons from 2024 Elections," *Brookings Institution* (blog), November 12, 2024, <https://www.brookings.edu/articles/democratic-resilience-in-africa-lessons-from-2024-elections/>.

# Strengthening the rule of law in Africa by 2030

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Institution

Certain values and characteristics have the power to determine whether a group of people can live together in peace and engage in entrepreneurial activities to create the wealth that they need to confront poverty and significantly improve their living conditions or remain trapped in chaos and extreme poverty. Fidelity to the rule of law is one such value. As stated in my 2020 publication, it is not only “the heart and soul of a democratic society, but without it, members of a society would find it very difficult to live together peacefully” and successfully engage in activities to improve their welfare.<sup>1</sup> Most countries in Africa are characterized by significant levels of ethnolinguistic and religious diversity. In order to successfully manage the conflicting economic interests of these diverse subcultures and foster sustainable human development, all citizens must be subject to the rule of law. Hence, a governing process that is “characterized or undergirded by the rule of law is the key to peaceful coexistence and development in Africa.”<sup>2</sup> It is on such a governing process that Africans must build and sustain their democratic systems.

## What is the rule of law?

Promotion of the rule of law and an independent, robust, and fully functioning judiciary, particularly ones that have the capacity to check on the exercise of government power and promote and protect human rights are major goals of Africa’s Agenda 2030<sup>3</sup> and Agenda 2063.<sup>4</sup>

The rule of law is said to embody three important principles: The law is supreme; all citizens are equal before the law; and the rights of individuals, which are established through court decisions, must be accepted and respected.<sup>5</sup> Hence, where there is fidelity to the rule of law, all individuals within the jurisdiction of a state, regardless of their social, economic, and political positions—whether they are government officials vested with either executive, legislative, or judicial power—“should be bound by and entitled to the benefit of laws publicly and prospectively promulgated and publicly administered in the courts.”<sup>6</sup>

1 John Mbaku, “Threats to the Rule of Law in Africa,” *Georgia Journal of International & Comparative Law* 48, no. 2 (April 22, 2020): 293, <https://digitalcommons.law.uga.edu/gjicl/vol48/iss2/2>.

2 Mbaku, “Threats to the Rule of Law in Africa.”

3 Lina Henao, Mary Hui, and Gordon Shaw, “Africa 2030: How Africa Can Achieve the Sustainable Development Goals” (Kigali: The Sustainable Development Goals Center for Africa, November 2017), [https://sdgcafrica.org/wp-content/uploads/2018/03/SDG\\_2030\\_Nov\\_2017.pdf](https://sdgcafrica.org/wp-content/uploads/2018/03/SDG_2030_Nov_2017.pdf).

4 “Agenda 2063: The Africa We Want” (Addis Ababa: African Union Commission, September 2015), [https://au.int/sites/default/files/documents/36204-doc-agenda2063\\_popular\\_version\\_en.pdf](https://au.int/sites/default/files/documents/36204-doc-agenda2063_popular_version_en.pdf).

5 Mbaku, “Threats to the Rule of Law in Africa.”

6 The Rt. Hon. Lord Bingham of Cornhill KG, “The Rule of Law,” (Sir David Williams Lecture, Centre for Public Law, University of Cambridge, November 16, 2006), <https://www.cpl.law.cam.ac.uk/sir-david-williams-lectures/rt-hon-lord-bingham-cornhill-kg-rule-law>

As Africans look forward to 2030 and beyond, they must understand and appreciate the role played by the rule of law in peaceful coexistence, social and economic mobility, wealth creation, poverty eradication, and human development. The rule of law is not only the cornerstone of any legitimate democratic state, it is also one of the essential characteristics of modern constitutionalism.<sup>7</sup>

## Strengthening the rule of law in Africa

As Africans approach 2030, they must be cognizant of the importance of strengthening the rule of law and ensuring that governance is undergirded by fidelity or adherence to the rule of law.

First, Africans must strengthen their judiciary systems and civil societies so that they can guard against government impunity, which creates distrust in the government and undermines the principle that law is superior to all members of society. During the last several years, states like Ghana, Kenya, and South Africa have made significant progress in strengthening judicial independence as evidenced by rulings by domestic courts that have reversed decisions by the executive or legislative branches of government.<sup>8</sup>

Second, Africans should enshrine in their constitutions specific grounds for the removal of a president and how to constitutionally effect such a process. A military coup is an unconstitutional regime change and should be constitutionally prohibited. Popular discontent with a president's performance should not be grounds for his or her removal by military coup. Courts in several African countries are using their power to interpret the constitution to make clear that in all their actions, the army and all security agencies must be bound by the Bill of Rights, as well as international and regional human rights law.<sup>9</sup>

7 Mbaku, "Threats to the Rule of Law in Africa."

8 In *Kwadwo Appiagyei-Atua and 7 Others v. The Attorney General*, Writ No. J1/14/22 (Ghana Sup. Ct.) (May 23, 2023), the Supreme Court of Ghana ruled unconstitutional and null and void, the Imposition of Restrictions Act 2020 (Act 2020), which had been enacted by the Parliament to provide the government with the legal framework to respond to the COVID-19 pandemic. In *David Ndii and Others v. Attorney General and Others* [2021]KEHC 9746 (KLR) (also known as the BBI Judgment), five High Court judges of the High Court of Kenya at Nairobi blocked a plan by the Kenyatta government to make fundamental changes to the country's constitution. Also, in *Raila Odinga & Another v. Independent Electoral and Boundaries Commission & Others* [2017] KESC 31 (KLR), the Supreme Court of Kenya nullified the presidential results of the 2017 General Elections in Kenya. In *Democratic Alliance v. Minister of International Relations and Cooperation and Others* [2017] ZAGPPHC 53; 2017 (3) SA 212 (GP), the North Gauteng High Court (Pretoria) ruled that South Africa's decision to withdraw from the International Criminal Court through executive decision was unconstitutional, irrational, procedurally flawed, and invalid.

9 For example, in *Khosa and Others v. Minister of Defence and Military Veterans and Others* [2020] ZAGPPHC 147; 2020 (7) BCLR 816 (GP), the North Gauteng High Court, Pretoria, ruled that the South African National Defence Forces, the South African Police Service, and all metropolitan police departments, "must act, and must instruct their members to act, in accordance with the Constitution and the law, including customary international law and international agreements binding on the Republic [of South Africa]."

Third, the constitutional coup, which involves the amending of the constitution to eliminate term limits or age requirements specifically to unconstitutionally extend the incumbent's mandate should be prohibited. The judiciary must be constitutionally empowered to prevent such political opportunism. Unfortunately, several African countries continue to manipulate their constitutions to allow incumbent presidents to remain in power indefinitely.<sup>10</sup>

Fourth, judicial independence must be constitutionally guaranteed in order to minimize political interference with the functioning of the judiciary and the administration of justice. Political interference can undermine the people's trust in the judiciary and the system of justice. Although many African countries enshrine judicial independence in their constitutions, the reality is that executive interference in the administration of justice remains a major challenge.<sup>11</sup>

Fifth, each African country should adopt a popular education program that enhances the ability of citizens to understand and appreciate the constitution. The rule of law cannot function effectively if the majority of citizens do not understand and appreciate the constitution's role in their lives, and most importantly, its ability to regulate socio-political interaction and provide mechanisms for the peaceful resolution of conflicts. Several African countries are actively participating in programs sponsored by the United States Agency for International Development to educate their citizens on the rule of law and a "people-centered justice" approach.<sup>12</sup>

Sixth, African countries should sign, ratify, and domesticate important international and regional human rights instruments. In order to strengthen the rule of law, each African country must mainstream international human rights law into national constitutional law, either by legislation or by amending/repealing domestic laws (e.g., vagrancy laws) where they do not conform to provisions of international human rights instruments. Some African countries have revised their constitutions to make customary international law and provisions of treaties that they have ratified directly justiciable in their domestic courts.<sup>13</sup>

10 For example, on April 19, 2024, the Togolese National Assembly amended the constitution and eliminated universal suffrage for the presidency while at the same time, effectively adopting a parliamentary system that evades presidential term limits. See "Togo Revises Constitution to Eliminate Term Limits: An Explainer," African Center for Strategic Studies, April 23, 2024, <https://africacenter.org/spotlight/togo-revises-constitution-to-eliminate-term-limits-an-explainer/> (Nov. 21, 2024). Other African countries that have eliminated presidential term limits include Cameroon (Biya, 2008); Uganda (Museveni, 2005, 2017); Rwanda (Kagame, 2015); Republic of the Congo (Nguesso, 2015); Egypt (el-Sisi, 2019); and Côte d'Ivoire (Ouattara, 2020). See "Term Limit Evasions and Coups in Africa: Two Sides of the Same Coin," Africa Center for Strategic Studies, Oct. 24, 2023 (updated on June 6, 2024), <https://africacenter.org/spotlight/term-limit-evasions-coups-africa-same-coin/> (Nov. 21, 2024).

11 Although Article 37 of the Constitution of Cameroon states that "[t]he Judicial shall be independent of the executive and legislative powers," that same article also grants the President of the Republic the power to guarantee that independence. In addition, the Supreme Court is under the Ministry of Justice and hence, is directly controlled by the executive branch of government. On the other hand, the Constitutional Court of South Africa (ZACC), the country's highest court, has developed significant jurisprudence that has elaborated the elements of judicial independence and affirmed the constitutional guarantee of judicial independence in South Africa. See, e.g., Constitution of the Republic of South Africa, 1996, Section 165(2). See also *De Lange v. Smuts* 1998 (3) SA 785 (CC).

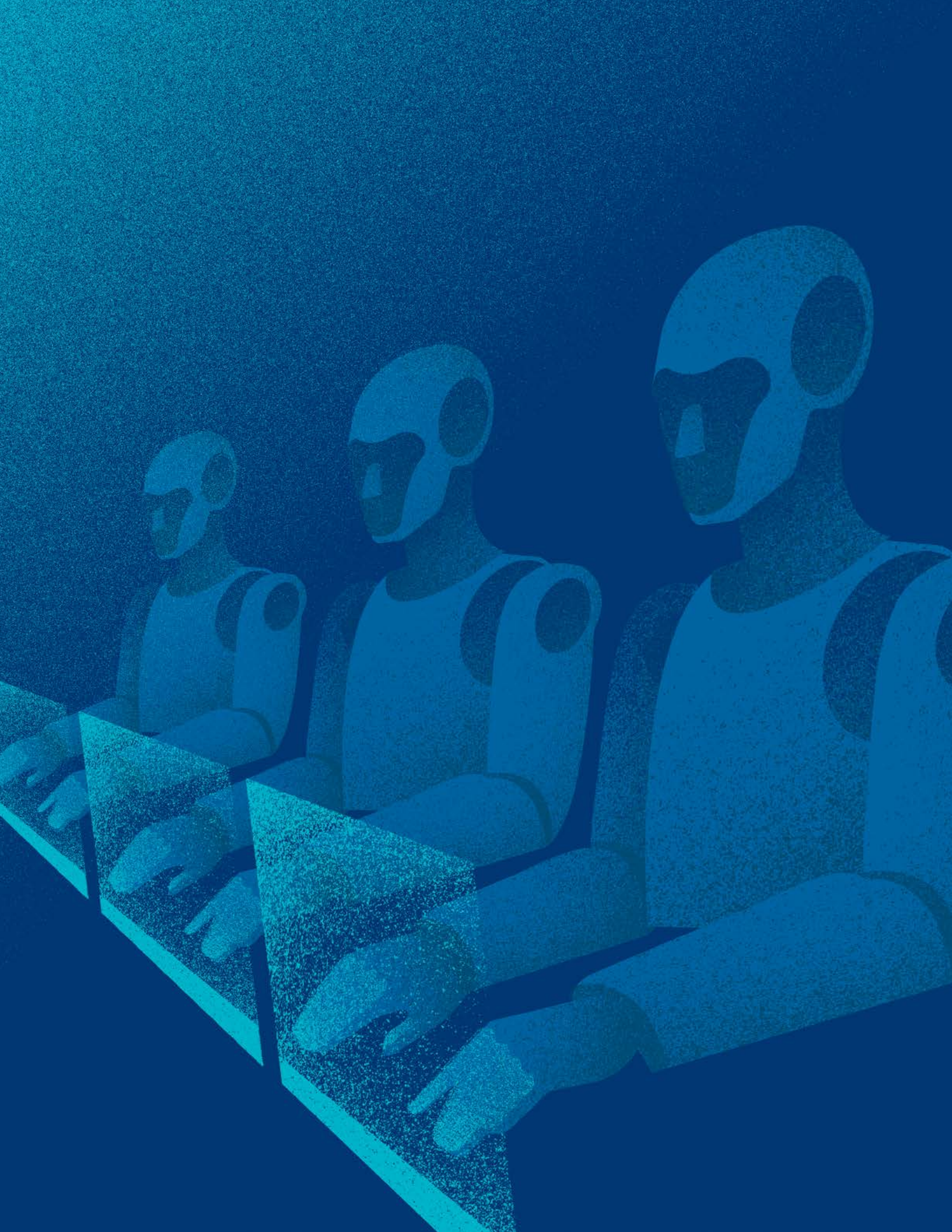
12 Some of these countries include South Africa, Ethiopia, Ghana, Kenya, Guinea, Liberia, Namibia, and Democratic Republic of the Congo. See *USAID Rule of Law Achievement Review, 2005–2020*, <https://www.usaid.gov/democracy/rule-law/achievements> (Nov. 21, 2024).

13 For example, according to the Constitution of Kenya, 2010, "[t]he general rules of international law shall form part of the law of Kenya" (Article 2(5)) and "[a]ny treaty or convention ratified by Kenya shall form part of the law of Kenya under this Constitution." Constitution of the Republic of Kenya, 2010, art. 2(5) & (6). Similarly, the Constitution of Angola also provides that customary international law shall form "an integral part of the Angolan legal system." Constitution of Angola, 2010, Article 13(1).

Seventh, African countries should directly address extreme poverty. Individuals and groups that are frustrated at their continued marginalization may resort to violent mobilization to minimize their continued exclusion from political and economic markets. Such violence can lead to pervasive economic and political instability or worse, invite the military to intervene or extremist groups (e.g., Boko Haram, al-Shabaab) to exacerbate the violence. Hence, tackling extreme poverty can significantly strengthen the rule of law. Although several African countries have been quite successful in reducing extreme poverty during the last several decades, others have actually seen increases in their poverty rates.<sup>14</sup>

To strengthen the rule of law by 2030, Africans must undertake institutional reforms to establish governing processes that can deepen and institutionalize the rule of law. For example, if the judiciary is fully independent, judges can check on the exercise of government power, minimize impunity, significantly enhance access to justice, and generally improve citizens' trust in their government.

14 Countries that have seen significant progress in fighting poverty include Tanzania, Chad, Republic of the Congo, Burkina Faso, Democratic Republic of the Congo, Ethiopia, Namibia, Mozambique, Rwanda, and Uganda. See Simeng Zheng, et al., "Here are the Top 10 sub-Saharan African Countries that have Reduced Poverty the Most," *World Bank*, Sept. 16, 2019, <https://blogs.worldbank.org/en/opendata/here-are-top-10-sub-saharan-african-countries-have-reduced-poverty-most#:~:text=Congo%2C%20Ethiopia%2C%20Tanzania%2C%20Kenya,reducers%20listed%20in%20Figure%201>. Others, however, have seen increases in their poverty rates. For example, according to the World Poverty Clock, in 2018, Nigeria, despite being one of the wealthiest countries in Africa, overtook India as the country with the world's highest number of people living in extreme poverty. See Peter Beaumont and Isaac Abrak, "Oil-rich Nigeria Outstrips India as Country with Most People in Poverty," *The Guardian*, July 16, 2018, <https://www.theguardian.com/global-development/2018/jul/16/oil-rich-nigeria-outstrips-india-most-people-in-poverty#:~:text=According%20to%20the%20authors%2C%20energy,with%20India's%2073%20million%20people>.



# 5

## AI and emerging technologies: Solving challenges and seizing opportunities

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# Leveraging AI and emerging technologies to unlock Africa's potential

## Introduction

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**AI and emerging technologies can play a catalyzing role in achieving development outcomes, but there are important nuances to bear in mind regarding how and to what extent they may do so.**

Breakthroughs in the development and deployment of AI and emerging technologies, often referred to as hallmarks of the Fourth Industrial Revolution (4IR),<sup>1</sup> are making headlines and stirring both excitement and anxiety within the scientific and policy worlds. Yet only recently have there been attempts to systematically analyze how AI and emerging technologies might impact development goals and outcomes. With the latest projections estimating that Africa is on track to meet less than 6% of the UN Sustainable Development Goals (SDGs) by 2030,<sup>2</sup> the international development community and policymakers alike are looking for development accelerators that can maximize impact and ultimately deliver on the goals of Agenda 2063. It is clear that AI and emerging technologies can play a catalyzing role in achieving development outcomes, but there are important nuances to bear in mind regarding how and to what extent they may do so within different development areas. These technologies also carry potential pitfalls that must be examined. A recent study by Vinuesa et al. assessed the effect of AI on the achievement of the SDGs and found that overall, AI could enable 134 targets while inhibiting 59.<sup>3</sup> AI and emerging technologies' projected effects on a few key sectors of development outcomes—economic, social, environmental, and governance—are discussed in detail below.

## Economic outcomes

By 2035, AI could double the GDP rate of African countries.<sup>4</sup> According to Vinuesa et al.'s assessment of the SDGs, AI could positively benefit 42 economic targets (70% of what the authors refer to as the "economic" SDG group) while negatively impacting 20 (33%).<sup>5</sup> The economic benefits of AI and other emerging technologies often stem from their impact on productivity, both through improving within-sector productivity and through structural

1 Landry Signé, *Africa's Fourth Industrial Revolution*, (Cambridge: Cambridge University Press, 2023).

2 "2024 Africa Sustainable Development Report" (Addis Ababa, Abidjan, New York, Addis Ababa: African Union; African Development Bank; United Nations Development Programme; United Nations Economic Commission for Africa, 2024), <https://www.undp.org/africa/publications/2024-africa-sustainable-development-report>.

3 Ricardo Vinuesa et al., "The Role of Artificial Intelligence in Achieving the Sustainable Development Goals," *Nature Communications* 11, no. 1 (January 13, 2020): 233, <https://doi.org/10.1038/s41467-019-14108-y>.

4 Tanvi Deshpande, "Understanding AI for Sustainable Development in Africa," *Mobile for Development* (blog), February 9, 2024, <https://www.gsma.com/solutions-and-impact/connectivity-for-good/mobile-for-development/blog/understanding-ai-for-sustainable-development-in-africa/>.

5 Vinuesa et al., "The Role of Artificial Intelligence in Achieving the Sustainable Development Goals."

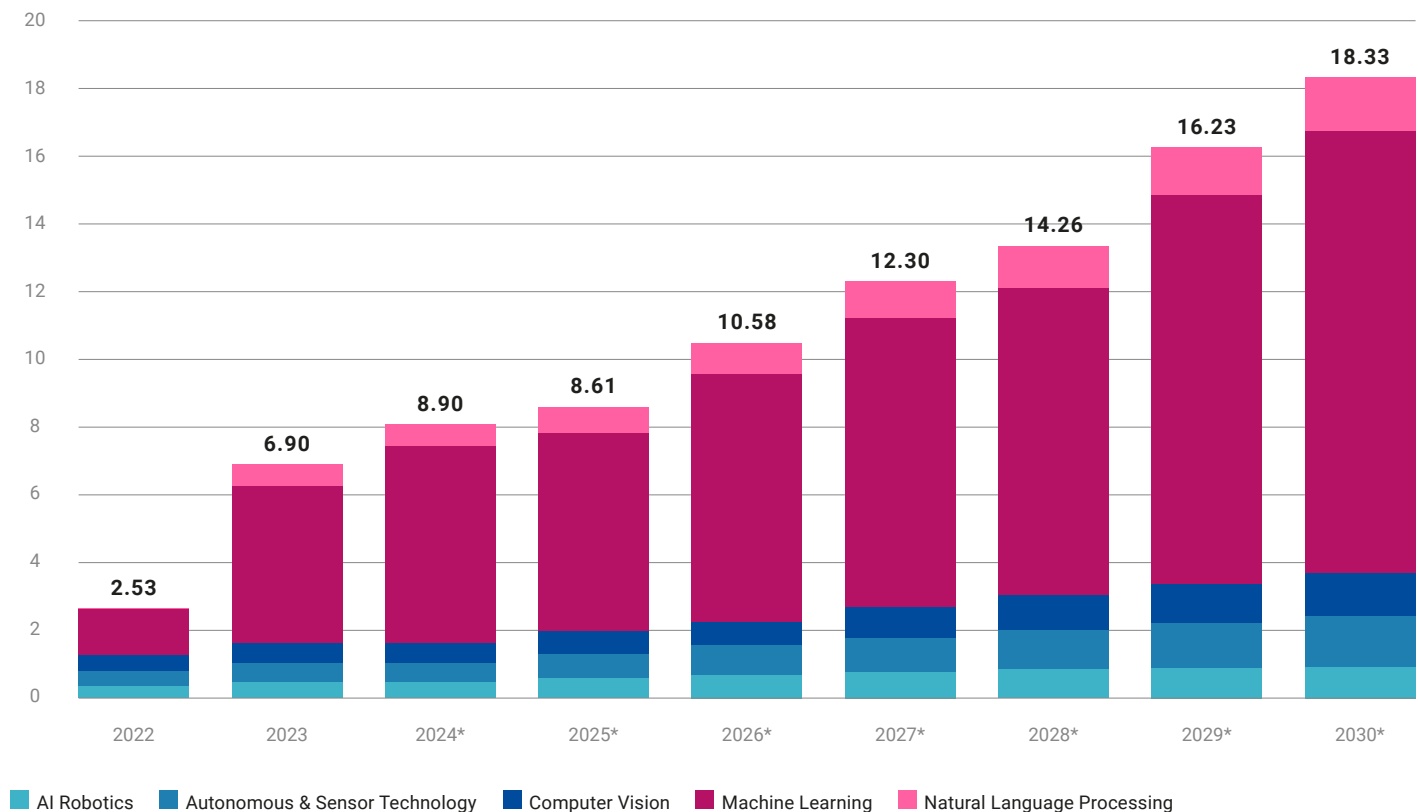
change.<sup>6</sup> In three of the main sectors of the economy—agriculture, industry, and services—4IR technologies can play a catalytic role in implementing public and private investment, regulation, and service delivery.<sup>7</sup>

However, inequality represents a major hurdle when it comes to the spread of emerging technologies, particularly, the challenge of ensuring that people are not left behind as jobs continue to change in the wake of new technology. Africa’s demographic future—by 2063 it will be home to half of the world’s total working-age population—makes this an extremely important challenge for the continent to overcome.<sup>8</sup>

**FIGURE 33**

### AI MARKET SIZE, AFRICA, 2020-2030

*Over the next five years, the use of machine learning will grow significantly across sectors in Africa*



Note: Market size in billions of USD. Years 2022-2023 are actual while 2024-2030 are forecasted (\*).

Source: ITEdgeNews. "Unlocking Africa's AI Potential." ITEdgeNews, March 12, 2024. <https://www.itedenews.africa/unlocking-africas-ai-potential/>.

- 6 Louise Fox and Landry Signé, "From Subsistence to Disruptive Innovation: Africa, The Fourth Industrial Revolution, and the Future of Jobs," *Brookings Institution: Africa Growth Initiative*, March 2022, 51, [https://www.brookings.edu/wp-content/uploads/2022/03/4IR-and-Jobs\\_March-2022\\_Final.docx.pdf](https://www.brookings.edu/wp-content/uploads/2022/03/4IR-and-Jobs_March-2022_Final.docx.pdf).
- 7 Fox and Signé, "From Subsistence to Disruptive Innovation: Africa, the Fourth Industrial Revolution, and the Future of Jobs."
- 8 Eric K. Ogunleye, "Leveraging Potentials of the Youth for Inclusive, Green and Sustainable Development in Africa," *African Development Bank*, [https://www.afdb.org/sites/default/files/2023/08/11/setting\\_the\\_scene\\_presentation\\_for\\_g-cop\\_on\\_youth\\_s\\_.pdf](https://www.afdb.org/sites/default/files/2023/08/11/setting_the_scene_presentation_for_g-cop_on_youth_s_.pdf).

## Social outcomes

Based on Vinuesa et. al's SDG assessment, AI has the potential to facilitate 67 targets (82%) within the "society" SDG group, including SDG 1 on no poverty, SDG 4 on quality education, SDG 6 on clean water and sanitation, SDG 7 on affordable and clean energy, and SDG 11 on sustainable cities.<sup>9</sup> AI can act as an enabler to achieving these goals primarily through its potential to improve the production, provision, and distribution of food, health, water, and energy services while also contributing toward a circular economy that steers resources most efficiently to minimize waste.

Under SDG 3, which concerns good health and well-being, 4IR technologies are already helping African countries achieve health care outcomes and overcome health crises in more efficient and effective ways.<sup>10</sup> For example, African AI startups are being deployed to monitor maternal health, produce diagnostic imaging, and develop AI-powered virtual clinic appointments.<sup>11</sup>

Within health care, Wang et. al are looking into how health care could benefit from a combination of smaller-scale, task-specific models and large-scale generic AIs which are currently less common in medicine.<sup>12</sup> They find that large-scale AI models can play a particularly helpful role within medical dialog and medical image analysis; however, these models require a far larger amount of data, which could lead to their development being concentrated in regions outside of Africa.

Despite this potential, AI may also negatively impact 31 SDG targets (38% of Vinuesa et. al's "society" SDG group).<sup>13</sup> These consequences stem from the inequality that may increase if these technologies are not evenly distributed (for example, if African small-scale farmers are left behind, meanwhile larger agricultural production companies in other regions capture the market with technology-based solutions), or if AI increases or reinforces discrimination against women and minorities through biased algorithms or image recognition.

## Environmental outcomes

The relationship between AI/emerging technologies and the environment has been heavily researched, and the literature emphasizes contrasting impacts. There are important concerns to highlight regarding the environmental impact of AI and other advanced technologies, including resource depletion and carbon emissions if the high-energy needs of AI applications are met by non-carbon-neutral sources. On the other hand, AI has been identified as a tool

9 Vinuesa et al., "The Role of Artificial Intelligence in Achieving the Sustainable Development Goals."

10 Landry Signé, "Strategies for Effective Health Care for Africa in the Fourth Industrial Revolution" (Brookings Institution, October 2021), <https://www.brookings.edu/articles/strategies-for-effective-health-care-for-africa-in-the-fourth-industrial-revolution/>.

11 Laura Sallstrom, Olive Morris, and Halak Mehta, "Artificial Intelligence in Africa's Healthcare: Ethical Considerations," *ORF*, no. 312 (2019), <https://www.orfonline.org/public/uploads/posts/pdf/20230914110452.pdf>.

12 Ding-Qiao Wang et al., "Accelerating the Integration of ChatGPT and Other Large-Scale AI Models into Biomedical Research and Healthcare," *MedComm – Future Medicine* 2, no. 2 (2023): e43, <https://doi.org/10.1002/mef2.43>.

13 Vinuesa et al., "The Role of Artificial Intelligence in Achieving the Sustainable Development Goals."

that can help mitigate the effects of climate change through weather forecasting, early warning systems, land resource management, sustainable agriculture techniques, climate risk assessment, and more, as a GSMA study outlines.<sup>14</sup>

Vinuesa et al.'s evaluation of the SDGs found that AI could be an enabler for 25 targets (93% of the environmental SDG group) due to its ability to better model the impacts of climate change, identify oil spills, identify desertification trends, and other use cases.<sup>15</sup>

Machine learning has also been found to be an effective tool for combating climate change by providing demand forecasts, optimizing electricity systems, accelerating clean energy technology development, and deploying smart grids and disaster management, according to Rolnick et al.<sup>16</sup> Combining machine learning with generative design and 3D printing can lead to a reduction in the need for carbon-intensive materials in construction and could even create a new "climate-friendly material."<sup>17</sup> Rane notes that generative AI could raise awareness of climate change, conservation, and adaptation for the public and professionals, including by providing assistance in tracking deforestation and wildlife, analyzing oceanic data, disseminating information about sustainable fishing practices, and more.<sup>18</sup>

According to Olatunde, Adelani, and Sikhakhane, AI, coupled with other emerging technologies such as cloud computing, the Internet of Things, and remote sensing, can help Africa optimize water management by reducing waste through leak detection systems, predicting equipment failures, and resolving contamination issues immediately, which is critical for environmental outcomes and has key spillovers to other development goals related to sanitation and agriculture.<sup>19</sup>

## Governance outcomes

AI can significantly help African governments deliver public services and strengthen African governance. In Togo, for example, the government successfully used AI to refine targeting for the second phase of its Novissi cash transfer program, allowing 57,000 recipients of social funds in 100 of the poorest towns to be identified without contact.<sup>20</sup>

14 Eugénie Humeau and Tanvi Deshpande, "AI for Africa: Use Cases Delivering Impact" (London: GSMA, July 2024), <https://www.gsma.com/solutions-and-impact/connectivity-for-good/mobile-for-development/wp-content/uploads/2024/07/AI-for-Africa-Use-cases-delivering-impact.pdf>.

15 Vinuesa et al., "The Role of Artificial Intelligence in Achieving the Sustainable Development Goals."

16 David Rolnick et al., "Tackling Climate Change with Machine Learning," *ACM Computing Surveys* 55, no. 2 (February 28, 2023): 1–96, <https://doi.org/10.1145/3485128>.

17 Rolnick et al., "Tackling Climate Change with Machine Learning."

18 Nitin Rane, "Roles and Challenges of ChatGPT and Similar Generative Artificial Intelligence for Achieving the Sustainable Development Goals (SDGs)," *SSRN* (Rochester: Social Science Research Network, August 4, 2023), <https://doi.org/10.2139/ssrn.4603244>.

19 Tosin Michael Olatunde, Fatai Adeshina Adelani, and Zamathula Queen Sikhakhane, "A Review of Smart Water Management Systems from Africa and the United States," *Engineering Science & Technology Journal* 5, no. 4 (April 10, 2024): 1231–42, <https://doi.org/10.51594/estj.v5i4.1014>.

20 "Novissi Scheme: Togo Uses AI to Boost Economic Inclusion," *Togo First* (blog), May 6, 2021, <https://www.togofirst.com/en/social/0605-7791-novissi-scheme-togo-uses-ai-to-boost-economic-inclusion>.

Rane finds that generative AI can help professionals and citizens navigate legal proceedings, increasing the efficiency of judicial and law enforcement while also increasing trust, transparency, and justice between citizens and institutions.<sup>21</sup> Generative AI can also strengthen international cooperation and prevent cybercrimes by identifying potential threats. In Zambia, an AI-powered fact-checking tool called iVerify, which uses machine learning to detect hate speech and fact-check articles, was used during elections and garnered positive feedback.<sup>22</sup>

However, challenges arise within governance, as AI can also sow polarization and promote misinformation that can negatively impact social cohesion (thus negatively impacting SDG 10 on reduced inequalities) or could hinder access to justice if algorithms contain inherent biases.<sup>23</sup>

## Gaps and challenges

A literature review on the 4IR in Africa by Kibe, Kwanya, and Nyagowa found that 4IR technologies are already being deployed for education, health services, e-commerce, tourism, records integrity, and project management in Africa.<sup>24</sup> However, they find that African countries are held back from realizing the full potential of 4IR technologies for further development goals by a lack of 4IR skills, infrastructure, stakeholder involvement, and relevant policies. These gaps and challenges cluster around two issues: ethics and security and inequality.

### *Ethics and security*

While it is clear that AI and emerging technologies have incredible potential for positive change, they can also be leveraged for nefarious purposes. According to the Institute of Development Studies, as of 2023, African governments were spending over \$1 billion on digital surveillance technologies, some of which are used without the proper legal protections in place.<sup>25</sup>

There are also concerns about the human labor powering AI algorithms, which has so far been outsourced to non-Western countries, including in East Africa, where workers are paid a fraction of the wages they would receive elsewhere.<sup>26</sup> In fact, in 2023, journalists described how OpenAI, the creator of ChatGPT, outsourced the human labor required to feed its

21 Rane, "Roles and Challenges of ChatGPT and Similar Generative Artificial Intelligence for Achieving the Sustainable Development Goals (SDGs)."

22 "AI-Powered Fact-Checking Tool iVerify, Piloted during Zambia Election, Shows Global Promise," *UNDP* (blog), November 17, 2021, <https://www.undp.org/digital/stories/ai-powered-fact-checking-tool-iverify-piloted-during-zambia-election-shows-global-promise>.

23 Vinuesa et al., "The Role of Artificial Intelligence in Achieving the Sustainable Development Goals."

24 Lucy Kibe, Tom Kwanya, and Hesbon Nyagowa, "Harnessing Fourth Industrial Revolution (4IR) Technologies for Sustainable Development in Africa: A Meta-Analysis," *Technological Sustainability* 2, no. 3 (March 16, 2023): 244–58, <https://doi.org/10.1108/TECHS-01-2023-0004>.

25 Tony Roberts et al., "Mapping the Supply of Surveillance Technologies to Africa: Case Studies from Nigeria, Ghana, Morocco, Malawi, and Zambia" (Brighton: Institute of Development Studies, September 27, 2023), <https://www.ids.ac.uk/publications/mapping-the-supply-of-surveillance-technologies-to-africa-case-studies-from-nigeria-ghana-morocco-malawi-and-zambia/>.

26 Niamh Rowe, "'It's Destroyed Me Completely': Kenyan Moderators Decry Toll of Training of AI Models," *The Guardian*, August 2, 2023, sec. Technology, <https://www.theguardian.com/technology/2023/aug/02/ai-chatbot-training-human-toll-content-moderator-meta-openai>.

algorithms to Kenyans who made less than \$2 per hour.<sup>27</sup> These reports make it clear that it will be critically important to reflect on the types of jobs AI will create or replace.

There are also ethical and security risks that arise from a lack of African data powering AI models. These risks are particularly amplified in the health care sector, where implementing models that provide diagnostic assistance or advice based on data from other countries can be impacted by local bias which can lead to troubling implications on health outcomes.<sup>28</sup>

### *Inequality in data, infrastructure, digital skills, and research and development*

One of the main challenges facing African countries regarding AI and emerging technologies is the potential for increased inequality both within and between continents when it comes to data, infrastructure and connectivity, digital skills and human capital, and research and development.

#### **Data**

Because AI development relies on the availability of large amounts of data, there remain gaps and challenges in making sure that Africa is not left behind in terms of data production, quality, and accessibility. A variety of languages and local contexts are necessary to avoid bias, but trends in the proportions of local content on the internet are concerning. Only 0.02% of total internet content is in African languages (there is 2,650 times more English content), and as of 2023, only 2.5% of the global AI market comes from Africa.<sup>29</sup>

#### **Infrastructure and connectivity**

Many African countries still face a lack of electricity, internet, and broadband penetration, which ultimately constrains the deployment of advanced technologies.<sup>30</sup> The African Development Bank estimates that infrastructure needs per year are between \$130 billion and \$170 billion, leading to a gap of \$68 billion to \$100 billion in financing.<sup>31</sup> Sub-Saharan Africa has a 27% mobile internet connectivity rate, a 60% usage gap, and a 13% coverage gap, compared to the global averages of 57%, 39%, and 4%, respectively,<sup>32</sup> meaning that many are within reach of connectivity but not able to use it.

27 Billy Perrigo, "Exclusive: OpenAI Used Kenyan Workers on Less Than \$2 Per Hour to Make ChatGPT Less Toxic," *TIME*, January 18, 2023, <https://time.com/6247678/openai-chatgpt-kenya-workers/>.

28 Bilal Mateen, "Can AI Improve Health Care Delivery in Africa? 5 Things You Should Know," *PATH* (blog), October 28, 2024, <https://www.path.org/our-impact/articles/can-ai-improve-health-care-delivery-in-africa-5-things-you-should-know/>.

29 Humeau and Deshpande, "AI for Africa: Use Cases Delivering Impact."

30 Njuguna Ndung'u and Landry Signé, "The Fourth Industrial Revolution and Digitization Will Transform Africa into a Global Powerhouse," *Foresight Africa*; Brookings Institution: Africa Growth Initiative, 2020, <https://www.brookings.edu/articles/the-fourth-industrial-revolution-and-digitization-will-transform-africa-into-a-global-powerhouse/>; "Measuring the Information Society Report: Volume 1" (Geneva, Switzerland: ITU Publications, 2018), 978-92-61-27231-9, <https://www.itu.int/en/ITU-D/Statistics/Documents/publications/misr2018/MISR-2018-Vol-1-E.pdf>.

31 "Public-Private Partnerships Needed to Bridge Africa's Infrastructure Development Gap," *African Development Bank Group* (blog) (Abidjan: African Development Bank Group, November 17, 2023), <https://www.afdb.org/en/news-and-events/public-private-partnerships-needed-bridge-africas-infrastructure-development-gap-65936>.

32 Matthew Shanahan and Kalvin Bahia, "The State of Mobile Internet Connectivity 2024" (London: GSMA, October 2024), <https://www.gsma.com/r/wp-content/uploads/2024/10/The-State-of-Mobile-Internet-Connectivity-Report-2024.pdf>.

## Digital skills and human capital

The usage gap points to another key hurdle in the full implementation of AI for development: digital skills and human capital. Universities are starting to offer AI courses, but there is often a lack of opportunity for hands-on learning. The multidisciplinary skills needed to translate AI applications into development use cases may also be lacking, due to an exclusive focus on machine learning skills or data science.<sup>33</sup>

These skill gaps are particularly stark between African men and women. According to an ImpactHER survey in 2024, 86% of women surveyed across 52 African countries lack basic AI proficiency, 60% have not had digital skills training, 50.2% do not have (or have poor quality) internet access (37 percentage points lower than African men), and 34.7% do not own a digital device (with a stark contrast between urban and rural women: 15.7% of urban respondents reported no digital device ownership compared to 84.3% of rural respondents).<sup>34</sup> The cost of AI training, information gaps in available programs, gender-based discrimination in access to digital skills training, and a lack of understanding of the benefits of digital skills were cited as challenges, alongside other factors such as cultural norms and time constraints.<sup>35</sup>

## Research and development

Currently, AI funding, researchers, and publications are concentrated in the West, with the United States alone home to 60% of the top-tier AI researchers and \$250 billion in private funding.<sup>36</sup> Africa, South America, and most Asian countries have contributed less than 5% of peer-reviewed papers across AI subfields since 2014, while the U.S. and China have contributed 30% and 18% respectively.<sup>37</sup> This leads to disparities in data and talent availability and potential biases in AI systems. Resource constraints and weak infrastructure hinder some African countries' ability to rely on foundation models, let alone develop their own. Graphic processing units and cloud computing have high costs, which pose a challenge for researchers with limited resources.<sup>38</sup> So far, AI startups in Africa have relied on grant funding, as the private sector has yet to overcome its risk aversion in investing in startups that use high tech innovation in science and engineering, in turn amplifying concerns that AI algorithms are being developed without African context.<sup>39</sup> AI still represents only a small proportion of Africa's \$4 billion in total funding for tech startups in 2023.<sup>40</sup>

33 Humeau and Deshpande, "AI for Africa: Use Cases Delivering Impact."

34 Efe Ukala, "Bridging the Digital Divide: Empowering Women & Girls in Africa Through Digital Literacy and AI Education" (ImpactHer; African Union International Center for Girls & Women's Education in Africa, August 23, 2024), <https://cieffa.au.int/index.php/en/documents/2024-08-23/bridging-digital-divide-empowering-women-girls-through-digital-literacy>.

35 Efe Ukala, "Bridging the Digital Divide: Empowering Women & Girls in Africa Through Digital Literacy and AI Education" (Ouagadougou: ImpactHer; African Union International Center for Girls & Women's Education in Africa, August 23, 2024), <https://cieffa.au.int/index.php/en/documents/2024-08-23/bridging-digital-divide-empowering-women-girls-through-digital-literacy>.

36 David Thomas, "AI: The African Opportunity," *African Business*, April 4, 2024, <https://african.business/2024/04/technology-information/ai-the-african-opportunity>.

37 Hélène Draux, "Dimensions Data Reveals the Global Divides in Artificial Intelligence Capabilities," *Dimensions* (blog), March 13, 2024, <https://www.dimensions.ai/blog/analysis-of-dimensions-data-reveals-the-global-divides-in-artificial-intelligence-capabilities/>.

38 Humeau and Deshpande, "AI for Africa: Use Cases Delivering Impact."

39 Humeau and Deshpande, "AI for Africa: Use Cases Delivering Impact."

40 Humeau and Deshpande, "AI for Africa: Use Cases Delivering Impact."

## Strategies to unlock the potential of AI and emerging tech

Despite these challenges, some African countries have already emerged as leaders in AI research and development, AI startups, tech hubs, research initiatives, and government strategies for emerging technologies. Kenya in particular is leading the way in terms of public interest and engagement in AI. The 2024 Standard AI Index found that 27% of Kenyans use OpenAI daily.<sup>41</sup> As African countries continue to face both the challenges and opportunities of AI, below are some key strategies to steer AI and emerging technologies toward maximum impact.

### *Implementing national, regional, and continental strategies*

Seven African countries have developed AI strategies while others are creating specific entities to tackle these issues—Kenya’s Blockchain and AI Taskforce<sup>42</sup> and South Africa’s Presidential Commission on the Fourth Industrial Revolution,<sup>43</sup> for example. In July 2024, the African Union Executive Council endorsed its inaugural Continental AI Strategy, which calls for strengthening regional and global cooperation and a commitment to “an Africa-centric, development-focused approach to AI, promoting ethical, responsible, and equitable practices across the continent.”<sup>44</sup> As continental and national strategies take shape, it will be important to ensure inclusive and collaborative processes that include perspectives on the ethics of AI. Key to moving these strategies forward will be the establishment of accountability mechanisms as well as clear ownership of the roles and responsibilities of each stakeholder.<sup>45</sup>

### *Supporting partnerships and support for AI research*

Given the potential consequences of not being involved in the research and development of AI systems, Africa must prioritize partnerships between African universities, ministries, and private sector players with international players working in this space.<sup>46</sup> Already, African universities are forming partnerships, including in Ghana, Uganda, and South Africa, where universities have formed AI labs focused on social impact. AI startups are also helping contribute to African-led research. Examples include Intron Health, a Nigerian startup that is developing a natural language processing tool for African accents in clinical settings and iCog labs, an Ethiopian startup that is developing an Amharic-speaking robot.<sup>47</sup> As Asiegbu and Okolo point out, these innovations sprouted from local, grassroots communities who are training and spreading an AI research ecosystem.<sup>48</sup> As AI becomes more advanced, African

41 Nestor Maslej et al., “AI Index Report 2024 – Artificial Intelligence Index” (Stanford: Institute for Human-Centered AI: Stanford University, April 2024), <https://aiindex.stanford.edu/report/>.

42 “AI Strategies and Policies in Kenya,” *OECD.AI Policy Observatory*; GPAI, accessed December 10, 2024, <https://oecd.ai/en/dashboards/countries/Kenya>.

43 Stella Ndabeni-Abrahams, “Report of the Presidential Commission on the 4th Industrial Revolution” (Johannesburg: Government of South Africa, January 2020), [https://www.gov.za/sites/default/files/gcis\\_document/202010/43834gen591.pdf](https://www.gov.za/sites/default/files/gcis_document/202010/43834gen591.pdf).

44 Mahamat et al., “2024 Africa Sustainable Development Report.”

45 Humeau and Deshpande, “AI for Africa: Use Cases Delivering Impact.”

46 Landry Signé, “Technological Innovations: Creating and Harnessing Tools for Improved Livelihoods,” *Foresight Africa*; Brookings Institution: Africa Growth Initiative, 2022, <https://www.brookings.edu/articles/technological-innovations-creating-and-harnessing-tools-for-improved-livelihoods/>.

47 “Intron - Real-Time Speech-to-Text for 200+ African Accents,” accessed December 30, 2024, <https://www.intron.io/>; “iCog Home - Enabling Ethiopia’s Youth through Technology,” accessed December 30, 2024, <https://icogacc.com>.

48 Charles Asiegbu and Chinasa T Okolo, “How AI Is Impacting Policy Processes and Outcomes in Africa,” *Brookings Institution* (blog), May 16, 2024, <https://www.brookings.edu/articles/how-ai-is-impacting-policy-processes-and-outcomes-in-africa/>.

governments and universities must continue to make it a priority to pursue public and private research and development initiatives.<sup>49</sup> More broadly, partnerships between the five key types of actors involved in AI (data holders, hardware/software providers, technical partners, domain experts, and financial partners) as identified by GSMA will be key for collaboration and synergy in order to implement positive AI use cases in Africa.<sup>50</sup>

Investing in data and AI research and development is a critical priority for African countries to help combat biases and reduce the potential for unequal development and deployment of these technologies and their benefits. Such investments include investing in local language data, in participatory approaches to data collection, and in access to existing data sources.<sup>51</sup> Especially critical is the need for data that represents different demographic groups (particularly gender) in order to combat tendencies for AI algorithms to mirror and embed existing social inequalities, as well as robust data privacy and protection laws and clear guidance for data-sharing.<sup>52</sup> Policies that promote publicly available datasets should also be prioritized so that local entrepreneurs can leverage AI to create local solutions.<sup>53</sup>

### *Expanding physical, digital, and energy infrastructure*

To close infrastructure gaps, African governments must expand internet access to grow networks and digital hubs with a special focus on affordable access in rural areas through public-private partnerships.<sup>54</sup> Financing gaps could be filled through a consortium-based approach driven by innovative financing mechanisms.<sup>55</sup>

### *Developing 4IR-ready human capital*

To maximize the widespread gains of AI and other emerging technologies, African countries need to close their skills gaps by investing in basic education and innovative approaches, including new financing models to be able to upgrade post-primary education and job training.<sup>56</sup> Integrating emerging technologies into future-ready curricula can offer the rising youth population hands-on learning opportunities including through distance learning.<sup>57</sup> Beyond reskilling, worker-centered programs should be explored to support productivity, workforce engagement, and holistic support, which will help shift mindsets from a fear-based focus on changing jobs and tasks to an opportunity mindset based on building capabilities and investing in people.<sup>58</sup>

49 Depieri de Souza and Samantha Msipa, "Artificial Intelligence in the Global South: Will AI Advancement Deepen Digital Divides and Inequalities?," *Portulans Institute, University of Oxford, Said School of Business*, October 18, 2023, <https://networkreadinessindex.org/artificial-intelligence-in-the-global-south/>.

50 Humeau and Deshpande, "AI for Africa: Use Cases Delivering Impact."

51 Humeau and Deshpande, "AI for Africa: Use Cases Delivering Impact."

52 Humeau and Deshpande, "AI for Africa: Use Cases Delivering Impact."

53 de Souza and Msipa, "Artificial Intelligence in the Global South: Will AI Advancement Deepen Digital Divides and Inequalities?"

54 Fox and Signé, "From Subsistence to Disruptive Innovation: Africa, The Fourth Industrial Revolution, and the Future of Jobs"; Signé, "Technological Innovations."

55 Humeau and Deshpande, "AI for Africa: Use Cases Delivering Impact."

56 Fox and Signé, "From Subsistence to Disruptive Innovation: Africa, The Fourth Industrial Revolution, and the Future of Jobs."

57 Signé, "Technological Innovations."

58 Landry Signé et al., "Future-Ready Leaders for the Fourth Industrial Revolution," *HRD* (blog), September 29, 2020, <https://www.hrdconnect.com/2020/09/29/future-ready-leadership-for-the-fourth-industrial-revolution/>.

### Developing future-looking regulatory frameworks

Enabling anticipatory regulatory frameworks and making investments must be prioritized by policymakers to foster a thriving marketplace for emerging technologies,<sup>59</sup> especially to address challenges such as inequality and ethics, and to purposefully steer technology toward uses for societal good.<sup>60</sup> So far, use cases on the continent have been concentrated in IT services, computer software, and management consulting, with less focus on addressing development goals.<sup>61</sup> Legal and regulatory frameworks along with incentives can help steer the focus toward local, inclusive, and sustainable AI solutions<sup>62</sup> while also mitigating risks and biases.<sup>63</sup> These frameworks should avoid blanket prohibitions, but rather should recognize that AI applications and use cases differ greatly from each other.<sup>64</sup> As Davis, Signé, and Esposito explain, leaders must be equipped with three tools: transparent and holistic policymaking approaches, renewed efforts to collaborate across jurisdictions, and a shift toward agile governance.<sup>65</sup>

### Investing in robust cybersecurity

Amid the rapid emergence and ever-evolving nature of these technologies, cybersecurity has become one of the most important investments.<sup>66</sup> Cybersecurity should be addressed at multiple levels including the systems level, firm level, and individual level.<sup>67</sup> Governments can be proactive in establishing cybersecurity agencies and adopting emergency response strategies,<sup>68</sup> while private companies can promote cybersecurity skills for their employees and practice cyber risk protection within their leadership and decisionmaking.<sup>69</sup> Awareness-raising and training will be key for citizens and for public, private, academic, and civil society organizations.<sup>70</sup>

### Leveraging green technologies

Africa faces unique opportunities to exploit the positive reinforcing relationship between renewable energy and AI. Many African countries have high potential for renewable energy development, which they can leverage to improve access to electricity and, therefore, the

59 Landry Signé and Stephen Almond, "A Blueprint for Technology Governance in the Post-Pandemic World," *Brookings Institution* (blog), February 17, 2021, <https://www.brookings.edu/articles/a-blueprint-for-technology-governance-in-the-post-pandemic-world/>; "Agile Regulation for the Fourth Industrial Revolution A Toolkit for Regulators" (Cologne/Geneva World Economic Forum, December 2020), [https://www3.weforum.org/docs/WEF\\_Agile\\_Regulation\\_for\\_the\\_Fourth\\_Industrial\\_Revolution\\_2020.pdf](https://www3.weforum.org/docs/WEF_Agile_Regulation_for_the_Fourth_Industrial_Revolution_2020.pdf).

60 Mateen, "Can AI Improve Health Care Delivery in Africa?"

61 Humeau and Deshpande, "AI for Africa: Use Cases Delivering Impact."

62 Humeau and Deshpande, "AI for Africa: Use Cases Delivering Impact."

63 de Souza and Msipa, "Artificial Intelligence in the Global South: Will AI Advancement Deepen Digital Divides and Inequalities?"

64 Sallstrom, Morris, and Mehta, "Artificial Intelligence in Africa's Healthcare: Ethical Considerations."

65 Nicholas Davis, Landry Signé, and Mark Esposito, "Interoperable, Agile, and Balanced: Rethinking Technology Policy and Governance for the 21st Century," Working Paper 165 (Washington, D.C.: Brookings Institution, January 2022).

66 Fox and Signé, "From Subsistence to Disruptive Innovation: Africa, The Fourth Industrial Revolution, And the Future of Jobs"; Ndung'u and Signé, "The Fourth Industrial Revolution and Digitization Will Transform Africa into a Global Powerhouse."

67 Fox and Signé, "From Subsistence to Disruptive Innovation: Africa, The Fourth Industrial Revolution, And the Future of Jobs."

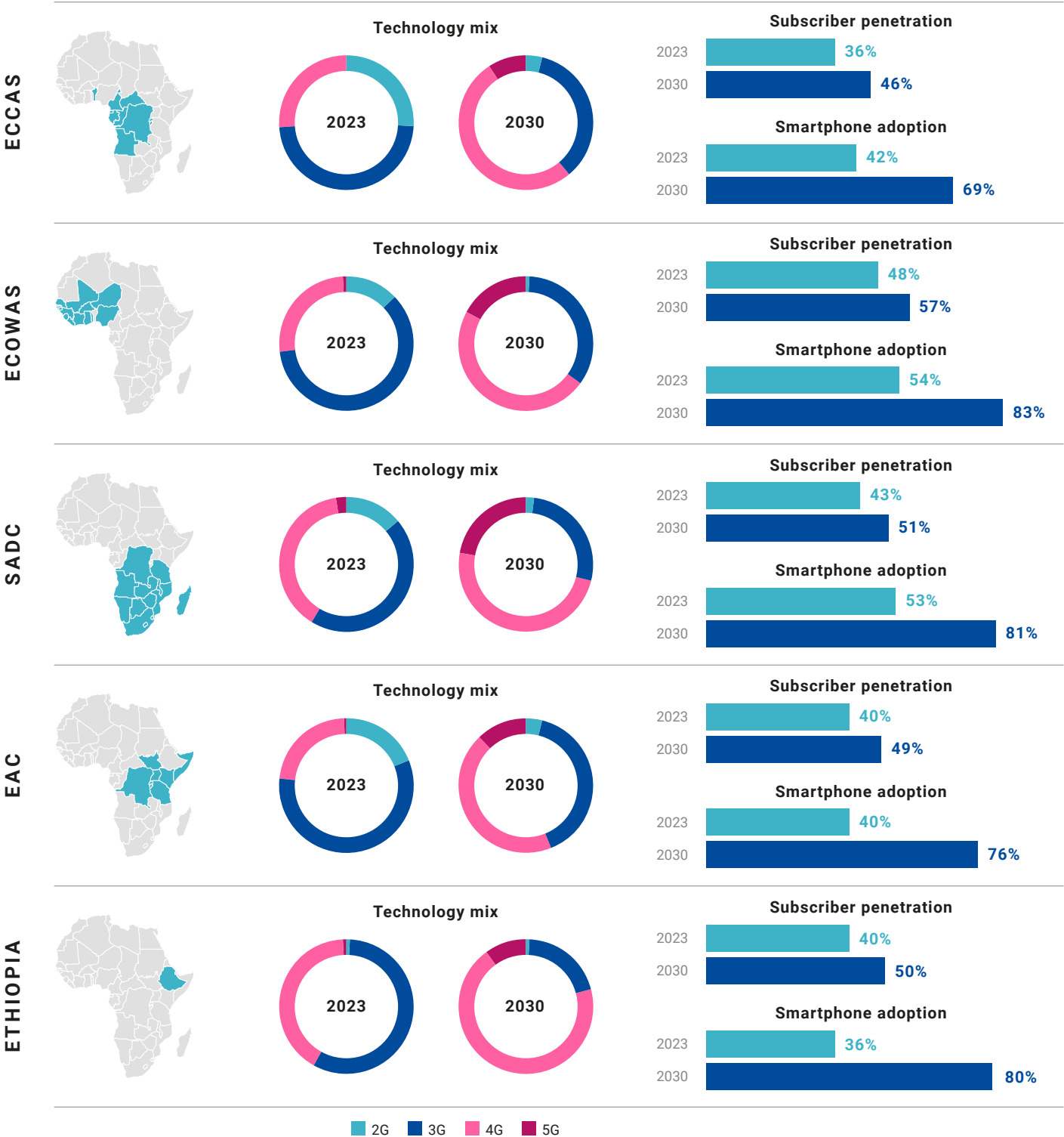
68 Fox and Signé, "From Subsistence to Disruptive Innovation: Africa, The Fourth Industrial Revolution, And the Future of Jobs."

69 Ndung'u and Signé, "The Fourth Industrial Revolution and Digitization Will Transform Africa into a Global Powerhouse."

70 Landry Signé and Kevin Signé, "How African States Can Improve their Cybersecurity," *Brookings Institution* (blog), March 16, 2021, <https://www.brookings.edu/articles/how-african-states-can-improve-their-cybersecurity/>.

**FIGURE 34**  
**REGIONAL SUBSCRIBER AND TECHNOLOGY TRENDS, 2023 AND 2030**

*Africa is expected to make huge strides in upgrading mobile networks over the next five years with subscriber penetration and smartphone adoption ballooning across the continent*



Source: GSMA, 2024.

deployment of data centers that can develop sustainable computer technologies.<sup>71</sup> For now, AI use cases in energy in Africa are still in the nascent stage due to high initial investments, but with regulatory reforms that unlock private investment, African countries could become leaders in this area.<sup>72</sup>

## Conclusion

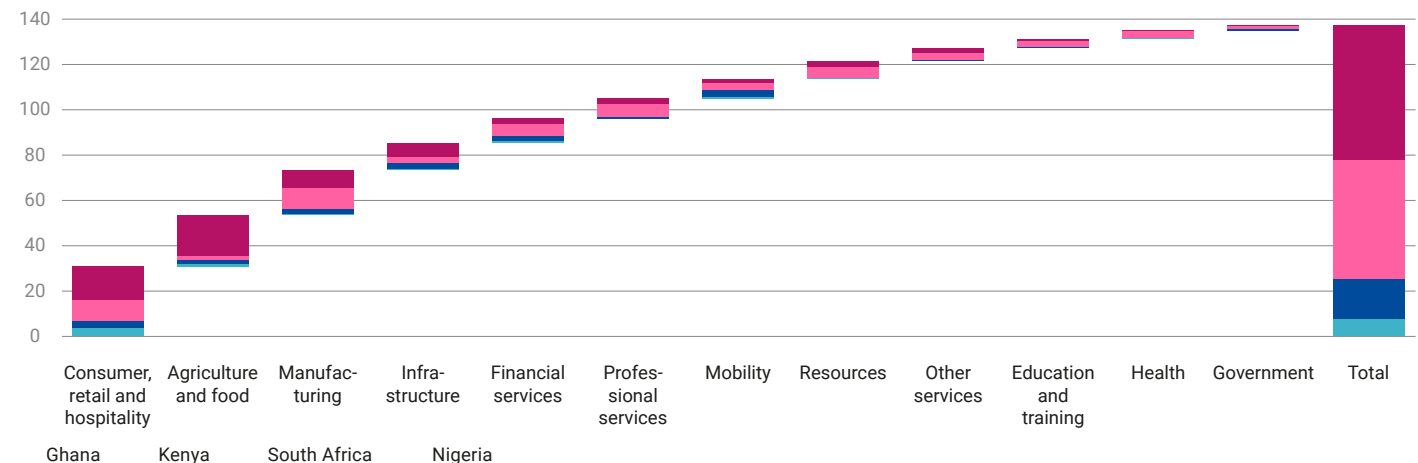
**African countries need investments in factors that enable 4IR technologies to thrive, such as infrastructure and digital skills, as well as nuanced and forward-looking regulatory frameworks.**

Enthusiasm and innovation among African entrepreneurs and end-users are helping Africa forge ahead with the 4IR and its technologies, offering new pathways to development. However, with only five years left until the 2030 SDG deadline, African policymakers, development practitioners, and technologists alike are looking at the potential for AI and emerging technologies to help accelerate progress and unlock new innovations. The benefits of 4IR technologies for economic, social, environmental, and governance goals include wide reachability, lower costs, higher productivity, and new techniques to meet these goals, while their challenges include ethical concerns and perpetuated inequality. To navigate these realities, policymakers should focus on leveraging Africa's strengths (entrepreneurship, youth population, etc.) when considering pathways forward. African countries need investments in factors that enable 4IR technologies to thrive, such as infrastructure and digital skills, as well as nuanced and forward-looking regulatory frameworks to encourage innovation while protecting citizens.

**FIGURE 35**

### POTENTIAL ECONOMIC BENEFITS FROM AI IN 2030

*AI provides a huge opportunity for economic growth across many sectors of the African economy*



Note: USD billion, 2030. These estimates do not represent GDP or market size (revenue), but rather economic impact, including productivity gains, cost savings, time savings, and increased revenues. AI applications refers to two groups: (1) conventional applications of AI such as analytics-driven tools in marketing and sales or operational-centric efficiencies in manufacturing that could arise from predictive maintenance and improved manufacturing yields from optimization; and (2) generative AI, which involves the use of applications that are built upon foundation models and neural networks, which include capabilities to process and model outputs such as images, video, audio, and computer code. These are preliminary estimates. Numbers may not sum due to rounding.  
Source: Access Partnership.

71 Humeau and Deshpande, "AI for Africa: Use Cases Delivering Impact."

72 Humeau and Deshpande, "AI for Africa: Use Cases Delivering Impact."

# Bridging the digital divide in Africa: Enhancing technology adoption for economic growth

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**Less than one-third  
of firms that have  
adopted digital  
technologies use  
them intensively  
for their most  
productive purposes.**

The adoption of digital technologies by firms is a critical driver of productivity and economic growth for developing economies. While there have been notable advancements in digitalization—particularly in mobile payments—the overall use of digital technologies among businesses in Africa remains low.<sup>1</sup>

Despite the proliferation of mobile phones and increasing internet connectivity, many African firms do not fully leverage digital technologies for core business functions. Recent International Finance Corporation (IFC) research indicates that less than one-third of firms that have adopted digital technologies use them intensively for their most productive purposes such as business administration, planning, and sales.<sup>2</sup> Our analysis shows that 600,000 formally registered firms and 40 million microbusinesses in Africa could benefit from digital upgrades.

Several factors explain the disparities in technology adoption:

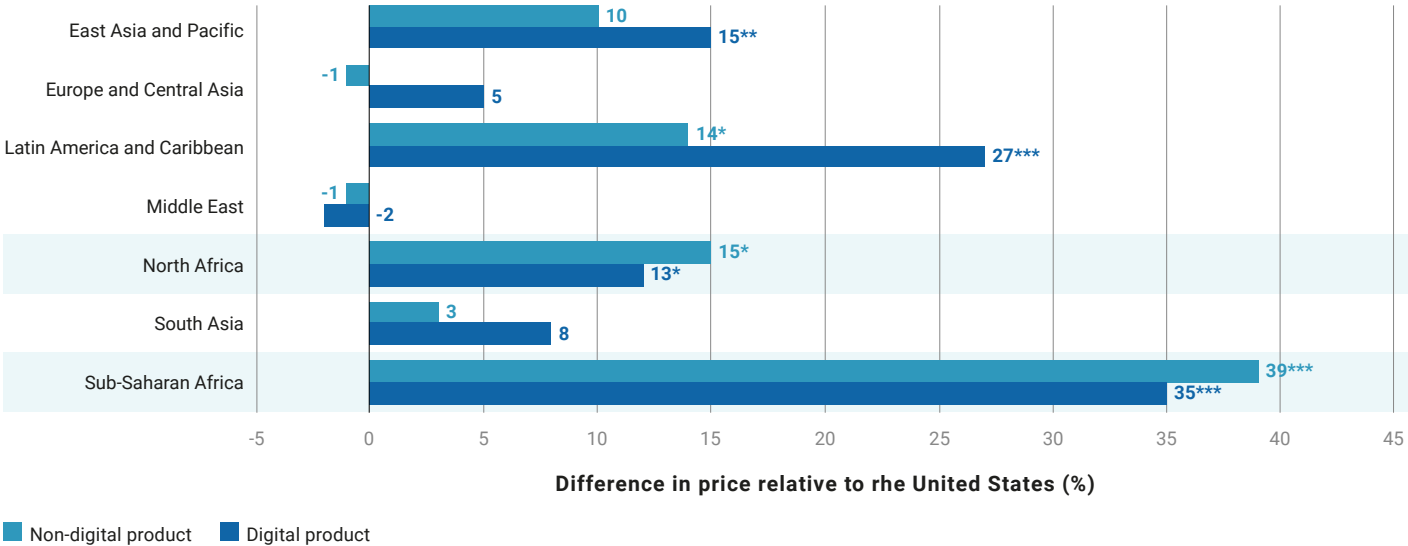
1. High costs of hardware and software: Digital devices, machinery, and software are significantly more expensive in sub-Saharan Africa compared to other regions. For example, the cost of digitally enabled machinery and equipment, including software, is approximately one-third higher than in the United States, even before adjusting for the lower purchasing power in Africa (Figure 36).
2. Limited digital infrastructure: A lack of reliable infrastructure impedes digital adoption. Approximately 600 million Africans—about half of the continent’s population—do not have access to electricity. A comparable number lacks 4G mobile coverage. Without these fundamental services, businesses cannot effectively utilize digital technologies (Figure 37).
3. Expensive data plans and connectivity: The cost of internet connectivity remains prohibitively high for many African firms and individuals. Fixed broadband internet in sub-Saharan Africa averages around 20% of per capita gross national income, compared to less than 6% in other developing regions and 1% in North America.

1 Digital Opportunities in African Businesses,” International Finance Corporation Research Series, (Washington D.C.: The World Bank Group, 2024), <https://openknowledge.worldbank.org/server/api/core/bitstreams/0bd11c26-2cac-4629-ad7f-d28fb390da60/content>.

2 Digital Opportunities in African Businesses.

**FIGURE 36**  
**PRICES OF DIGITAL AND NONDIGITAL PRODUCTS, BY REGION, RELATIVE TO THE UNITED STATES**

*Technology is significantly more expensive in Africa, even before adjusting for purchasing power*



Note: \*Significant at the 10% level, \*\*Significant at the 5% level, \*\*\*Significant at the 1% level.  
 Source: Cruz, Marcio, ed. 2024. "Digital Opportunities in African Businesses." Washington, D.C: World Bank. <https://openknowledge.worldbank.org/server/api/core/bitstreams/0bd11c26-2cac-4629-ad7f-d28fb390da60/content>.

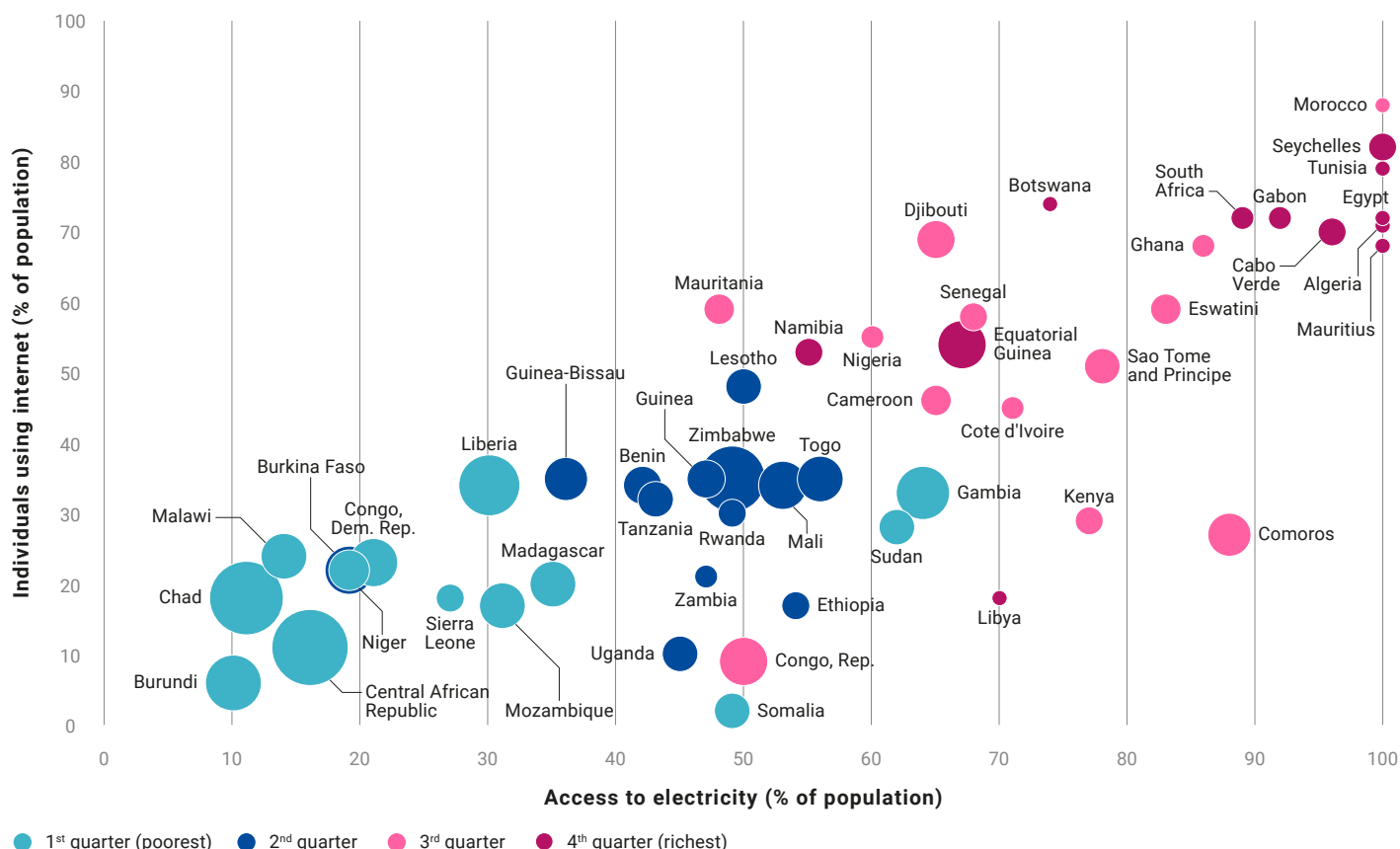
Addressing these challenges will require the following:

- Investing in digital infrastructure: Enhancing middle- and last-mile digital infrastructure to improve internet access and reduce connectivity costs. The planned expansion of submarine fiber-optic cables is projected to increase international internet bandwidth sixfold by 2027. This expansion could lower broadband prices and stimulate up to \$32 billion in investment over the next five years.
- Promoting competition among service providers: Increasing competition in the telecommunications and internet service sectors to reduce prices and improve services.
- Supporting innovative tech startups: Encouraging the growth of startups that offer affordable and user-friendly digital solutions to facilitate technology adoption among firms. Africa’s startup ecosystem is expanding rapidly, with the number of tech hubs tripling between 2016 and 2021. Providing these startups with access to finance—particularly those incorporating disruptive technologies in sectors like agriculture, health, and education—can help overcome financial barriers and promote widespread digital integration.

**FIGURE 37**

## INTERNET USE AND ACCESS TO ELECTRICITY IN AFRICA

*The relevance for digitalization of access to electricity, still limited in many African countries, and the cost of mobile broadband, generally higher in poorer countries, is corroborated by patterns in the data*



Note: Circle sizes represent the price of a data-only mobile broadband basket that provides at least 2 gigabytes of monthly data, with larger circles indicating higher broadband prices. The four circle colors represent four groups of African countries ranked by per capita gross national income, from the lowest (light blue) to the highest (dark pink).  
Source: "Digital Opportunities in African Businesses," *International Finance Corporation Research Series*, (Washington, D.C.: The World Bank Group, 2024), <https://openknowledge.worldbank.org/entities/publication/cadfc37b-e2ff-4ff9-a79b-b8b7245a296c>.

Closing the digital gap has significant implications for Africa's economic prosperity. IFC's research demonstrates a strong positive association between increased digitalization and higher levels of firm productivity. Firms that intensively use digital technologies can enhance operational efficiency, access new markets, and integrate into global value chains. By investing in the infrastructure, innovation, and inclusivity needed to bridge the digital divide, Africa has the potential not only to transform its economies but also to redefine its place in the global digital economy.

# Shaping Africa's inclusive and trustworthy digital future: How Kenya is reimagining technology leadership

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**Africa must move from  
being merely a user to  
a creator of technology.**

Kenya has emerged as a thought leader in technology and artificial intelligence (AI), with its trajectory reflecting deliberate strategies at national, continental, and global levels.<sup>2</sup> This approach underscores a key principle: Africa must move from being merely a user to a creator of technology.<sup>3</sup> Kenya has integrated AI into key industries at the national level in an effort to meet the Sustainable Development Goals (SDGs) by 2030. On the continental level, Africa is working to convene stakeholders to share experiences and devise innovative solutions to shared problems. Additionally, Kenya's leadership in global forums—including its role in the United Nations resolution "Seizing the Opportunities of Artificial Intelligence for Sustainable Development" and its contributions to the Global Digital Compact negotiations—demonstrates how emerging economies can shape critical global discussions.<sup>3</sup> While Kenya has made substantial progress toward digital transformation, there is much work still to be done.

At the national level, Kenya's strategy combines infrastructure development with human capital investment. The Kenya Kwanza manifesto outlines plans to lay 100,000 kilometers of fiber optic cable to improve broadband access, with a focus on underserved regions.<sup>4</sup> This effort is bolstered by investments in undersea cables, such as the Umoja cable by Google connecting Africa directly to Australia via Kenya, enhancing the country's position as a digital hub.<sup>5</sup> However, internet penetration remains difficult, with access at approximately 40.8%, particularly in rural areas.<sup>6</sup> Infrastructure issues, high costs of technology, digital illiteracy, and cultural norms that disproportionately affect women's opportunities to engage with digital platforms all hinder the ability to bridge this gap quickly.<sup>7</sup> Addressing these issues will be crucial for achieving widespread digital inclusion.

1 We extend our gratitude to Nichole Grossman, research analyst at Brookings Africa Growth Initiative, for her outstanding research and editorial support.

2 "The Plan: Bottom-Up Economic Transformation Agenda 2022–2027," *The Kenya Kwanza Plan*, 2022, <https://africacheck.org/sites/default/files/media/documents/2022-08/Kenya%20Kwanza%20UDA%20Manifesto%202022.pdf>.

3 "Digital Economy Blueprint: Powering Kenya's Transformation," *Kenya Digital Economy* (Kigali, Rwanda: Smart Africa; Republic of Kenya, n.d.), <https://smartafrica.org/knowledge/digital-economy/#:~:text=POWERING%20KENYA'S%20TRANSFORMATION&text=The%20Blueprint%20defines%20the%20digital,other%20technologies%E2%80%9D%20irrespective%20of%20industry>.

4 "The Plan: Bottom-Up Economic Transformation Agenda 2022–2027."

5 Hilary Kimuyu, "Google Announces New Undersea Fibre Optic Cable to Link Kenya with Australia," *Nairobi News*, May 25, 2024, <https://nairobineews.nation.africa/google-announces-new-undersea-fibre-optic-cable-to-link-kenya-with-australia/>.

6 "Kenya - Individuals Using The Internet (% Of Population) - 2024 Data 2025 Forecast 1990-2022 Historical," *Trading Economics*, accessed December 11, 2024, <https://tradingeconomics.com/kenya/individuals-using-the-internet-percent-of-population-wb-data.html>.

7 Frederick Okello, "Bridging Kenya's Digital Divide: Context, Barriers and Strategies," *Centre for International Governance Innovation*, Digital policy Hub, Fall 2023, <https://www.cigionline.org/publications/bridging-kenyas-digital-divide-context-barriers-and-strategies/>.

In an effort to meet these goals, Kenya has begun to implement practical AI applications to address socioeconomic disparities. In agriculture, the Third Eye Project uses AI-powered drones to monitor soil conditions, detect pests, and identify crop diseases early, helping farmers reduce losses and improve productivity.<sup>8</sup> The agricultural sector accounts for 33% of Kenya's GDP with an additional 27% of GDP coming from linkages between agriculture and other sectors of the economy.<sup>9</sup> Better agricultural outputs help ease hunger across the country while the industry creates jobs leading to economic growth. In health care, Tambua Health employs machine learning to diagnose cardiopulmonary diseases by analyzing lung and heart sounds, making diagnoses more efficient and accessible.<sup>10</sup> Thirteen percent of all deaths and 25% of all hospital admissions in the country are due to cardiovascular diseases, making this initiative critical.<sup>11</sup> In finance, AI-driven Digital Lending Apps assess borrowers' behavioral data to extend credit to underserved populations, enabling financial inclusion.<sup>12</sup> Despite the noticeable increase in Kenyans' access to mobile money and lending accounts, most Kenyans still lack access to formal financial products such as savings, pensions, or insurance.<sup>13</sup>

Kenya's renewable energy leadership also offers a unique lens on how sustainability can intersect with technological progress. With 93% of its electricity generated from renewable sources, including geothermal, wind, and solar, Kenya provides a low-carbon energy base for powering AI infrastructure.<sup>14</sup> The integration of renewable energy into the Africa Green Industrialization Initiative exemplifies how Kenya is promoting climate-resilient technological development while fostering global partnerships.<sup>15</sup> However, grid stability and flexibility issues remain, making it difficult for Kenya to become a hub for energy-intensive operations such as data centers and AI model training until a solution is found.<sup>16</sup>

While there are still hurdles to overcome in Kenya's digital transformation, its many successes have allowed Kenya to play an instrumental role in shaping the digital economy across the continent. For example, as a contributor to Smart Africa's Digital Economy Blueprint, Kenya has helped create a framework for member states to harness digital technologies for inclusive socioeconomic growth.<sup>17</sup> Globally, Kenya has established itself as a key player in AI

8 Jackline Akello, "Artificial Intelligence in Kenya," ed. Ekai Nabenyio, *Paradigm Initiative*, Paradigm Initiative, January 2022, <https://paradigmhq.org/wp-content/uploads/2022/02/Artificial-Intelligence-in-Kenya-1.pdf>.

9 "Kenya at a Glance | FAO in Kenya," *Food and Agriculture Organization of the United Nations*, accessed December 17, 2024, <https://www.fao.org/kenya/fao-in-kenya/kenya-at-a-glance/en/>.

10 Akello, "Artificial Intelligence in Kenya."

11 "Advancing Heart Health in Kenya," *World Heart Federation* (blog), accessed December 17, 2024, <https://world-heart-federation.org/news/advancing-heart-health-in-kenya/>.

12 Akello, "Artificial Intelligence in Kenya."

13 "Measuring Kenya's Financial Inclusion Journey," *FinAccess Deep Dives* (Nairobi: Financial Sector Deepening Kenya, September 2023), <https://www.fsdkenya.org/wp-content/uploads/2023/11/Measuring-Kenyas-financial-inclusion-journey.pdf>.

14 "Integrated Annual Report and Driving Value and Sustainability: Financial Statements for the Year Ended 30 June 2024" (Nairobi, Kenya: KenGen, n.d.), Integrated Annual Report and Driving Value and Sustainability Financial Statements for the Year Ended 30 June 2024.

15 "At COP28, Kenya's President Ruto Convenes African Leaders to Launch Green Industrialization Initiative, Capitalizing on UAE's Clean Energy Pipeline in Africa," *UAE Consensus*, December 2, 2023, <https://www.cop28.com/en/news/2023/12/At-COP28-Kenyas-President-Ruto-convenes-African-Leaders-to-launch-the-Africa-Green-Industrialization>.

16 "Project Spotlight: Kenya's Path to 100% Clean Power | CIF News," *Climate Investment Fund* (blog), September 5, 2024, <https://www.cif.org/news/project-spotlight-final-stretch-100-clean-power-kenya-leads-learns-and-clears-few-hurdles>.

17 "Digital Economy Blueprint: Powering Kenya's Transformation."

governance and safety. As the sole African member of the International Network of AI Safety Institutes, Kenya is shaping global standards to ensure AI systems remain ethical, inclusive, and trustworthy.<sup>18</sup> Its co-convening of a ministerial side event during the 2023 United Nations General Assembly, focusing on AI's potential to accelerate the SDGs, exemplifies how nations should address shared challenges such as climate change, health care, and economic inequality and work together toward sustainable solutions.<sup>19</sup>

Underlying Kenya's approach is a principle deeply rooted in African culture: trust. Trust fosters cooperation and mutual respect. Recognizing the growing importance of trust in the technological era, President William Ruto has proposed a Global Trust Summit in 2025. This summit aims to convene governments, technology leaders, and civil society to explore how fairness, inclusivity, and sustainability can anchor the next phase of AI development. By focusing on these values, the summit seeks to create a global AI ecosystem where technology enhances trust among people and communities.<sup>20</sup>

Kenya's successes in the digital realm are to be celebrated while maintaining focus on the obstacles not yet addressed. Through strategic investments, inclusive policies, and global partnerships, AI and technology can serve as transformative tools for sustainable development. Kenya's experiences in this space can guide other African nations seeking to achieve the SDGs with the help of advanced technologies. Moving forward, Africa should make the following recommendations a priority:

1. Digital public infrastructure needs substantial investment to create connectivity that is affordable. This includes provision of publicly accessible internet and centers for accessing the internet for communities without device capability.<sup>21</sup>
2. Africa can ease the cost of doing business by creating an open society with democratic freedoms and business-friendly policies that enable the private sector's ease of doing business. Companies like IBM And Microsoft have already established regional hubs in Nairobi due to the friendly business environment and push for increased democratic protections.<sup>22</sup>
3. Education is key. Investing in technology for the classroom provides for high quality education that prepares students for a career in the digital economy. Kenya's focus on improving technology in the classroom for students at all levels, including in vocational programs, and the significant number of edtech companies that have entered the arena in recent years have created a more inclusive learning environment and taught skills necessary for the workforce.<sup>23</sup>

18 "Ambassador Thigo Leads Kenya's Participation in Historic AI Safety Network Launch in the US," *Kenya News Agency*, November 24, 2024, <https://www.kenyanews.go.ke/ambassador-thigo-leads-kenyas-participation-in-historic-ai-safety-network-launch-in-the-us/>.

19 "Artificial Intelligence for Accelerating Progress on the Sustainable Development Goals: Addressing Society's Greatest Challenges," *United States Department of State*, September 18, 2023, <https://www.state.gov/artificial-intelligence-for-accelerating-progress-on-the-sustainable-development-goals/>.

20 "President Ruto Announces Kenya as the Host of the 2026 Global Data Festival," *Global Partnership for Sustainable Development Data*, September 26, 2024, <https://www.data4sdgs.org/news/press-release-president-ruto-announces-kenya-host-2026-global-data-festival>.

21 "Kenya Digital Economy Acceleration Project," Environmental and Social Commitment Plan (Nairobi: ICT Authority, February 2023), [https://cms.icta.go.ke/sites/default/files/2023-02/P170941%20KDEAP\\_ESCP%20Feb%2023%202023%20Final.pdf](https://cms.icta.go.ke/sites/default/files/2023-02/P170941%20KDEAP_ESCP%20Feb%2023%202023%20Final.pdf).

22 Akello, "Artificial Intelligence in Kenya."

23 "Technology in Kenyan Classrooms," *Kenya Society UK*, June 24, 2024, <https://www.kenyasociety.org/news/tech-in-kenyan-classrooms>.

# Accelerating digital inclusion in Africa

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Digital technologies have significant potential to address many of Africa's pressing challenges, but their adoption and impact face several obstacles that need to be overcome to ensure that nobody is left behind.

Technologies such as the Internet of Things and big data analytics have incredible potential to drive Africa's economic growth, contributing up to \$1.5 trillion in GDP by 2030 by increasing productivity and efficiency across industries,<sup>1</sup> creating new jobs and business opportunities, especially for youth, and empowering citizens through increased access to information, thereby creating intelligent economies.<sup>2</sup>

By taking a strategic, inclusive approach, African countries can harness digital technologies to foster intelligent economies that are sustainable and transformative. However, African countries must address several key challenges related to digital inclusion for an intelligent economy to emerge.

## Accelerating digital access

**By taking a strategic, inclusive approach, African countries can harness digital technologies to foster intelligent economies that are sustainable and transformative.**

As of 2023, approximately 37% of the African population used the internet, with high costs of internet cited as the main barriers to usage, especially in low-income and rural areas.<sup>3</sup> Notably, Africa's fixed broadband access rates are the highest globally, averaging 14.8% of gross national income, far exceeding International Telecommunication Union's recommended 2%.<sup>4</sup> As a result, mobile connectivity is the primary means of accessing the internet in Africa. As of 2023, mobile penetration in sub-Saharan Africa was 44% and mobile internet penetration was 27%.<sup>5</sup> Key barriers to mobile internet adoption include affordability (smartphones can cost up to 95% of monthly income for the poorest 20%),<sup>6</sup> lack of digital skills, limited locally relevant content, and language barriers. Given that smartphone penetration is expected to reach 88% by 2030, mobile-based digital tech

1 "Artificial Intelligence in African Economic Development Potential and Challenges to Overcome" (Addis Ababa: United Nations Economic Commission for Africa, 2024), <https://repository.uneca.org/handle/10855/50180>.

2 An intelligent economy, also known as a smart economy, is an advanced economic model characterized by the integration of cutting-edge technologies, innovation, and sustainable practices to drive growth and improve societal well-being.

3 "Measuring Digital Development: Facts and Figures 2023" (Geneva: ITU, 2023), [https://www.itu.int/hub/publication/d-ind-ict\\_mdd-2023-1/](https://www.itu.int/hub/publication/d-ind-ict_mdd-2023-1/).

4 "Assessing the Progress of Internet Activity in Africa," *Telecom Review Africa* (blog), April 18, 2024, <https://www.telecomreviewafrica.com/articles/features/4206-assessing-the-progress-of-internet-activity-in-africa/>.

5 "The Mobile Economy sub-Saharan Africa 2023" (London: GSMA, 2024), <https://www.gsma.com/solutions-and-impact/connectivity-for-good/mobile-economy/sub-saharan-africa/>.

6 Matt Shanahan, "Despite Improvements, sub-Saharan Africa Has the Widest Usage and Coverage Gaps Worldwide," *Mobile for Development* (blog), April 8, 2024, <https://www.gsma.com/solutions-and-impact/connectivity-for-good/mobile-for-development/blog/despite-improvements-sub-saharan-africa-has-the-widest-usage-and-coverage-gaps-worldwide/>.

solutions may offer a practical way to tap into and expand digital technology capabilities in Africa.<sup>7</sup>

The most pressing issue, however, is access to electricity. Only about 43% of Africans have a reliable supply of electricity.<sup>8</sup> Digital technologies significantly impact energy and electricity consumption, particularly through the rapid growth of data centers and increased computing demands. Generative AI systems already use around 33 times more energy to complete a task than task-specific software.<sup>9</sup>

Estimates suggest \$400 billion is needed for electricity transmission and distribution improvements by 2050.<sup>10</sup> Without this investment, most countries in the region will not have the necessary baseload electricity to benefit from digital technologies.

## Addressing Africa's digital infrastructure

Africa accounts for less than 1% of total available global data center capacity, despite being home to 18% of the world's population.<sup>11</sup> There are currently around 150 data centers across Africa, with most concentrated in South Africa, Nigeria, and Kenya. Analysts suggest that Africa needs at least 700 new data centers to meet its connectivity and data storage requirements over the medium term.<sup>12</sup>

Furthermore, the continent will need to make significant investments in high-performance supercomputers that can power deep learning models, train and run complex AI models efficiently, and analyze vast amounts of data quickly, all of which are essential for extracting meaningful insights from large datasets.

Africa currently has only a few supercomputers: "Toubkal" in Morocco—currently Africa's most powerful supercomputer,<sup>13</sup> "Lengau" in South Africa — the next fastest,<sup>14</sup> and CHPC —

- 7 Eugénie Humeau and Tanvi Deshpande, "AI for Africa: Use Cases Delivering Impact" (London: GSMA, July 2024), <https://www.gsma.com/solutions-and-impact/connectivity-for-good/mobile-for-development/wp-content/uploads/2024/07/AI-for-Africa-Use-cases-delivering-impact.pdf>.
- 8 "Key Findings – Africa Energy Outlook 2022 – Analysis," IEA, accessed December 16, 2024, <https://www.iea.org/reports/africa-energy-outlook-2022/key-findings>.
- 9 Eleni Kemene, Bart Valkhof, and Thapelo Tladi, "AI and Energy: Will AI Help Reduce Emissions or Increase Demand? Here's What to Know," *World Economic Forum*, July 22, 2024, <https://www.weforum.org/stories/2024/07/generative-ai-energy-emissions/>.
- 10 César Augier et al., "Green Energy in Africa Presents Significant Investment Opportunities" (McKinsey & Company, October 17, 2023), <https://www.mckinsey.com/capabilities/sustainability/our-insights/green-energy-in-africa-presents-significant-investment-opportunities>.
- 11 "Tackling a Critical Need for Data Center Infrastructure across Africa," *U.S. International Development Finance Corporation*, accessed November 19, 2024, <https://www.dfc.gov/investment-story/tackling-critical-need-data-center-infrastructure-across-africa>.
- 12 Samuel Carvalho, "Data Centers - Just One Part of the African Digital Infrastructure Investment Equation," *Data Center Dynamics*, June 4, 2024, <https://www.datacenterdynamics.com/en/opinions/data-centers-just-one-part-of-the-african-digital-infrastructure-investment-equation/>.
- 13 Wagdy Sawahel, "Africa Launches Powerful Supercomputer," *University World News*, March 1, 2021, <https://www.universityworldnews.com/post.php?story=20210228193908881>.
- 14 Admire Moyo, "SA Unleashes Africa's Fastest Supercomputer" *ITWeb News*, June 8, 2016, <https://www.itweb.co.za/article/sa-unleashes-africas-fastest-supercomputer/Wdgp45Ma4KP7X9I8>.

FIGURE 38

## THE MOBILE ECONOMY OF SUB-SAHARAN AFRICA

By 2030, Africa's mobile economy will change substantially with more access to mobile networks and smartphones

### UNIQUE MOBILE SUBSCRIBERS

2023 **527m**  
44% penetration rate\*

2030 **751m**  
53% penetration rate\*

CAGR  
2023-2030 **4.5%**



### MOBILE INTERNET USERS

2023 **320m**  
27% penetration rate\*

2030 **518m**  
37% penetration rate\*

CAGR  
2023-2030 **6.2%**



### SIM CONNECTIONS

(excluding licensed cellular IoT)

2023 **1.0bn**  
88% penetration rate\*

2030 **1.4bn**  
103% penetration rate\*

CAGR  
2023-2030 **4.1%**

**4G** Percentage of connections  
(excluding licensed cellular IoT)

2023 **31%** 2030 **50%** ↑

**5G** Percentage of connections  
(excluding licensed cellular IoT)

2023 **1.2%** 2030 **17%** ↑



### SMARTPHONES

Percentage of connections

2023 **51%**

2030 **81%** ↑



### LICENSED CELLULAR IoT CONNECTIONS



2023 **27m**

2030 **51m**

### MOBILE'S CONTRIBUTION TO GDP



2023 **\$140bn**  
7% of GDP

2030 **\$170bn**

### PUBLIC FUNDING



2023 **\$20bn**

Mobile ecosystem contribution to public funding (before regulatory and spectrum fees)

### OPERATOR REVENUES AND INVESTMENT

2023 **\$38bn**  
Total revenues

2030 **\$61bn**  
Total revenues



OPERATOR CAPEX FOR THE PERIOD 2023-2030 **\$62bn**

### EMPLOYMENT

2023 **1.5m jobs**  
Directly supported by the mobile ecosystem



PLUS **2.2m indirect jobs**

Note: Percentage of population.  
Source: GSMA

also in South Africa.<sup>15</sup> Given Africa's size, population, and diverse needs, the continent needs multiple supercomputing centers strategically located in different regions to serve various countries, research communities, and entrepreneurs.

## Mitigating risks and biases related to digital technologies through effective regulation

While regulation related to digital technologies in Africa is still in its early stages, there are growing efforts at both the national and continental levels to develop appropriate strategies and frameworks for ethical development of digital technologies. Still, many African countries lack robust regulatory frameworks and policies to address the ethical and societal implications, which can leave vulnerable populations exposed to potential harms and exploitation from uncontrolled AI deployment. Digital technologies have the potential to exacerbate existing inequalities and widen the digital divide. For example, AI systems are trained on historical data, which often reflect societal biases and inequalities, and, if not carefully designed and monitored, can perpetuate and amplify these biases leading to discriminatory outcomes.<sup>16</sup>

Africa's path to developing an intelligent economy must focus on ensuring digital inclusion by addressing these challenges related to digital access, digital infrastructure, and robust regulatory reform. If successful, Africa has the potential to drive significant socioeconomic change and emerge as a key player in the global digital landscape.

15 "Advancing High-Performance Computing in South Africa: The CHPC," *NICIS*, accessed December 16, 2024, <https://www.nicis.ac.za/chpc/>.

16 Nicol Turner Lee et al., "Algorithmic Bias Detection and Mitigation: Best Practices and Policies to Reduce Consumer Harms," *Brookings Institution*, May 22, 2019, <https://www.brookings.edu/articles/algorithmic-bias-detection-and-mitigation-best-practices-and-policies-to-reduce-consumer-harms/>.

# Digital solutions in agriculture drive meaningful livelihood improvements for African smallholder farmers

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Africa's agricultural sector faces compounding pressures, with climate change, degraded soil, and rapid population growth straining its ability to provide sufficient food. Today, 282 million Africans go hungry every day, a situation projected to worsen as climate-related challenges intensify.<sup>1</sup> By 2030, nearly 118 million people in Africa could face droughts, floods, and extreme temperatures, further heightening food insecurity and underscoring the urgent need for agricultural innovation.<sup>2</sup>

In many sectors, technology and innovation drive development, yet agriculture remains one of the least digitized sectors. This lack of digital integration limits smallholder farmers' capacity to respond effectively to changing environmental and market conditions. Attempts have been made to remedy this; the African Union established a Digital Transformation Strategy which included provisions for improving the efficiency and effectiveness of the African agricultural system to make it more resilient to climate change and environmentally sustainable by 2030.<sup>3</sup> The strategy seeks to contribute to the Comprehensive African Agricultural Development Program's vision of eliminating hunger and reducing poverty by raising economic growth through agriculture-led development and promoting increased national budget provision to the agriculture sector.<sup>4</sup>

The Fourth Industrial Revolution (4IR) also has the potential to transform Africa's agricultural sector, supporting the continent's progress toward the 2030 Sustainable Development Goals (SDGs) by enhancing food security, resilience, and sustainability.<sup>5</sup> Technologies such as artificial intelligence (AI), blockchain, and the Internet of Things are beginning to address age-old challenges in agriculture such as low productivity and market inefficiencies in the face of climate change.<sup>6</sup> Through data-driven insights and automated tools, digital innovation

1 "Alarm Bells Ignored as Africa Continues to Face Deepening Food Crisis," *Food and Agriculture Organization of the United Nations*, July 12, 2023, <https://www.fao.org/newsroom/detail/alarm-bells-ignored-as-africa-continues-to-face-deepening-food-crisis/en>; Emily Barone, "What Climate Change Means For Africa's Food Crisis," *TIME*, October 5, 2022, <https://time.com/6220057/climate-change-africa-food-crisis/>.

2 "Africa Faces Disproportionate Burden from Climate Change and Adaptation Costs," *World Meteorological Association*, September 2, 2024, <https://wmo.int/news/media-centre/africa-faces-disproportionate-burden-from-climate-change-and-adaptation-costs>.

3 "The Digital Transformation Strategy for Africa (2020-2030)" (African Union, n.d.), <https://au.int/sites/default/files/documents/38507-doc-dts-english.pdf>.

4 "Comprehensive Africa Agricultural Development Programme," CAADP, accessed December 16, 2024, <https://caadp.org/>.

5 Francie Sadeski et al., "Potential of the Fourth Industrial Revolution in Africa" (Abidjan: African Development Bank Group; Korea-Africa Economic Cooperation, October 2019), <https://www.technopolis-group.com/wp-content/uploads/2020/02/Potential-of-the-fourth-industrial-revolution-in-Africa.pdf>.

6 Rambod Abiri et al., "Application of Digital Technologies for Ensuring Agricultural Productivity," *Heliyon* 9, no. 12 (December 1, 2023): e22601, <https://doi.org/10.1016/j.heliyon.2023.e22601>.

enables improved decisionmaking, precision targeting, and resource efficiency, which are essential to bolstering Africa's agricultural productivity and ensuring food security for its growing population.<sup>7</sup>

The impact of 4IR technologies on African agriculture is evident, with CGIAR playing a pivotal role in this transformation.<sup>8</sup> CGIAR has been leading the use of 4IR tools to address agricultural challenges, introducing innovations such as digital soil mapping and AI-powered crop disease detection systems. These technologies have enabled farmers to identify and treat diseases early, resulting in higher yields and reduced crop loss. For example, IITA's Cassava Disease Surveillance platform in Nigeria,<sup>9</sup> the Cassava Seed Tracker,<sup>10</sup> and the Plant Village Nuru AI app help smallholders diagnose and manage cassava diseases rapidly,<sup>11</sup> resulting in higher yields and minimized losses.

Several examples of AI applications in agriculture illustrate how AI is already making a tangible impact on agriculture in Africa, improving efficiency, productivity, and sustainability. Hello Tractor, often referred to as the "Uber for farmers,"<sup>12</sup> uses AI to connect tractor owners with farmers in need of plowing services, enhancing access to farm machinery and boosting productivity. PlantVillage leverages AI to help farmers detect plant diseases early, significantly improving agricultural resilience.<sup>13</sup> The Malawi Digital Plant Health Service is a countrywide initiative for coordinating internationally developed digital systems.<sup>14</sup> It bundles complementary digital tools developed across the world such as PlantVillage (Penn State University, U.S.), VIPS (NIBO, Norway),<sup>15</sup> FIA (IITA, Benin), and Prise and PlantWise (CABI, U.K.) to support smallholder farmers in pest and disease management.<sup>16</sup>

Additionally, AI technologies are used in precision agriculture for soil monitoring, including soil fertility and overfertilization, as well as for automated irrigation and pest, disease, and weed prediction. Ujuzi Kilimo builds sensors and farm data analytics tools to collect, analyze,

**Several examples of AI applications in agriculture illustrate how AI is already making a tangible impact on agriculture in Africa, improving efficiency, productivity, and sustainability.**

- 7 "Fertile Ground for Digitalisation: Adopting Digital Technologies to Improve Farming and Food Security in Africa," AUDA-NEPAD (blog), July 19, 2023, <https://www.nepad.org/blog/fertile-ground-digitalisation-adopting-digital-technologies-improve-farming-and-food-security>.
- 8 "CGIAR: Science for Humanity's Greatest Challenges," CGIAR, accessed December 16, 2024, <https://www.cgiar.org/>.
- 9 "IITA and NAQS Pilot Digital Cassava Disease Surveillance Platform," IITA (blog), accessed December 16, 2024, <http://www.iita.org/news-item/iita-naqs-pilot-digital-cassava-disease-surveillance-platform/>.
- 10 "Cassava Seed Tracker," accessed December 16, 2024, <https://seedtracker.org/cassava/>.
- 11 James Legg, "Nuru Mobile Phone App is Being Scaled out to Help Farmers in sub-Saharan Africa Identify and Manage Cassava Diseases," MEL, April 20, 2020, <https://mel.cgiar.org/projects/-/15/210/nuru-mobile-phone-app-is-being-scaled-out-to-help-farmers-in-sub-saharan-africa-identify-and-manage-cassava-diseases>.
- 12 romainsame, "AI and Sustainable Agriculture in Africa: Utopia or Imminent Reality?," Africa Hub, November 8, 2023, <https://www.aiafricahub.org/en/blog-en/social-environmental-impact/ai-sustainable-agriculture-africa/>.
- 13 "PlantVillage Nuru: Pest and Disease Monitoring Using AI," CGIAR Platform for Big Data in Agriculture, accessed December 16, 2024, <https://bigdata.cgiar.org/digital-intervention/plantvillage-nuru-pest-and-disease-monitoring-using-ai/>.
- 14 "About Malawi Digital Plant Health Service (MaDiPHS)," MaDiPHS, accessed December 16, 2024, <https://madiphs.org/malawi-digital-plant-health-service-madiphs/>.
- 15 "VIPS - Nibio," Nibio, accessed December 16, 2024, <https://www.nibio.no/en/services/vips>.
- 16 "PRISE: A Pest Risk Information Service," CABI (blog), accessed December 16, 2024, <https://www.cabi.org/projects/prise-a-pest-risk-information-service/>; "Plantwise: Helping Farmers Lose Less and Feed More," CABI (blog), accessed December 16, 2024, <https://www.cabi.org/projects/plantwise/>.

and make sense of agricultural data for the world's smallholder farmers.<sup>17</sup> The Project FARM platform uses AI to determine farming patterns through big data, generating insights from the data to make recommendations and using machine learning to scale the platform by connecting it with cellphones.<sup>18</sup>

CGIAR has also developed precision agriculture tools such as smart irrigation and climate forecasting, optimizing water usage and helping farmers prepare for adverse weather patterns. Digital agronomy tools like RiceAdvice and NextGen Agroadvisory provide location-specific fertilizer and planting recommendations, resulting in 25% yield increases for wheat and rice and improved profitability for smallholder farmers in Ethiopia, Nigeria, and Mali.<sup>19</sup> CGIAR has been extensively using big data and cutting-edge digital technologies in research for development to accelerate the generation of nutritious, climate-resilient, high-yield crop varieties that are suitable for diverse market segments and end-user profiles through modern breeding methods and genome editing technologies.<sup>20</sup> Remote sensing technologies and AI are being used for mapping crops using satellite for disease surveillance,<sup>21</sup> AI mobile apps for disease detection, and information and communication technologies for disease management in farmers' fields.<sup>22</sup> These tools help smallholder farmers optimize input use and improve profitability.

In West Africa and the Sahel, a consortium of stakeholders has established a regional hub for fertilizer and soil health to help improve soil health status in the region, enhance soil fertility, and promote sustainable land management practices using digital soil mapping and other 4IR technologies.<sup>23</sup> Additionally, CGIAR has enhanced market access through digital platforms and blockchain systems, enabling transparent supply chains, reducing the influence of middlemen, and allowing farmers to connect directly with buyers. These advancements lower input costs and improve profit margins, making agriculture more

17 "Ujuzi Kilimo," accessed December 16, 2024, <https://www.ujuzikilimo.com/>.

18 Laura Foster et al., "Smart Farming and Artificial Intelligence in East Africa: Addressing Indigeneity, Plants, and Gender," *Smart Agricultural Technology* 3 (February 1, 2023): 100132, <https://doi.org/10.1016/j.atech.2022.100132>; "Project FARM – An Intelligent Data Platform to Resolve Global Food Shortages," *Capgemini* (blog), December 6, 2019, <https://www.capgemini.com/news/client-stories/project-farm-an-intelligent-data-platform-to-resolve-global-food-shortages/>; "Ujuzi Kilimo."

19 "AfricaRice | RiceAdvice," AfricaRice, accessed December 16, 2024, <https://www.africarice.org/riceadvice>; "Smallholder Farmers in Ethiopia Utilizing NextGen Agro-Climate Advisory Increased Wheat Yield by 25%," *CGIAR* (blog), 2022, <https://www.cgiar.org/initiative-result/smallholder-farmers-in-ethiopia-utilizing-nextgen-agro-climate-advisory-increased-wheat-yield-by-25/>.

20 "Reflections on Workshop: Adaptive Co-Design of Research for Development (R4D) Evaluations – the Need for Engagement, Learning and Ongoing Reflection," May 19, 2023, <https://iaes.cgiar.org/evaluation/news/reflections-workshop-adaptive-co-design-research-development-r4d-evaluations-need>; "New Project Aims to Modernize Rice Breeding in Africa," *Excellenceinbreeding*, accessed December 16, 2024, <https://excellenceinbreeding.org/news/new-project-aims-modernize-rice-breeding-africa>; Leena Tripathi et al., "Genome Editing for Sustainable Agriculture in Africa," *Frontiers in Genome Editing* 4 (May 12, 2022), <https://doi.org/10.3389/fgeed.2022.876697>.

21 "Africa: Remote-Sensing Models to Combat Banana Bunchy Top Virus," *Global Plant Protection News*, January 17, 2023, <https://iapps2010.wordpress.com/2023/01/16/africa-remote-sensing-models-to-combat-banana-bunchy-top-virus/>.

22 "Combating Banana Disease through Digital Innovation," ICT4BXW, accessed December 16, 2024, <https://www.ict4bxw.com/>; Mariette McCampbell et al., "Are Farmers Ready to Use Phone-Based Digital Tools for Agronomic Advice? Ex-Ante User Readiness Assessment Using the Case of Rwandan Banana Farmers," *The Journal of Agricultural Education and Extension* 29, no. 1 (January 1, 2023): 29–51, <https://doi.org/10.1080/1389224X.2021.1984955>.

23 Evans Samuel, "New Partnership to Deliver Improved Farm Productivity from Soil Health and Fertility," *IITA* (blog), accessed December 16, 2024, <http://www.iita.org/news-item/new-partnership-to-deliver-improved-farm-productivity-from-soil-health-and-fertility/>.

**To maximize the transformative potential of 4IR in agriculture, African governments and stakeholders must prioritize enabling policies, ethical technology use, and equitable access.**

sustainable and attractive for smallholder farmers across the continent. A good example is the Technologies for African Agricultural Transformation,<sup>24</sup> launched by the African Development Bank and implemented by CGIAR,<sup>25</sup> which has already delivered climate-smart seeds to 12 million farmers in 27 countries in just three years. The Technologies for African Agricultural Transformation program has been using digital tools to promote validated technologies through an e-catalogue which allows stakeholders to select appropriate technologies for adoption.<sup>26</sup>

Despite these successes, challenges persist in the adoption of 4IR tools due to uneven access and low digital literacy.<sup>27</sup> The risk of job displacement due to automation, especially for low-skilled labor in rural areas, is a pressing concern, requiring investments in reskilling programs to equip workers for more technical roles.<sup>28</sup> Furthermore, the digital divide continues to limit access to technology while limited internet connectivity, particularly in rural areas, further impedes the widespread adoption of digital solutions.<sup>29</sup> Data privacy and security issues also need to be addressed through robust governance frameworks to ensure that farmers maintain control over their data while benefiting from digital advancements.<sup>30</sup> While fintech solutions like mobile money and digital loans have improved financial inclusion, infrastructure limitations still prevent many smallholders from fully realizing the benefits of these technologies.<sup>31</sup>

To maximize the transformative potential of 4IR in agriculture, African governments and stakeholders must prioritize enabling policies, ethical technology use, and equitable access. This involves establishing data governance policies that protect farmers' rights, creating digital literacy programs, and fostering public-private partnerships to drive innovation. To support these goals, CGIAR, through initiatives like the Digital Transformation Accelerator Program, partners with African national programs to promote data governance frameworks that protect smallholder farmers' data rights.<sup>32</sup> This initiative backs policies that enhance digital literacy, data security, and equitable technology access, ensuring the full participation of smallholder farmers in the digital transformation of agriculture.

24 "Global Partnerships and Investments, Crucial to Leveraging Technologies for Food Systems Transformation – AfDB, CGIAR and Stakeholders," *Taat Africa*, June 3, 2024, <https://taat-africa.org/news/global-partnerships-and-investments-crucial-to-leveraging-technologies-for-food-systems-transformation-afdb-cgiar-and-stakeholders/>.

25 "African Development Bank Group," African Development Bank Group, accessed December 16, 2024, <https://www.afdb.org/en>.

26 "TAAT Africa E-Catalogs," Taat Africa, accessed December 16, 2024, <https://e-catalogs.taat-africa.org>.

27 Rik Moors, "Reimagining TVET for 4IR Jobs in Africa," *ACET* (blog), August 14, 2023, <https://acetforafrica.org/research-and-analysis/insights-ideas/articles/reimagining-tvet-for-4ir-jobs-in-africa/>.

28 Holzer, "Understanding the Impact of Automation on Workers, Jobs, and Wages," *Brookings Institution* (blog), January 19, 2022, <https://www.brookings.edu/articles/understanding-the-impact-of-automation-on-workers-jobs-and-wages/>.

29 "Widening Digital Gap between Developed, Developing States Threatening to Exclude World's Poorest from Next Industrial Revolution, Speakers Tell Second Committee," *United Nations*, October 6, 2023, <https://press.un.org/en/2023/gaef3587.doc.htm>.

30 Jasmin Kaur et al., "Protecting Farmers' Data Privacy and Confidentiality: Recommendations and Considerations," *Frontiers in Sustainable Food Systems* 6 (October 19, 2022), <https://doi.org/10.3389/fsufs.2022.903230>.

31 Ellis L. C. Osabutey and Terence Jackson, "Mobile Money and Financial Inclusion in Africa: Emerging Themes, Challenges and Policy Implications," *Technological Forecasting and Social Change* 202 (May 1, 2024): 123339, <https://doi.org/10.1016/j.techfore.2024.123339>.

32 "Digital Transformation Accelerator: Full Design Document" (CGIAR, November 15, 2024), <https://cgspace.cgiar.org/server/api/core/bitstreams/491533ae-f36f-49f9-80d0-ea7512fe3bad/content>; "Digital Transformation," CIGAR Accelerator on Digital Transformation, accessed December 16, 2024.

Regional and international collaboration is also crucial, as it enables knowledge sharing and the scaling of solutions tailored to Africa's diverse agricultural contexts. Equipping young people and women with digital skills fosters entrepreneurship and creates new job opportunities, addressing social inequalities and boosting rural economies. Initiatives in this space include the GIZ Digital Transition Center program,<sup>33</sup> which, in collaboration with the public and private sectors, research, and academia, works with several African governments to foster the digitalization of micro, small, and medium enterprises, including agribusiness, and improve the innovation ecosystem. This approach creates jobs for youth and benefits economies. Several youth-led initiatives also use digital technologies to promote entrepreneurial skills, create employment opportunities, provide loans for startups, and help create market linkages.<sup>34</sup>

Investing in 4IR infrastructure is crucial for transforming African agriculture. 4IR innovations can enhance agriculture in several ways — enhancing the productivity of seed and soil, putting food on the table, providing opportunities for marketing and financing, developing innovations, building infrastructure and networks, and informing policy-making.

With these strategies, Africa's agricultural sector can harness 4IR technologies to address urgent food security challenges, driving sustainable development and resilience in agri-food systems across the continent.

33 "Digital Transformation Center Nigeria," DTC Nigeria, accessed December 16, 2024, <https://dtnigeria.ng/>.

34 "I-Youth Project – Agribusiness Trainings | Gender Inclusion | Decent Employment | Youth Inclusion | Agric-Clubs | Mindset Change," I-Youth, accessed December 16, 2024, <https://iyouth.iita.org/>.

# Prospects for climate adaptation finance for Africa: A glass less than half full

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**The agreement to increase climate finance at the COP29 meeting ... was a welcome step forward, though not without controversy.**

Financing for climate adaptation action in Africa needs to increase seven to eightfold. Climate adaptation finance flows in Africa, according to the State and Trends in Adaptation 2023 report from the Global Center for Adaptation (GCA), reached only \$11 billion annually in 2019-2020, and \$13.9 billion in 2021-2022.<sup>1</sup> Africa may need more than \$100 billion per year for adaptation.<sup>2</sup>

The end of 2024 brought some positive news and prospects regarding possible increases to climate adaptation finance for Africa: The commitment to triple climate finance at COP29 in Baku,<sup>3</sup> and the announcement to replenish the funds of the World Bank's International Development Association (IDA) to \$100 billion, are encouraging signs.<sup>4</sup> Unfortunately, when these numbers are looked at more closely, it is clear that they will not close the gap for climate adaptation action in Africa.

The agreement to increase climate finance at the COP29 meeting (the New Collective Quantified Goal on Climate Finance) was a welcome step forward, though not without controversy. This agreement sets a goal for developed countries to mobilize at least \$300 billion per year by 2035 for developing countries' climate action from a wide variety of sources—public and private, bilateral and multilateral—and for both mitigation and adaptation.<sup>5</sup>

Many stakeholders were dissatisfied with this agreement for four reasons. First, the developing countries were looking for much higher levels of commitment, well beyond \$1 trillion per year, based on the rapidly growing adaptation needs estimates.<sup>6</sup> The agreement has only one concrete action item ensuring an increase in climate financing, called the Baku to Belem Roadmap to 1.3T initiative, although a specific number or method

1 "Landscape of Climate Finance in Africa 2024" (Climate Policy Initiative, 2024), <https://www.climatepolicyinitiative.org/publication/landscape-of-climate-finance-in-africa-2024/>.

2 Dharshan Wignarajah et al., "State and Trends in Adaptation Report 2023," (Rotterdam and Abidjan: Global Center on Adaptation, 2022), <https://gca.org/reports/sta23/>.

3 "COP29 UN Climate Conference Agrees to Triple Finance to Developing Countries, Protecting Lives and Livelihoods," UN Climate Change, November 24, 2024, <https://unfccc.int/news/cop29-un-climate-conference-agrees-to-triple-finance-to-developing-countries-protecting-lives-and>.

4 "World Bank Group Announces Record \$100 Billion IDA Replenishment," *World Bank*, December 5, 2024, <https://www.worldbank.org/en/news/press-release/2024/12/05/donors-and-world-bank-group-boost-ida-development>.

5 "COP29 UN Climate Conference Agrees to Triple Finance to Developing Countries, Protecting Lives and Livelihoods | UNFCCC," United Nations, November 24, 2024, <https://unfccc.int/news/cop29-un-climate-conference-agrees-to-triple-finance-to-developing-countries-protecting-lives-and>.

6 "G77, China Rejects Framework for Draft Text on New Climate Finance Goal," *The Economic Times*, November 12, 2024, <https://economictimes.indiatimes.com/news/international/world-news/g77-china-rejects-framework-for-draft-text-on-new-climate-finance-goal/articleshow/115226352.cms?from=mdr>.

for upscaling was not finalized.<sup>7</sup> Second, the developed countries had hoped to bring into the contribution commitment some of the high-middle-income economies, such as China.<sup>8</sup> The final agreement only encourages them to make contributions, including through South-South cooperation, on a voluntary basis. Third, the developing countries were hoping for an increase and a clear target in grant funding, especially for adaptation.<sup>9</sup> Fourth, the agreement recognizes the need to dramatically scale up adaptation finance, but it does not set a target for the allocation between mitigation and adaptation. The latest calculations on global climate finance show that adaptation receives around 5% of total climate finance flows (\$76 billion out of \$1.5 trillion).<sup>10</sup>

While the COP29 commitment promises to triple climate finance flows, it will be disbursed over 10 years. Unless the percentage of climate finance directed to adaptation and the portion of climate finance that comes to Africa are substantially scaled up, the \$300 billion target of COP29 will be insufficient. The glass is less than half full.

Climate impacts and debt are compounding the burden on Africa. According to the African Development Bank, Africa will spend \$163 billion on debt service payments in 2024, far exceeding the \$61 billion spent in 2010.<sup>11</sup> This is a substantial weight on Africa's prospects for development. While Africa's historical and current contributions to greenhouse gas emissions have been very small, receiving any adaptation financing requires paying back loans with interest. More than half of the adaptation finance flows are channeled through debt.<sup>12</sup> The grant component for adaptation actions in important sectors for Africa's growth, like energy and transport, is as low as 15%.<sup>13</sup> Even for adaptation in agriculture, the grant component is only about half.<sup>14</sup> Africa needs more grants for climate adaptation action.

Positive news from the World Bank was recently announced with their agreement to the largest yet replenishment of IDA funds. Total donor commitments for the upcoming three-year cycle reached \$24 billion that will generate about \$100 billion, an increase of about \$7 billion over the last IDA cycle. This is important and welcome news as the majority of the IDA resources go through Africa, and globally, 44% of their lending goes toward climate finance, with a goal of parity between mitigation and adaptation.<sup>15</sup> Multilateral development financial institutions provide about 53% of climate adaptation finance to

7 "Summary Report 11–22 November 2024," UN Climate Change Conference Baku (Baku, Azerbaijan: IISD, November 2024), <http://enb.iisd.org/baku-un-climate-change-conference-cop29-summary>.

8 Christina Lu, "What the COP29 Climate Finance Deal Means for the World," *Foreign Policy*, November 24, 2024, <https://foreignpolicy.com/2024/11/25/cop29-climate-finance-outcome-china/>.

9 "G77, China Rejects Framework for Draft Text on New Climate Finance Goal."

10 Baysa Naran et. al., "Global Landscape of Climate Finance 2024: Insights for COP29" (Climate Policy Initiative, October 2024), <https://www.climatepolicyinitiative.org/wp-content/uploads/2024/10/Global-Landscape-of-Climate-Finance-2024.pdf>.

11 "Annual Meetings 2024: Old Debt Resolution for African Countries – the Cornerstone of Reforming the Global Financial Architecture," *African Development Bank*, May 15, 2024, <https://www.afdb.org/en/news-and-events/annual-meetings-2024-old-debt-resolution-african-countries-cornerstone-reforming-global-financial-architecture-70791>.

12 "State and Trends in Adaptation 2023."

13 "State and Trends in Adaptation 2023."

14 "State and Trends in Adaptation 2023."

15 "Statement on Climate Finance Accounting," *World Bank*, November 19, 2024, <https://www.worldbank.org/en/news/statement/2024/11/19/statement-on-climate-finance-accounting>.

Africa.<sup>16</sup> The increase in IDA resources will certainly help, but the magnitude of the climate crisis requires even more resources.

What can Africa do? First, more financial resources require better institutions, planning, and execution of adaptation programs. According to the Global Center on Adaptation, only seven African countries have all the key strategic and planning elements to absorb larger adaptation finance.<sup>17</sup> There are important opportunities to learn and replicate lessons from these countries across the region. Second, the private sector in Africa is not yet engaged in adaptation actions. Nations, communities, and businesses need a vibrant ecosystem of enterprises that provide adaptation solutions, goods, and services to strengthen their resilience to climate shocks. Third, African countries should see adaptation not as a sunk cost but as an economic opportunity. With benefit-to-cost ratios of 4:1 and beyond for adaptation investments, the gap in adaptation finance for the region will imply foregone economic benefits due to missed adaptation investments of as much as \$6 trillion by 2035 in Africa.<sup>18</sup> The region cannot afford to miss this opportunity.

16 "State and Trends in Adaptation 2023."

17 "Strategy and Planning to Redouble Adaptation in Africa: A Review - Conference Version" (Rotterdam, Abidjan and Nairobi: Global Center on Adaptation, 2023), <https://gca.org/reports/strategy-and-planning-to-redouble-adaptation-in-africa-a-review/>.

18 "State and Trends in Adaptation 2023."



## 6

# Global partnerships: Bolstering Africa's impact on the world stage



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# Expanding global partnerships to advance Africa's agency and aspirations

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**Africa's demographic weight gives it a unique and increasingly influential voice in political institutions where one country, one vote is the norm, such as the United Nations.**

The renewed global scramble for markets, partnerships, and influence presents a unique opportunity for Africa. How Africa manages these battles will impact its economic growth trajectory and political stability over the next decade.

On the floor of the House of Commons in 1848, Lord Palmerston stated that Britain has “no eternal allies, and we have no perpetual enemies. Our interests are eternal and perpetual, and those interests it is our duty to follow.”<sup>2</sup> Unlike Britain and the rest of the developed G7, African nations need permanent friends and have permanent interests, but they may need to work on how they moderate partnerships to achieve their objectives in a constantly changing economic and political landscape.

Africa's economic footprint remains modest on the global stage. With a GDP of about \$2.8 trillion in 2024, Africa contributes less than 3% to the world's GDP and accounts for about 2% of global trade.<sup>3</sup> However, politically, Africa's voice is strong. The continent plays an increasingly pivotal role in global diplomacy, with 54 countries totaling almost 1.5 billion people.<sup>4</sup> By 2050, one in four people will be African, with the continent housing the largest number of youths across the globe.<sup>5</sup>

Africa's demographic weight gives it a unique and increasingly influential voice in political institutions where one country, one vote is the norm, such as the United Nations. Africa's voice was clearly heard, for example, when several African nations chose to abstain from a vote on a resolution placing sanctions on Russia at the UN General Assembly. These abstentions have continued on subsequent votes on the matter, showing a growing willingness for African

1 We extend our gratitude to Nichole Grossman, Research Analyst at Brookings Africa Growth Initiative, for her outstanding research and editorial support.

2 “Lord Palmerston,” Oxford Reference, accessed January 2, 2025, <https://www.oxfordreference.com/display/10.1093/acref/9780191826719.001.0001/q-oro-ed4-00008130>.

3 “GDP, current prices | World Economic Outlook (October 2024),” *International Monetary Fund*, October 2024; “African Trade Report 2024: Climate Implications of the AfCFTA Implementation” (Cairo: Afreximbank, 2024), [https://media.afreximbank.com/afrexim/African-Trade-Report\\_2024.pdf](https://media.afreximbank.com/afrexim/African-Trade-Report_2024.pdf).

4 Saurabh Sinha and Melat Getachew, “As Africa's Population Crosses 1.5 Billion, The Demographic Window Is Opening; Getting The Dividend Requires More Time And Stronger Effort,” *United Nations Economic Commission for Africa* (blog), July 12, 2024, <https://www.uneca.org/stories/%28blog%29-as-africa%E2%80%99s-population-crosses-1.5-billion%2C-the-demographic-window-is-opening-getting>.

5 Declan Walsh, “How the Youth Boom in Africa Will Change the World,” *New York Times*, October 28, 2023, <https://www.nytimes.com/interactive/2023/10/28/world/africa/africa-youth-population.html>.

countries to assert their own interests and perspectives on global and continental policy, even when at odds with those of Western powers.<sup>6</sup>

Against this backdrop, advanced economies have begun to re-evaluate their bilateral collaborations and redefine their partnerships with Africa based on how African countries view issues that matter to them.<sup>7</sup> As the continent seeks to increase its voice on the political stage, it must pay even closer attention to shifting political alliances among the G7, G20, and even the BRICS countries. Upcoming changes in leadership in the United States, the political uncertainty in France and Germany, and Italy emerging as a powerhouse in Europe must all be taken into account. Africa must develop policies to manage the changing geopolitical landscape with the singular objective to ensure that partnerships foster sustainable development and empower the African people.

As relationships shift, Africa's trade partners are diverging from its aid providers. Africa has diversified its trading and financing partners substantially, while it has continued to depend largely on the U.S. and European countries with traditional colonial ties for foreign aid.<sup>8</sup> Historically, bilateral partnerships with these Western countries have delivered improved human development gains facilitated by the multilateral development banks (MDBs). In recent years, however, Africa has built new trade partners in emerging economies such as China, Turkey, India, and various Gulf states where the partnerships have focused on infrastructure.<sup>9</sup> Middle powers such as these have thus risen in influence on the continent, making substantial investments in mining, military preparedness, and more.<sup>10</sup> Europe accounted for only 26.8% of Africa's merchandise exports between 2014-2023, for example, displaying a sharp decline from the 1990's, where Europe made up 47.8%. China and India's share of African merchandise exports has grown from the 1990s—when it was roughly 8%—to 23% in 2023.<sup>11</sup>

6 Elias Götz, Jonas Gejl Kaas, and Kevin Patrick Knudsen, "How African States Voted on Russia's War in Ukraine at the United Nations – and What It Means for the West," *Danish Institute for International Studies* (blog), November 15, 2023, <https://www.diis.dk/en/research/how-african-states-voted-on-russias-war-in-ukraine-the-united-nations-and-what-it-means>; Hannah Ryder and Etsehiwot Kebret, "Why African Countries Had Different Views on the UNGA Ukraine Resolution, and Why This Matters," *Center for Strategic and International Studies* (blog), March 15, 2022, <https://www.csis.org/analysis/why-african-countries-had-different-views-unga-ukraine-resolution-and-why-matters>.

7 John J. Chin and Haleigh Bartos, "Rethinking U.S. Africa Policy Amid Changing Geopolitical Realities," *Texas National Security Review*, Foreign Policy Africa, 7, no. 2 (May 21, 2024): 114–32, <https://doi.org/10.26153/tsw/52237>.

8 Swetha Ramachandran, "From Empire to Aid Analysing Persistence of Colonial Legacies in Foreign Aid to Africa," *Wider Working Paper* (Geneva, Switzerland: UNU Wider, August 2024), <https://doi.org/10.35188/UNU-WIDER/2024/509-7>.

9 Chido Munyati, "Africa and the Gulf States: A New Economic Partnership," *World Economic Forum* (blog), April 28, 2024, <https://www.weforum.org/stories/2024/04/africa-gcc-gulf-economy-partnership-emerging/>; Chido Munyati, "Understanding Evolving China-Africa Economic Relations," *World Economic Forum* (blog), June 25, 2024, <https://www.weforum.org/stories/2024/06/why-strong-regional-value-chains-will-be-vital-to-the-next-chapter-of-china-and-africas-economic-relationship/>.

10 Grace Jones and Nils Olsen, "The New Influencers: A Primer on the Expanding Role of Middle Powers in Africa | The Belfer Center for Science and International Affairs," The Africa Futures Project (Cambridge, Harvard Kennedy School Belfer Center, August 5, 2024), <https://www.belfercenter.org/publication/new-influencers-middle-powers-africa>; Theodore Murphy, "Middle Powers, Big Impact: Africa's 'Coup Belt,' Russia, and the Waning Global Order," *ECFR* (blog), September 6, 2023, <https://ecfr.eu/article/middle-powers-big-impact-africas-coup-belt-russia-and-the-waning-global-order/>.

11 "African Trade Report 2024: Climate Implications of the AfCFTA Implementation."

**FIGURE 39****AFRICA'S SHIFTING TRADE PARTNERHIPS**

Between 2014 and 2022, African trade with the United States and European Union has grown slightly. However, trade between Middle Eastern, Asian, and South American countries has experienced significant shifts with China's influence diminishing, while that of the United Arab Emirates, Brazil, Malaysia, India, and the Republic of Korea has skyrocketed. Conversely, trade with Peru has become almost non-existent. Importantly, trade within the continent has grown substantially over this time period thanks to the African Continental Free Trade Area agreement.

COUNTRIES	CHANGE IN EXPORTS (2014- 2022)	TOTAL VALUE OF EXPORTS IN 2022 (IN MILLIONS OF USD)	SHARE OF TOTAL EXPORTS IN 2022 (%)	CHANGE IN IMPORTS (2014- 2022)	TOTAL VALUE OF IMPORTS IN 2022 (IN MILLIONS OF USD)	SHARE OF TOTAL IMPORTS IN 2022 (%)
Peru	-912.71%	135.53	0.03%	26.60%	282.93	0.06%
Brazil	28.98%	5129.36	1.10%	-13.79%	5246.42	1.18%
India	9.21%	32617.69	7.02%	35.73%	32372.29	7.26%
Malaysia	31.52%	3306.98	0.71%	31.71%	6286.93	1.41%
United Arab Emirates	49.38%	14345.69	3.09%	30.78%	22728.58	5.10%
Russian Federation	4.27%	583.26	0.13%	-33.25%	5480.00	1.23%
China, P.R.: Mainland	8.25%	71013.00	15.30%	23.30%	115227.50	25.83%
Korea, Republic of	74.37%	359.46	0.08%	74.37%	14833.24	3.33%
Africa	4.51%	106021.55	22.83%	13.81%	71688.04	16.07%
Emerging and Developing Europe	35.86%	8245.22	1.78%	25.85%	20422.53	4.58%
Australia	-67.23%	1911.12	0.41%	27.10%	2627.97	0.59%
Japan	24.85%	11220.82	2.42%	7.74%	8600.12	1.93%
Germany	42.98%	14181.80	3.05%	27.18%	14556.95	3.26%
United States	4.40%	20421.58	4.40%	29.75%	21063.30	4.72%
European Union	15.18%	106107.65	22.85%	27.23%	90571.59	20.31%
World	11.19%	464420.39	100.00%	23.92%	446026.33	100.00%

Note: Trade between Africa and Hong Kong has experienced a 34.15% increase in exports, and a 7.44% decrease in imports. Mainland China and Hong Kong collectively represent 16.11% of exports from Africa and 26.05% of imports to Africa.  
Source: IMF Direction of Trade Statistics, 2024.

Despite this shift towards non-Western trade relationships, Africa continues to receive substantial aid from its traditional Western partners. Programs like the African Growth and Opportunity Act remain important for many African countries to promote trade with the United States, for example.<sup>12</sup> The G7 countries have also remained the largest donors to Africa's MDB system, as evidenced by the International Development Association (IDA) commitment to send 70% of their contributions to African countries to meet their development needs.<sup>13</sup>

Therefore, Africa is facing a unique tension where trade and aid are now increasingly becoming decoupled. Increasingly, trade partners are demanding political alignment from each other, resulting in friendshoring—the act of moving production and supply chain to allied countries—becoming more commonplace.<sup>14</sup> This creates a new partnership dynamic that African nations must negotiate carefully to avoid conflicts between their economic interests and their political ones. This balancing act has become increasingly noticeable on the world stage, as seen with current debt negotiations.<sup>15</sup> The G20 common framework is designed to ensure that all creditors have equal share of the debt and that debtor countries participate in the debt restructuring in a comparable manner.<sup>16</sup> However, the new common framework built on the traditional Paris Club agreements does not reflect the positions of China and other new donors.<sup>17</sup> This has led to delays in the process.<sup>18</sup>

The key to Africa's ability to navigate this new landscape lies in regional integration. Africa must continue to leverage its political importance to build more beneficial and stable economic partnerships. Africa can increase its economic attractiveness by deepening regional cooperation to create larger markets and more economies of scale and, ultimately, increase Africa's share of the global GDP. There are several areas where Africa can take full advantage of global shifts to reposition itself. These include leveraging its comparative

12 Witney Schneidman and Natalie Dicharry, "AGOA Forum 2024: Insights, Economic Benefits for Africa, and the Road Ahead," *Brookings Institution* (blog), September 5, 2024, <https://www.brookings.edu/articles/agoa-forum-2024-insights-economic-benefits-for-africa-and-the-road-ahead/>.

13 Vera Songwe and Rakan Aboneaaj, "An Ambitious IDA for a Decade of Crisis" (Center for Global Development, 2023), <https://www.jstor.org/stable/resrep58228>; "IDA Impact in Africa," World Bank, accessed January 3, 2025, <https://www.worldbank.org/en/region/afr/brief/ida-impact>.

14 Beata Javorcik et al., *Goeconomic Fragmentation: The Economic Risks from a Fractured World Economy* (Paris: CEPR Press, 2023), <https://cepr.org/publications/books-and-reports/geoeconomic-fragmentation-economic-risks-fractured-world-economy>.

15 Rafael Romeu, "The Emerging Global Debt Crisis and the Role of International Aid," *Center for Strategic and International Studies*, April 18, 2024, <https://www.csis.org/analysis/emerging-global-debt-crisis-and-role-international-aid>.

16 Kristalina Georgieva and Ceyla Pazarbasioglu, "The G20 Common Framework for Debt Treatments Must Be Stepped Up," *IMF* (blog), December 2, 2021, <https://www.imf.org/en/Blogs/Articles/2021/12/02/blog120221the-g20-common-framework-for-debt-treatments-must-be-stepped-up>; Ceyla Pazarbasioglu, "Sovereign Debt Restructuring Process Is Improving Amid Cooperation and Reform," *IMF* (blog), June 26, 2024, <https://www.imf.org/en/Blogs/Articles/2024/06/26/sovereign-debt-restructuring-process-is-improving-amid-cooperation-and-reform>.

17 Abedin et al., "Reforms for a 21<sup>st</sup> Century Global Financial Architecture: Independent Expert Reflections on the United Nations 'Our Common Agenda,'" *Brookings Institution*, April 8, 2024, <https://www.brookings.edu/articles/reforms-for-a-21st-century-global-financial-architecture/>.

18 See Kristalina Georgieva and Ceyla Pazarbasioglu, "The G20 Common Framework for Debt Treatments Must be Stepped Up," *International Monetary Fund* (blog), December 2, 2021, <https://www.imf.org/en/Blogs/Articles/2021/12/02/blog120221the-g20-common-framework-for-debt-treatments-must-be-stepped-up>.

advantage in the green economy,<sup>19</sup> the shifting demographic trends across regions,<sup>20</sup> and the changing influences within the multilateral development system.<sup>21</sup>

## The green economy

Africa has significant potential in untapped carbon markets and renewable energy.<sup>22</sup> The climate crisis provides Africa with the opportunity to build new partnerships around economic transformation based on a sustainable net zero investment agenda. By leveraging its natural resources, the continent can create a sustainable economic future while capitalizing on global demand for green technologies and carbon credits. Rich in rare minerals like lithium and cobalt,<sup>23</sup> Africa should be a key player in climate policy discussions, enhancing its role in the global green tech industry if it builds the right partnerships. By gaining more control over resource extraction and value chains, Africa can secure better trade terms, ensuring it benefits beyond raw material exports. Africa needs to deepen ties with countries leading in this field such as South Korea, China, and the United States.<sup>24</sup>

## Demographic advantage

With a young, growing population, Africa holds a significant demographic advantage. The increasing youth workforce provides an opportunity for Africa to take control of various markets beyond those related to mineral extraction. Inter-African migration is one way to build comparative advantages across African countries, allowing each region to specialize in economic activities that provide them the best economic outcomes. Several agreements have been put in place to allow the free movement of labor across the continent, including the African Union Passport and Free Movement of People,<sup>25</sup> the East African Community Common Market Protocol,<sup>26</sup> the Southern Africa Development Community Treaty,<sup>27</sup> and the

19 Bruce Bylers, Alfonso Medinilla, and Karim Karaki, "Navigating Green Economy and Development Objectives: Opportunities and Risks for African Countries" (Maastricht: The Centre for Africa-Europe relations, March 2023), [efaidnbmnnnibpcajpcglclefindmkaj/https://ecdpm.org/application/files/7116/7930/5470/Navigating-Green-Economy-Development-Objectives-Opportunities-Risks-African-Countries-ECDPM-Discussion-Paper-339-2023.pdf](https://ecdpm.org/application/files/7116/7930/5470/Navigating-Green-Economy-Development-Objectives-Opportunities-Risks-African-Countries-ECDPM-Discussion-Paper-339-2023.pdf).

20 "Shifting Demographics," United Nations, accessed January 3, 2025, <https://www.un.org/en/un75/shifting-demographics>.

21 Daniel F. Runde and Austin Hardman, "Great Power Competition in the Multilateral System," *Center for Strategic & International Studies*, October 23, 2024, <https://www.csis.org/analysis/great-power-competition-multilateral-system>.

22 "Through Its Renewable Energy and Resources Africa Can Export High-Quality Carbon Credits to Generate New Revenue Streams," *United Nations Economic Commission for Africa*, May 9, 2024, <https://www.uneca.org/stories/through-its-renewable-energy-and-resources-africa-can-export-high-quality-carbon-credits-to>.

23 Gracelin Baskaran, "Could Africa Replace China as the World's Source of Rare Earth Elements?," *Brookings Institution* (blog), 2022, <https://www.brookings.edu/articles/could-africa-replace-china-as-the-worlds-source-of-rare-earth-elements/>.

24 McCartney, "US and South Korea Take Steps to Reduce China's Grip on Critical Minerals," *Newsweek*, November 8, 2024, <https://www.newsweek.com/america-south-korea-step-reduce-china-news-grip-critical-minerals-1974152>.

25 "Visa Free Africa," African Union, accessed January 3, 2025, <https://au.int/en/visa-free-africa>.

26 "Working in East Africa," East African Community, accessed January 3, 2025, <https://www.eac.int/working-in-east-africa>.

27 "SADC - Free Movement of Persons," United Nations Economic Commission for Africa, accessed January 3, 2025, <https://archive.uneca.org/pages/sadc-free-movement-persons>.

Economic Community of West Africa States Free Movement of Persons Protocol,<sup>28</sup> among others. In the long run, migration is a source of economic growth for both the recipient and the exporting countries only when it is managed effectively.<sup>29</sup>

While many regional agreements regarding migration and the free movement of people have been developed across the continent, Africa has yet to develop an effective migration policy with nations outside of Africa similar to those between Philippines and the Gulf states or India and the United States.<sup>30</sup> The shifting global demographic landscape in Africa and Europe, and to some extent in Asia, requires that Africa actively manage the migration debate in a way that provides mutual economic benefits.

## Changing global dynamics and influences

There are also many opportunities to embrace new technologies and Artificial Intelligence to accelerate Africa's integration into the global economy, but only if African nations are able to set up a policy environment for the effective and efficient deployment of these technologies. Today Africa has cost, access, and bandwidth issues which severely handicap the development of these technologies.<sup>31</sup> Furthermore, Africa is faced with both political and economic decisions regarding which technologies it adopts. It must also agree on the appropriate regulations to deploy across the continent for data usage, storage, and privacy.<sup>32</sup> Once again, learning from the experience of countries like India,<sup>33</sup> China,<sup>34</sup> South Africa,<sup>35</sup> and South Korea<sup>36</sup> could present Africa with options that allow it to optimize available technology while continuing to build stable global partnerships and strong economies.

Despite the challenging global polycrisis of the last five years, intra-African trade has remained resilient, growing at a rate of 7.2% year-over-year. This growth accounted for 15% of total African trade, totaling \$192 billion in 2023—a miraculous increase from 13.6% in

28 "ECOWAS - Free Movement of Persons," United Nations Economic Commission for Africa, accessed January 3, 2025, <https://archive.uneca.org/pages/ecowas-free-movement-persons>.

29 "Leveraging Economic Migration for Development: A Briefing for the World Bank Board" (Washington, D.C.: World Bank, 2019), <https://documents1.worldbank.org/curated/en/461021574155945177/pdf/Leveraging-Economic-Migration-for-Development-A-Briefing-for-the-World-Bank-Board.pdf>.

30 For more on the Philippine's labor export policy, see Jeremiaah Opiniano and Alvin Ang, "The Philippines' Landmark Labor Export and Development Policy Enters the Next Generation," *Migration Policy Institute*, January 3, 2024, <https://www.migrationpolicy.org/article/philippines-migration-next-generation-ofws>.

31 "Internet Access and Connectivity in Africa," *Diplo Resource* (blog), January 18, 2023, <https://www.diplomacy.edu/resource/report-stronger-digital-voices-from-africa/internet-access-connectivity-africa/>.

32 "Africa Technology Policy Tracker," Carnegie Endowment for International Peace, accessed January 3, 2025, <https://carnegieendowment.org/features/africa-digital-regulations?lang=en>.

33 "The United States, Japan, and South Korea Collaborate to Strengthen India's Digital Infrastructure," Digital Watch Observatory, October 29, 2024, <https://dig.watch/updates/the-united-states-japan-and-south-korea-collaborate-to-strengthen-indias-digital-infrastructure>.

34 Rah Pandey, "China Is Dominating the Race for Generative AI Patents," *The Diplomat* (blog), December 31, 2024, <https://thediplomat.com/2025/01/china-is-dominating-the-race-for-generative-ai-patents/>.

35 "South Africa - Digital Economy," International Trade Association, September 19, 2024, <https://www.trade.gov/country-commercial-guides/south-africa-digital-economy>.

36 Chevas Balloun, "Inside South Korea's Thriving Tech Hub: Startups and Success Stories," *Nucamp* (blog), December 24, 2024, <https://www.nucamp.co/blog/coding-bootcamp-south-korea-kor-inside-south-koreas-thriving-tech-hub-startups-and-success-stories>.

**As Africa seeks to redefine its global partnerships, it must be able to do so without compromising its access to cheaper, long-term, concessional capital from MDBs.**

2022.<sup>37</sup> Resilience built during the COVID-19 crisis could serve as a launch pad for faster and more accelerated integration into global supply chains. These trends should be protected and policies developed to leverage them. The ratification by more countries of the African Union Protocol on Free Movement of Persons, Goods, and Enterprises and the Open Skies legislation are important steps in this direction.<sup>38</sup>

However, as Africa seeks to redefine its global partnerships, it must be able to do so without compromising its access to cheaper, long-term, concessional capital from MDBs. This will require successfully changing the partnership structures of the Bretton Woods institutions. The voting rights systems in these institutions continue to mirror old political alliances and economic realities, with many European countries having an outsized voice compared to those from the Global South. Efforts at the International Monetary Fund and World Bank Group to change the system have been slow and not yet yielded the intended results because of the complex external environment.<sup>39</sup>

Strategic global partnerships can help Africa meet the key priorities of building up the private sector and accelerating sustainable and inclusive growth. A growing number of regional partnerships provides a promising avenue for African countries to leverage their comparative advantages, creating strong economic growth and development. Traditional intergovernmental organizations and multilateral partnerships must adapt to the needs and maturing influence of Africa for the betterment of the world.

37 Isaac Khisa, "Intra-African Trade Values Hit US\$192 Billion," *The Independent*, June 18, 2024, <https://www.independent.co.ug/intra-african-trade-values-hit-us192-billion/>.

38 "Visa Free Africa"; "Open Skies Agreements," United States Department of State, accessed January 3, 2025, <https://2009-2017.state.gov/e/eb/tra/ata/index.htm>.

39 Amin Mohseni-Cheraghloou, "Inequality Starts at the Top: Voting Reforms in Bretton Woods Institutions," *Atlantic Council* (blog), April 12, 2022, <https://www.atlanticcouncil.org/blogs/econographics/inequality-starts-at-the-top-voting-reforms-in-bretton-woods-institutions/>.

# Upskilling UN capacities and breaking the cycle of dependence

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**The main challenge in achieving the Sustainable Development Goals is the outdated business model of international development structures.**

Five years ahead of the target set for the 2030 Agenda for Sustainable Development, we are not yet on track. At the SDG Summit, the United Nations Secretary-General called for “a global rescue plan.”<sup>1</sup> Subsequently, he started putting forward specific proposals to address the bottlenecks preventing progress in implementation. However, the necessary measures to bring about transformative change are yet to be adopted.

As the United Nations Secretary-General has underscored before, the main challenge in achieving the Sustainable Development Goals is the outdated business model of international development structures.<sup>2</sup> From the configuration of the international financial architecture to the approach to development cooperation, the world continues to operate as it did 80 years ago. The current challenges in implementing Agenda 2030 are a direct result of this mismatch.<sup>3</sup> If the world is to reach the Sustainable Development Goals (SDGs) by the set deadline, urgent action is needed at three different levels to make this business model fit for purpose.

First, international frameworks need to be restructured to recognize the changes of the past 80 years. When the United Nations and the international financial institutions were established, after World War II, Africa was still subject to colonial rule. As a result, it was denied representation. Even if African countries gained independence more than 50 years ago, international institutions continue to function as if they were still colonies.<sup>4</sup> They have been given testimonial seats at the table, but no real distribution of power has been undertaken to acknowledge their entitlement to a voice in the geopolitical arena as any sovereign state.<sup>5</sup> This is indispensable to ensure that African countries don't have to approach international financial institutions as “beggars” looking for charity, but rather they are able to leverage them as one of the tools that sovereign governments have to address their financial needs.<sup>6</sup> The SDG Stimulus provides a clear roadmap on how to address the short-term financing needs of African countries while at the same time addressing long-term structural issues of the financial architecture.<sup>7</sup>

1 “UN Secretary-General's Report Outlines Rescue Plan for People and Planet,” *SDG Knowledge Hub* (blog), accessed December 11, 2024, <https://sdg.iisd.org/news/un-secretary-generals-report-outlines-rescue-plan-for-people-and-planet/>.

2 Felipe Antunes de Oliveira, “Development for Whom? Beyond the Developed/Underdeveloped Dichotomy,” *Journal of International Relations and Development* 23, no. 4 (December 1, 2020): 924–46, <https://doi.org/10.1057/s41268-019-00173-9>.

3 “Transforming Our World: The 2030 Agenda for Sustainable Development,” United Nations (New York: United Nations, 2015), <https://sdgs.un.org/2030agenda>.

4 Imrana Alhaji Buba, “Aid, Intervention, and Neocolonial ‘Development’ in Africa,” *Journal of Intervention and Statebuilding* 13, no. 1 (January 2019): 131–38, <https://doi.org/10.1080/17502977.2018.1470136>.

5 Rama Yade, “What Would It Mean for Africa to Have Two Permanent UN Security Council Seats?,” *Atlantic Council* (blog), September 23, 2024, <https://www.atlanticcouncil.org/blogs/new-atlanticist/what-would-it-mean-for-africa-to-have-two-permanent-un-security-council-seats/>.

6 “IMF Expands Executive Board with Addition of 25th Chair,” *IMF*, November 1, 2024, <https://www.imf.org/en/News/Articles/2024/11/01/pr-24403-imf-expands-executive-board-with-addition-of-25th-chair>.

7 “SDG Stimulus,” United Nations, accessed December 11, 2024, <https://www.un.org/en/sdg-stimulus>.

Second, development cooperation cannot continue to be approached as an economic market in which African countries need to find partners who are interested in investing in their development priorities. Respecting African countries' ownership over their national development paths implies shifting from a zero-sum approach to a win-win approach where a middle ground is built based on all parties' interests and aspirations. It also involves defining a joint agenda to build strong institutions and country systems so that African countries cannot only lead national development efforts, but actually break their dependence on international support. The last three reports of the United Nations Secretary-General on Africa's development propose a clear strategy to address this challenge building on the primacy of domestic resource mobilization and national institutions.<sup>8</sup>

Third, we must move from a project approach and a short-term focus to a policy approach that maximizes the potential of the United Nations as the greatest knowledge hub in the world. The United Nations has the opportunity to increase the efficiency of official development assistance by promoting its utilization for long-term impact actions such as the strengthening of institutional capacities and the development of strategic policy frameworks. The United Nations 2.0 proposed by the Secretary-General is an ambitious but necessary plan to upskill the United Nations' capacity and ensure we can provide such support and break the cycle of dependence.<sup>9</sup>

Let us rally together behind this transformative agenda.

8 "Unpacking Africa's Debt: Towards a Lasting and Durable Solution" (New York: United Nations, 2024), <https://doi.org/10.18356/9789211069655>; "Solving Pradoxes of Africa's Development: Financing, Energy and Food Systems" (New York: United Nations, 2023), <https://www.un.org/osaa/content/solving-paradoxes-africas-development-financing-energy-and-food-systems>; "Financing for Development in the Era of COVID-19: The Primacy of Domestic Resource Mobilization," New Partnership for Africa's Development: Nineteenth Consolidated Progress Report on Implementation and International Support (New York: United Nations, 2022), <https://www.un.org/osaa/content/financing-development-era-covid-19-primacy-domestic-resources-mobilization>.

9 "United Nations | UN 2.0," United Nations, accessed December 11, 2024, <https://www.un.org/two-zero/en>.

# South Africa's G20 presidency: A vital opportunity for global unity and sustainable progress

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As South Africa chairs the first G20 meeting on African soil, we stand at a pivotal crossroads. The current global landscape, marked by multifaceted challenges—from crippling poverty and economic instability to the existential threat of climate change—demands a united front.<sup>2</sup> South Africa's presidency provides a unique opportunity for African voices to be heard and their ideas implemented. To achieve this, it is imperative that the continent aligns its priorities and provides innovative solutions to global challenges.

In his first address to the G20 as president, in November of last year, President Cyril Ramaphosa spoke on the need for collaboration between the public and private sectors across the globe, as these global challenges cannot be faced alone. Public-private partnerships are necessary in our interconnected world. They provide opportunities to improve upon research, innovation, and implementation across a vast array of sectors.<sup>3</sup> Global interconnectedness, when leveraged properly, can lift all nations. South Africa has long emphasized the need for multilateralism<sup>4</sup>—strong multilateral institutions are better equipped to address global challenges than any one nation.<sup>5</sup>

In the spirit of exercising international cooperation to solve global issues, three new G20 task forces have been proposed by South Africa—focused on inclusive economic growth, food security, as well as artificial intelligence, data governance, and innovation for sustainable development.<sup>6</sup> These three issues are integral to diminishing inequalities and protecting the world's citizens while creating resiliency across economies. These three task forces will be entrusted with finding actionable initiatives that can foster sustainable development.

1 We extend our gratitude to Nichole Grossman, Research Analyst at Brookings Africa Growth Initiative, for her outstanding research and editorial support.

2 "Poverty: Overview," World Bank, accessed December 16, 2024, <https://www.worldbank.org/en/topic/poverty/overview>; Indermit Gill and Ayhan Kose, "5 Major Risks Confronting the Global Economy in 2024," *Brookings Institution* (blog), January 17, 2024, <https://www.brookings.edu/articles/5-risks-global-economy-2024/>; "Climate Change," United Nations, accessed December 16, 2024, <https://www.un.org/en/global-issues/climate-change>.

3 Nimesha Sahani Jayasena et al., "Applicability of Public-Private Partnerships in Smart Infrastructure Development: The Case of Hong Kong," *International Journal of Construction Management* 23, no. 11 (August 18, 2023): 1932–44, <https://doi.org/10.1080/15623599.2022.2027076>; Stuart J. Smyth, Steven R. Webb, and Peter W.B. Phillips, "The Role of Public-Private Partnerships in Improving Global Food Security," *Global Food Security* 31 (December 2021), <https://doi.org/10.1016/j.gfs.2021.100588>.

4 Eduard Jordaán, "South Africa, Multilateralism and the Global Politics of Development," *The European Journal of Development Research* 24 (February 23, 2012): 283–99, <https://doi.org/10.1057/ejdr.2012.4>.

5 Cyril Ramaphosa, "Remarks by President Cyril Ramaphosa at the G20 Closing and Handover Ceremony of the G20 Leaders' Summit, Rio De Janeiro, Brazil" (Rio de Janeiro, Brazil, November 19, 2024), <https://www.thepresidency.gov.za/remarks-president-cyril-ramaphosa-g20-closing-and-handover-ceremony-g20-leaders-summit-rio-de>.

6 "G20 Presidency to Establish Three Dedicated Task Forces – G20 South Africa," *G20*, December 3, 2024, <https://g20.org/news/g20-presidency-to-establish-three-dedicated-task-forces/>.

Brazil's successful G20 presidency has served as an inspiration for South Africa's leadership.<sup>7</sup> As we reflect on the G20's achievements over the past 20 years, this is our opportunity to repurpose past lessons into concrete strategies for the future. One such lesson is the need for improved resolutions to the burden of debt on economic growth.<sup>8</sup> As a representative of the African continent, South Africa is acutely aware of the economic depression that has resulted from the enormous debt held by countries across the Global South.<sup>9</sup> To address this concern, South Africa has proposed a Cost of Capital Commission to "deliver a comprehensive expert review on the issues impacting the cost of capital for developing economies which could help address future debt sustainability issues and related fiscal space challenges."<sup>10</sup>

A substantial proportion of debt held by African countries, and those across the Global South more generally, is held by private institutions and multilateral organizations.<sup>11</sup> For this reason, any proposed solution to the debt burden will require institutional reform to be successful.<sup>12</sup> The economic shocks of the last five years continue to reverberate in African economies. COVID-19,<sup>13</sup> increased insecurity,<sup>14</sup> and inflation have left many African countries struggling to support their citizens.<sup>15</sup> Institutional reform that incorporates the needs and concerns of those most affected by debt and including civil society groups, is necessary to address global inequalities effectively with the potential for long-term positive impact. In our G20 presidency, South Africa will seek to elevate marginalized voices through the G20 Social Forum and encourage these voices to be incorporated into any future policy decisions.

**By prioritizing economic empowerment and sustainability, we hope South Africa can set a precedent for future G20 meetings, ultimately reinforcing a narrative of hope, resilience, and collective action.**

Finally, we see South Africa's presidency as an opportunity to amplify the African Union's Agenda 2063.<sup>16</sup> As with Agenda 2063, the G20 must bring together diverse stakeholders—public officials, civil society groups, academics, private for-profit businesses, and citizens—to create institutional priorities and policies that benefit us all. By prioritizing economic empowerment and sustainability, we hope South Africa can set a precedent for future G20 meetings, ultimately reinforcing a narrative of hope, resilience, and collective action.

7 Hung Tran, "Brazil's Approach to the G20: Leading by Example," *Atlantic Council* (blog), April 12, 2024, <https://www.atlanticcouncil.org/blogs/econographics/brazils-approach-to-the-g20-leading-by-example/>.

8 "South Africa: Managing Africa's Debt Burden to Spur Development," *MENA Report*, November 4, 2022, sec. Banking And Finance, <https://www.proquest.com/docview/2732407417/citation/82488F56B8FE43E7PQ/1>.

9 "Africa's Debt Burden Eroding Funds for Sustainable Development in LDCs," *AllAfrica.Com*, December 23, 2024, <https://www.proquest.com/docview/3148674257/citation/A3DBF5BCB134319PQ/1>.

10 "G20 Presidency," G20 South Africa 2025, accessed January 7, 2025, <https://g20.org/g20-south-africa/g20-presidency/>.

11 David McNair, "How South Africa Can Use Its G20 Presidency to Reduce the Cost of Developing Countries' Debt," *Carnegie Endowment for International Peace* (blog), December 13, 2024, <https://carnegieendowment.org/emissary/2024/12/debt-cost-of-capital-commission-south-africa-g20?lang=en>.

12 Ramaphosa, "Remarks by President Cyril Ramaphosa at the G20 Closing and Handover Ceremony of the G20 Leaders' Summit, Rio De Janeiro, Brazil."

13 C. Anyanwu and Adeleke O. Salami, "The Impact of COVID-19 on African Economies: An Introduction," *African Development Review* 33, no. Suppl 1 (April 2021): S1–16, <https://doi.org/10.1111/1467-8268.12531>.

14 John Adams Williams, Mabel Chioma Onyedinefu, and Ajala Ebenezer Olorunsogo, "The Impact of Insecurity on Socio-Economic Development in Nigeria," *Arts and Social Science Research* 13, no. 2 (December 31, 2023): 223–46, <https://fassjassr.com.ng/index.php/assr/article/view/115>.

15 Shelter Thelile Nene, Kehinde Damilola Ilesanmi, and Mashapa Sekome, "The Effect of Inflation Targeting (IT) Policy on the Inflation Uncertainty and Economic Growth in Selected African and European Countries," *Economies* 10, no. 2 (February 2022): 37, <https://doi.org/10.3390/economies10020037>; Anh D.M. Nguyen et al., "On the Drivers of Inflation in sub-Saharan Africa," *International Economics* 151 (October 2017): 71–84, <https://doi.org/10.1016/j.inteco.2017.04.002>.

16 "Agenda 2063: The Africa We Want," a African Union, ccessed December 10, 2024, <https://au.int/en/agenda2063/overview>.

# The Atlantic Ocean: A new frontier for global cooperation and African growth

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In an increasingly fragmented world grappling with common challenges such as the global climate crisis, the Atlantic Ocean can be leveraged for Africa's climate action, continental integration, contribution to the provision of global public goods, development, improved participation to the global economy, international cooperation, and peace and security.

The global context in which this opportunity should be seized is two-pronged.

On the one hand, in recent years, geopolitical conflict has blocked multilateral institutions,<sup>1</sup> fueled military expenditures,<sup>2</sup> increased barriers to investment and trade restrictions,<sup>3</sup> and led to a surge in violent deaths and forced displacement.<sup>4</sup> It is against this backdrop that internationalized civil wars in the Great Lakes,<sup>5</sup> Horn,<sup>6</sup> and Sahel regions,<sup>7</sup> the effects of which have often been compounded by climate change, have claimed hundreds of thousands of African lives and displaced millions.<sup>8</sup> Geo-economic fragmentation driven by heightened competition over global influence, technology, and manufacturing jobs and value added adds another layer of complexity.<sup>9</sup> For instance, the disruption of global value chains triggered by the COVID-19 pandemic and the Russia-Ukraine war increased the number of people

- 1 "There Are 'Alarming Signs Multilateralism Has Run Out of Steam', First Committee Hears as General Debate Enters Second Week" (New York: United Nations, October 14, 2024), <https://press.un.org/en/2024/gadis3740.doc.htm>.
- 2 "Global Military Spending Surges amid War, Rising Tensions and Insecurity," *SIPRI*, April 22, 2024, <https://www.sipri.org/media/press-release/2024/global-military-spending-surges-amid-war-rising-tensions-and-insecurity>.
- 3 Pinelopi K. Goldberg and Tristan Reed, "Growing Threats to Global Trade," *IMF* (blog), June 2023, <https://www.imf.org/en/Publications/fandd/issues/2023/06/growing-threats-to-global-trade-goldberg-reed>.
- 4 "A Year of Turmoil: Conflicts, Crises and Displacement in 2024," UNHCR, accessed January 2, 2025, <https://www.unhcr.org/news/stories/year-turmoil-conflicts-crises-and-displacement-2024>; Abbey Steele, Stephanie Schwartz, and Adam Lichtenheld, "The Politics of Forced Displacement and How States Respond," *Researching Internal Displacement*, April 11, 2024, [https://researchinginternaldisplacement.org/short\\_pieces/the-politics-of-forced-displacement-and-how-states-respond/](https://researchinginternaldisplacement.org/short_pieces/the-politics-of-forced-displacement-and-how-states-respond/).
- 5 "Conflict Watchlist 2025: Great Lakes," *ACLEDA* (blog), accessed January 2, 2025, <https://acleddata.com/conflict-watchlist-2025/great-lakes/>.
- 6 James Goddard, "Tensions in the Horn of Africa," *House of Lords Library*, October 24, 2024, <https://lordslibrary.parliament.uk/tensions-in-the-horn-of-africa/>.
- 7 "Conflict Watchlist 2025: Sahel and Coastal West Africa," *ACLEDA* (blog), accessed January 2, 2025, <https://acleddata.com/conflict-watchlist-2025/sahel-and-coastal-west-africa/>.
- 8 Marwan Safar Jalani, "Watchlist Insight: Climate and Humanitarian Crisis in the Central Sahel" (New York: International Rescue Committee, June 5, 2023), <https://www.rescue.org/report/watchlist-insight-climate-and-humanitarian-crisis-central-sahel>; "Unprecedented Crisis in West Africa: Nearly 9 Million Displaced by Conflict and Climate Change, Warns IRC on World Refugee Day," *International Rescue Committee*, June 20, 2024, <https://www.rescue.org/press-release/unprecedented-crisis-west-africa-nearly-9-million-displaced-conflict-and-climate>.
- 9 Brian Sostak, "Strategic Foresight Analysis Topics: Geoeconomic Trends Shaping the Future Global Landscape," *NATO's ACT* (blog), January 5, 2024, <https://www.act.nato.int/article/sfa-topics-geoeconomic-trends-shaping-future-global-landscape/>.

suffering from acute food insecurity in sub-Saharan Africa by 40 million in 2020-22 alone,<sup>10</sup> giving an indication of Africa's vulnerability to trade imbalances.

On the other hand, nations have also demonstrated increased appetites for entering agreements with each other. Minilateralism and multi-alignment are becoming commonplace.<sup>11</sup> New international coalitions, groupings, fora, and organizations have blossomed on topics such as biodiversity,<sup>12</sup> clean energy,<sup>13</sup> economic cooperation,<sup>14</sup> food security,<sup>15</sup> and technology.<sup>16</sup> In the face of global challenges, the contribution of nations to global initiatives aiming at the delivery of global public goods is an increasingly important aspect of policymaking and smart power.<sup>17</sup>

Oceans provide a fertile ground for global cooperation. [They] are the main conduit of global trade—90% of traded goods worldwide are shipped by sea.

In this context, oceans provide a fertile ground for global cooperation. Oceans are the main conduit of global trade—90% of traded goods worldwide are shipped by sea.<sup>18</sup> Furthermore, oceans remain a largely untapped source of climate action, as they serve as “our planet’s largest carbon sink, absorbing 25% of all carbon dioxide emissions and a staggering 90% of the excess heat generated by a warming atmosphere.”<sup>19</sup>

10 Marijn A. Bolhuis et al., “How Vulnerable Is sub-Saharan Africa to Geoeconomic Fragmentation?,” Working Paper, No. 2024/083 (Washington, D.C.: International Monetary Fund, April 5, 2024), <https://www.imf.org/en/Publications/WP/Issues/2024/04/05/How-Vulnerable-is-Sub-Saharan-Africa-to-Geoeconomic-Fragmentation-546346>.

11 Yirga Abebe Damtie, “From Multilateralism to Minilateralism: Regional Cooperation Trends in the Horn of Africa,” *Africa Up Close - Wilson Center* (blog), January 14, 2025, <https://www.wilsoncenter.org/blog-post/multilateralism-minilateralism-regional-cooperation-trends-horn-africa>; Chris Humphrey, “Minilateral’ Development Banks: What the Rise of Africa’s Trade and Development Bank Says about Multilateral Governance,” *Development and Change* 50, no. 1 (2019): 164–90, <https://doi.org/10.1111/dech.12467>.

12 “About,” Africa Biodiversity Collaborative Group (ABCG), accessed January 2, 2025, <https://abcg.org/about/>; “International Biodiversity Coalition,” Climate Chance, accessed January 2, 2025, <https://www.climate-chance.org/en/get-involved/international-biodiversity-coalition/>; “About.”

13 “Africa,” International Renewable Energy Agency, accessed January 2, 2025, <https://www.irena.org/How-we-work/Africa>.

14 “Ideas for a Prosperous Africa,” accessed January 2, 2025, UNECA, <https://www.uneca.org/>; “Cooperation with Subregional, Regional and International Organizations,” United Nations Regional Office for Central Africa, accessed January 2, 2025, <https://unoca.unmissions.org/en/cooperation-subregional-regional-and-international-organizations>.

15 “Africa - Regional Overview of Food Security and Nutrition 2023: Statistics and Trends” (Accra, Ghana: Food and Agriculture Organization of the United Nations, 2023), <https://openknowledge.fao.org/items/0db03746-74e1-4b78-9508-70b9f661859c>.

16 “Science and Technology Division,” African Union, accessed January 2, 2025, <https://au.int/en/st-division>; “African Technology Foundation,” African Technology Foundation, accessed January 2, 2025, <https://africantechologyfoundation.org/>; “Coalition on Science, Technology, and Innovation for Africa’s Development,” United Nations Department of Economic and Social Affairs, accessed January 2, 2025, <https://sdgs.un.org/tfm/Africa>.

17 What has been called the “New South” is composed of nations of the Global South that are in the process of developing, or have demonstrated, the ability to astutely and pragmatically navigate the challenges, constraints and pressures of an increasingly complex world system. See Karim El Aynaoui and Hinh T. Dinh. “Economic Development of the New South After the Washington Consensus,” *Groupe d’études géopolitiques*, December 2024, <https://geopolitique.eu/en/2024/12/18/navigating-todays-complex-economic-policy-triangle-a-view-from-the-south-en/>

18 Spencer Feingold and Andrea Willige, “These Are the World’s Most Vital Waterways for Global Trade,” *World Economic Forum*, February 15, 2024. Retrieved from: <https://www.weforum.org/stories/2024/02/worlds-busiest-ocean-shipping-routes-trade/>

19 Ilana Seid, “The World Needs Ocean-Based Climate Solutions,” *Project Syndicate*, December 19, 2024, <https://www.project-syndicate.org/commentary/ocean-based-solutions-should-be-central-to-ndcs-and-climate-finance-by-ilana-seid-2024-12>

For nations bordering the Atlantic, the Ocean offers immense opportunities. Unlike the competitive Indo-Pacific, the Atlantic remains relatively peaceful, preserved from competition over hegemony, and primed for cooperative ventures among its coastal states.<sup>20</sup> Benefiting from the presence of the U.S. and of its main partner, Europe, the Atlantic can be leveraged to advance an agenda focused on sustainable development through pacified dialogue between all states bordering the Ocean. It could provide the basis for partnerships aiming at integration through investment and trade between all these nations, thus taming and partially reversing the fragmentation witnessed globally.

The Atlantic is already home to multiple frameworks that can be mobilized. In 1986 and under Brazil's leadership, the Zone of Peace and Cooperation of the South Atlantic (ZOPACAS) was established, creating a nuclear weapon-free zone of dialogue, peace, and security between its 24 member states in Africa and South America.<sup>21</sup> More recently, the Partnership for Atlantic Cooperation was launched in September 2023 at the initiative of the U.S.<sup>22</sup> As of September 2024, the Partnership had 42 member states across Africa, Europe, North America, South America, and the Caribbean.<sup>23</sup> It lies on three pillars, namely: "1) a sustainable blue economy, 2) science capacity building and exchange, and 3) ocean-based food security."<sup>24</sup> The Atlantic Centre, a multilateral center of excellence supported by 23 countries which seeks to produce knowledge, foster political dialogue, and build maritime security-related capacity among Atlantic states, provides another example of all-Atlantic cooperation.<sup>25</sup>

A number of Atlantic-related initiatives have also emerged in Africa. The Atlantic region is "home to 46% of Africa's population, 55% of Africa's GDP and 57% of continental trade."<sup>26</sup> To harness the ocean's potential, the Atlantic African States Process was launched in Rabat in 2009 and has held a number of ministerial meetings since 2022.<sup>27</sup> In another example, in 2016, the heads of state of Morocco and Nigeria officially announced the construction

20 Youssef Tobi, "The New Security Dynamics of the Atlantic Basin and the Way Forward for a Pan-Atlantic Approach," *Policy Center for the New South*, October 6, 2022, <https://www.policycenter.ma/publications/new-security-dynamics-atlantic-basin-and-way-forward-pan-atlantic-approach>.

21 Antonio de Aguiar Patriota, "ZOPACAS", Agência Brasileira de Cooperação (Brasília: ABC).

22 "FACT SHEET: 32 Countries Launch the Partnership for Atlantic Cooperation", (Washington, D.C.: The White House, 2023), <https://www.whitehouse.gov/briefing-room/statements-releases/2023/09/18/fact-sheet-32-countries-launch-the-partnership-for-atlantic-cooperation/>

23 "Atlantic Cooperation," *United States Department of State* (blog), accessed January 2, 2025, <https://www.state.gov/atlantic-cooperation/>.

24 "FACT SHEET: Partnership for Atlantic Cooperation Ministerial", (Washington, D.C. The White House, 2024), <https://www.whitehouse.gov/briefing-room/statements-releases/2024/09/23/fact-sheet-partnership-for-atlantic-cooperation-ministerial/>

25 Like Spain and France, Portugal offers a good example of a (Southern) European country with a deeply rooted and long-standing vision directed toward Africa and the Atlantic (ocean waters and cooperation with the U.S. and Latin America and the Caribbean). The three countries have been particularly active in global initiatives aiming at strengthening global cooperation in topics such as the development/security nexus, financing for development, and ocean governance, among others.

26 "Rabat Process Member States Laud Morocco's Initiative, Leadership." *Atlantic*, September 25, 2024, <https://www.mapnews.ma/en/actualites/world/atlantic-rabat-process-member-states-laud-morocco%E2%80%99s-initiative-leadership>

27 "Statement: Rabat Hosts the 3rd Ministerial Meeting of the Atlantic African States Process," *African Business*, July 12, 2023, <https://african.business/2023/07/apo-newsfeed/statement-rabat-hosts-the-3rd-ministerial-meeting-of-the-atlantic-african-states-process>.

of a Nigeria-Morocco gas pipeline,<sup>28</sup> a planned \$25-billion, 7,000 km pipeline that would connect 13 states in Northwest Africa and reach Europe.<sup>29</sup> Cross-continental initiatives connecting non-riparian African nations to the Atlantic have also been recently undertaken. These include the Zambia-DRC-Angola Lobito Corridor, which was officially endorsed by the European Union and the U.S. on the margins of the G20 Summit in September 2023 as part of the G7 Partnership for Global Infrastructure and Investment.<sup>30</sup> In November 2023, King Mohammed VI of Morocco announced an international initiative to “enable the Sahel countries to have access to the Atlantic Ocean” by making Morocco’s infrastructure available to landlocked countries including ports, roads, and railways.<sup>31</sup> The Atlantic can thus serve as a platform to foster connectivity and solidarity between coastal, hinterland, and landlocked areas in Africa.<sup>32</sup> Investments in economic corridors, energy linkages, and logistical hubs could enhance continental integration, enabling dialogue to ultimately build resilient continental and regional ecosystems and contribute to the successful implementation of the African Continental Free Trade Area through deepened cooperation across the African Union’s Regional Economic Communities.<sup>33</sup>

Beyond Africa and around the Atlantic Basin, a series of flagship initiatives and projects could be supported in different sectors:

- In academia, exchange programs for scientists and students (including in economics and social sciences) and between academic and research institutions across the Atlantic Basin could be encouraged.
- In agriculture, the sharing of good practices, technical cooperation, and increased technology flows can boost tropical agriculture output and strengthen food security.
- In the blue economy, working on the creation of a joint blue finance facility for riparian states could foster ocean-based food security, finance ocean science, improve ocean governance, preserve ecosystems and livelihoods, protect the environment, and provide a suitable response to climate-related challenges, particularly in developing nations.

28 Also called the African Atlantic Pipeline Project; “Visite officielle de Sa Majesté le Roi Mohammed VI au Nigeria,” (Rabat: Royaume du Maroc, 2016), <https://www.maroc.ma/fr/actualites/visite-officielle-de-sa-majeste-le-roi-mohammed-vi-au-nigeria>

29 In Northwest Atlantic Africa, promising discoveries of oil and gas have notably been made in recent years in Côte d’Ivoire, Mauritania, and Senegal. See Francis Perrin. “Afrique : Trois Grands Projets Pétroliers Progressent en Vue d’une Mise en Production dans les Prochaines Années.” (Rabat: Policy Center for the New South, December 24, 2021), <https://www.policycenter.ma/opinion/afrique-trois-grands-projets-petroliers-progressent-en-vue-d-une-mise-en-production-dans-les>

30 European Commission, “Connecting the Democratic Republic of the Congo, Zambia, and Angola to Global Markets through the Lobito Corridor”, (Brussels: European Commission, 2023), [https://international-partnerships.ec.europa.eu/policies/global-gateway/connecting-democratic-republic-congo-zambia-and-angola-global-markets-through-lobito-corridor\\_en](https://international-partnerships.ec.europa.eu/policies/global-gateway/connecting-democratic-republic-congo-zambia-and-angola-global-markets-through-lobito-corridor_en)

31 Abdelhak Bassou and Rama Yade. “Behind Morocco’s bid to unlock the Sahel”, (Washington, D.C.: Atlantic Council, 2024), <https://www.atlanticcouncil.org/blogs/africasource/behind-moroccos-bid-to-unlock-the-sahel/>

32 As noted by Amine Ghouli and Rida Lyammouri, “[The] vast expanse of landlocked nations, including Mali, Niger, Burkina Faso, and Chad, faces significant barriers to global market integration. Geographic isolation, with distances spanning hundreds of kilometers from the nearest seaports, drives logistics costs to 30-40% of import values, severely undermining economic competitiveness and stifling development prospects”; Amine Ghouli and Rida Lyammouri, “Morocco’s Atlantic Initiative: A Catalyst for Sahel-Saharan Integration.” (Rabat: Policy Center for the New South, December 10, 2024), <https://www.policycenter.ma/publications/moroccos-atlantic-initiative-catalyst-sahel-saharan-integration>

33 Seven out of the eight Regional Economic Communities recognized by the African Union border the Atlantic Ocean.

- In network infrastructure, projects such as the Nigeria-Morocco Gas Pipeline, underwritten by numerous nations, can boost regional integration through commonly managed physical networks and have positive, dynamic effects on development.
- In manufacturing, a stronger policy dialogue could take place between African and Latin American countries, which should jointly explore ways to leverage complementary strengths in commodity production and foster cross-Atlantic value chains in value-added industries, thus enabling industrial transformation and allowing countries to move up the global value chain by leveraging their own human and mineral capital and the natural, open, and vast infrastructure provided by the Ocean.
- Overall, measures should be taken to stimulate investment, and reforms should be pursued to ensure a level playing field that jointly improves the business climate for private sector companies operating or wishing to expand their activities on all shores of the Atlantic.

Irrespective of protective measures adopted by advanced economies, the Atlantic will remain a major source of livelihood for Africa and a space to be leveraged to build bridges with all Atlantic continents.<sup>34</sup>

The Atlantic should receive more collective attention in Africa. It can transform into a shared, strategic space of cooperation, prosperity, and security benefitting all riparian states and beyond, with the active involvement of the civil societies, governments, and private sectors of a quadri-continental Atlantic community in the making.<sup>35</sup>

34 These notably include South America and Europe, where the European Union and the Mercosur trading block have recently signed a free trade agreement. See Federico Steinberg, "What Are the Implications of the EU–Mercosur Free Trade Agreement? Critical Questions," *Center for Strategic & International Studies*, December 6, 2024, <https://www.csis.org/analysis/what-are-implications-eu-mercosur-free-trade-agreement>

35 In association with its many partners amid global think tanks, and through the Atlantic Dialogues annual conference, the Atlantic Dialogues Emerging Leaders Program, the Atlantic Currents annual report, and the Atlantic Strategy Group bi-annual meetings, the Policy Center for the New South has been active in supporting cooperation in the Wider Atlantic. It will strive to maintain its efforts to continue to build an analytical infrastructure and a policymaking community that can support better and closer cooperation in the Wider Atlantic.

# Congress, Africa, and Trump: What does the future hold?

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**The African Growth and Opportunity Act... helped to forge a bipartisan consensus in Congress based on the foreign policy rationale that the U.S. has interests in Africa that were worth investing in.**

When the African Growth and Opportunity Act (AGOA) was passed into law under President Bill Clinton in 2000, it did more than elevate trade and investment on the U.S.-Africa policy agenda. It also helped to forge a bipartisan consensus in Congress based on the foreign policy rationale that the U.S. has interests in Africa that were worth investing in. This consensus has endured over the last 24 years and has led to the creation of landmark initiatives such as the George W. Bush administration's President's Emergency Plan for AIDS Relief (PEPFAR) and the passage of the BUILD Act, which President Donald Trump signed into law, creating the U.S. International Development Finance Corporation (DFC). This consensus has also supported approximately \$8 billion in development assistance administered in Africa by the U.S. State Department and the United States Agency for International Development (USAID) between FY2012 and FY2022, in annual inflation-adjusted dollars.<sup>1</sup>

The question is whether the bipartisan consensus will be sustained when the 119th Congress is sworn in and the Trump administration assumes office in January 2025. More immediately, a few pieces of legislation will be key to watch in 2025.

There appears to be broad support for the reauthorization of the Development Finance Corporation (DFC), set to expire on October 6, 2025, as the DFC Modernization and Reauthorization Act of 2024 passed through House Committee on Foreign Affairs in July with a vote of 43-2.<sup>2</sup> In reauthorizing the DFC under the House bill, the agency would be able to operate for another seven years, its contingency liability would be doubled to \$120 billion, and the number of countries where the DFC can invest would be increased.<sup>3</sup> Already in FY2024, the DFC committed a record \$12 billion of investments across 181 deals in 44 countries.<sup>4</sup> Unfortunately, the DFC reauthorization was not attached to the 2024 National Defense Authorization Act, as some had hoped it would be, and will have to be taken up when Congress reconvenes in 2025.<sup>5</sup>

The DFC is likely to play an important role in a Trump administration Africa policy that analysts expect to be transactional and pro-business.<sup>6</sup> Indeed, in the first Trump administration,

1 Tomás F Husted et al., "Sub-Saharan Africa: Overview and U.S. Engagement," *Congressional Research Service*, July 21, 2023, <https://sgp.fas.org/crs/row/R45428.pdf>.

2 "Meeks Celebrates Committee Passage of H.R. 8926 Reauthorizing the DFC," *House Foreign Affairs Committee*, July 11, 2024, sec. Press Releases, <https://democrats-foreignaffairs.house.gov/2024/7/meeks-celebrates-committee-passage-of-h-r-8926-to-modify-and-reauthorize-the-better-utilization-of-investments-leading-to-development-act-of-2018>.

3 Adva Saldinger, "House Committee Approves Bill Extending, Enhancing US DFC," *Devex* (blog), July 12, 2024, <https://www.devex.com/news/sponsored/house-committee-approves-bill-extending-enhancing-us-dfc-107938>.

4 Adva Saldinger, "DFC Has Record Year Following Reorganization, but Needs Reauthorization," *Devex* (blog), October 29, 2024, <https://www.devex.com/news/sponsored/dfc-has-record-year-following-reorganization-but-needs-reauthorization-108628>.

5 Mark Kennedy, "Reauthorizing DFC in Lame Duck Period Avoids Disrupting an Important Foreign Policy Tool," *Wilson Center* (blog), November 20, 2024, <https://www.wilsoncenter.org/article/reauthorizing-dfc-lame-duck-period-avoids-disrupting-important-foreign-policy-tool>.

6 Yinka Adegoke, "Trump's MAGA Insiders Want 'Anti-Woke' Deal-Driven Africa Policies," *SEMAFOR*, November 19, 2024, sec. Africa, <https://www.semafor.com/article/11/19/2024/trumps-maga-insiders-want-anti-woke-africa-policies-deals>.

then-DFC CEO Adam Boehler sought to invest \$5 billion in Morocco (which coincided with Morocco's recognition of Israel as part of the Abraham Accords) and another \$5 billion in Ethiopia.<sup>7</sup> While both targets were unmet, it reflects a strong private sector approach that is likely to reemerge in the incoming administration, which views investments by American entrepreneurs and businesses as drivers of development, job creation, and wealth generation in Africa and the U.S.<sup>8</sup>

Under the second Trump administration, critical minerals are poised to be a key priority, given that President Trump signed the Energy Act of 2020. The act directed the secretary of energy to develop a comprehensive forecast of projected critical mineral requirements for U.S. national security.<sup>9</sup> In December of 2024, U.S. Senators Chris Coons (D-Del) and Todd Young (R-Ind) introduced bipartisan legislation that would strengthen critical minerals supply chains in Africa and elsewhere.<sup>10</sup> As Africa is estimated to hold about 30% of the world's critical minerals, and with the Democratic Republic of the Congo producing 70% of the world's cobalt, initiatives such as the Lobito Corridor project could also receive ongoing support.<sup>11</sup>

A concerted effort was made in December to renew the African Growth and Opportunity Act, which is set to expire in September 2025. In April, Senators James Risch (R-Idaho) and Coons introduced a bipartisan bill that would renew the trade pact for 16 years until 2041.<sup>12</sup> In December, Representative John James (R-Mich) introduced legislation that would extend AGOA for 12 years.<sup>13</sup> Apart from differences over the time frames, the two bills were aligned in their support for an enhanced AGOA. Nevertheless, AGOA was not included in the continuing resolution (CR) which Congressional leaders reached on December 17<sup>14</sup> (and which President-elect Donald Trump opposed), and the African trade legislation will have to be taken up anew in the next Congress.

7 "DFC Visits Morocco to Explore Private Sector Investment," *U.S. International Development Finance Corporation*, January 7, 2021, <https://www.dfc.gov/media/press-releases/dfc-visits-morocco-explore-private-sector-investment>; Alexander Richter, "U.S. International Development Finance Corp. Funding for Ethiopia Could Benefit Geothermal Projects," *ThinkGeoEnergy - Geothermal Energy News*, April 4, 2020, <https://www.thinkgeoenergy.com/u-s-intl-development-finance-corp-funding-for-ethiopia-could-benefit-geothermal-projects/>.

8 Pham, "Africa in the Second Trump Administration," *The Jerusalem Strategic Tribune* (blog), November 2024, <https://jstribune.com/pham-africa-in-the-second-trump-administration/>.

9 "Energy Act of 2020 (Critical Minerals Provisions) – Policies," *IEA*, November 3, 2022, <https://www.iea.org/policies/16065-energy-act-of-2020-critical-minerals-provisions>.

10 "Senators Coons, Young Introduce Legislation to Strengthen Critical Minerals Supply Chains, U.S. Senator Christopher Coons of Delaware," *Chris Coons*, December 10, 2024, <https://www.coons.senate.gov/news/press-releases/senators-coons-young-introduce-legislation-to-strengthen-critical-minerals-supply-chains>.

11 Wenjie Chen, Athene Laws, and Nico Valckx, "Harnessing sub-Saharan Africa's Critical Mineral Wealth," *IMF* (blog), April 29, 2024, <https://www.imf.org/en/News/Articles/2024/04/29/cf-harnessing-sub-saharan-africas-critical-mineral-wealth>; "Cobalt Facts," Government of Canada (Natural Resources Canada, March 9, 2023), <https://natural-resources.canada.ca/minerals-mining/mining-data-statistics-and-analysis/minerals-metals-facts/cobalt-facts/24981>.

12 Makini Brice, "US Senators Introduce Bill to Renew Africa Trade Pact through 2041," *Reuters*, April 11, 2024, <https://agoa.info/news/article/16451-us-senators-will-introduce-bill-to-renew-africa-trade-pact-through-2041.html>.

13 "Rep. James Introduces the AGOA Extension and Enhancement Act of 2024," *Congressman John James*, December 11, 2024, sec. Press Releases, <https://james.house.gov/news/documentsingle.aspx?DocumentID=223>.

14 Jacob Bogage, "Leaders in Congress reach deal to avert government shutdown," *The Washington Post*, December 17, 2024, <https://www.washingtonpost.com/business/2024/12/17/government-shutdown-baltimore-bridge-farms/?ref=biztoc.com>.

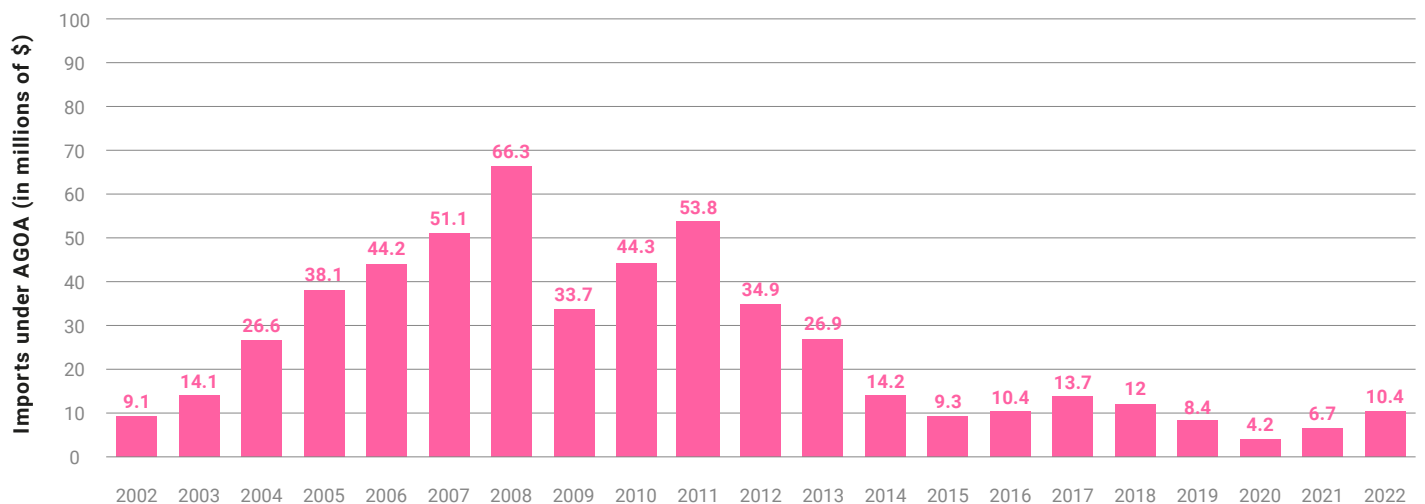
One issue likely to complicate the reauthorization process is South Africa's continued eligibility. Senator Risch, ranking member of the Senate Foreign Relations Committee, has criticized South Africa's "continued actions that subvert U.S. national security and foreign policy interests."<sup>15</sup> Key members of President-elect Trump's nominated national security team, including Senator Marco Rubio (R-Fla) and Representatives Michael Walz (R-Fla), and Elise Stefanik (R-NY) have expressed similar concerns.<sup>16</sup> Members of Congress will have to weigh South Africa's foreign policy actions against the fact that the country is the continent's strongest democracy and most industrial economy, the incoming chair of the G20, and provides nearly 100% of the chromium that the U.S. imports and more than 25% of U.S. requirements for manganese, titanium, and platinum.<sup>17</sup>

In addition to the South Africa issue, organized labor has voiced concerns about the need for stronger labor and environmental protections in a renewed AGOA.<sup>18</sup> Labor's concerns were a factor in AGOA not being included in the December CR.

**FIGURE 40**

### AGOA IMPORTS (2001-2022)

*Imports have continued to decline over the past decade both in real dollars and percent of total imports*



Note: Includes AGOA and GSP goods from AGOA-eligible countries.  
Source: United States Trade Representative Office.

15 "Risch: Biden Admin Is Wrong to Host AGOA Summit in South Africa," *United States Senate Committee on Foreign Relations*, November 2, 2023, <https://www.foreign.senate.gov/press/rep/release/risch-biden-admin-is-wrong-to-host-agoa-summit-in-south-africa>.

16 Pham, "Africa in the Second Trump Administration."

17 Gracelin Baskaran, "Quantifying the Impact of a Loss of South Africa's AGOA Benefits," *Brookings Institution* (blog), January 17, 2024, <https://www.brookings.edu/articles/quantifying-the-impact-of-a-loss-of-south-africas-agoa-benefits/>.

18 Marc L. Busch, "Shifting Focus on Labor and Environmental Standards to Companies Instead of Countries Would Supercharge AGOA," *The Wilson Center*, July 30, 2024, [Shifting Focus on Labor and Environmental Standards to Companies Instead of Countries Would Supercharge AGOA | Wilson Center](https://www.wilsoncenter.org/publication/shifting-focus-on-labor-and-environmental-standards-to-companies-instead-of-countries-would-supercharge-agoa)

**Without effective tools to support U.S. companies, the U.S. risks losing out commercially in the African market to China and the emerging “middle powers.”**

Another challenge for AGOA is whether the preference program is sufficient to enable the U.S. to compete effectively with China in Africa. In 2023, two-way trade between the U.S. and Africa was \$67.5 billion, while China's two-way trade was more than four times as large at \$282.1 billion.<sup>19</sup> Non-oil imports under AGOA have averaged \$4.3 billion between 2018 and 2022, which is just over one-tenth of total U.S. imports from the region.<sup>20</sup>

To bolster the U.S. presence in the African market, Congress could provide tax incentives for U.S. companies to invest in value-added projects, especially in critical minerals, as it did in Section 30D of the Inflation Reduction Act.<sup>21</sup> This would lower the risk and provide incentives for U.S. companies to make the long-term investments required for the U.S. to become competitive in this vital sector.

When AGOA was passed in 2000 and renewed in 2015, key constituencies, including the private sector, governors, mayors, state legislators, and civil society organizations, voiced their support. It is likely that a similar effort will be necessary for AGOA to be renewed in a timely manner. Given that one-quarter of the world's population will be domiciled in Africa in 25 years, and without effective tools to support U.S. companies, the U.S. risks losing out commercially in the African market to China and the emerging “middle powers” that include the UAE, Saudi Arabia, and Turkey.<sup>22</sup>

An existing tool to support U.S. companies is Prosper Africa. Created in the first Trump administration, the initiative has helped to close 1,852 deals valued at \$86 billion over the last four years in 49 countries.<sup>23</sup> However, a prospective problem for Prosper Africa is that it is housed in the U.S. Agency for International Development, and, like all government agencies, is a potential target for budget cuts by the newly announced Department of Government Efficiency led by Elon Musk and Vivek Ramaswamy. Indeed, the Trump administration sought to cut \$4 billion in foreign aid in 2019, but President Trump ultimately sided with the many bipartisan voices in Congress who opposed the cuts.<sup>24</sup> Additionally, in its budget for FY2021, the Trump administration announced a 22% cut to critical foreign assistance programs, which was rejected by the incoming Biden administration.<sup>25</sup>

19 “Trade in Goods with Africa,” accessed December 17, 2024, <https://www.census.gov/foreign-trade/balance/c0013.html>; Nyabiage, “China-Africa Trade Hit US\$282 Billion in 2023 but Africa's Trade Deficit Widens,” *South China Morning Post*, February 1, 2024, sec. News, <https://www.scmp.com/news/china/diplomacy/article/3250552/china-africa-trade-hit-282-billion-2023-africas-trade-deficit-widens-commodity-prices-key-factor>.

20 “Goods Trade between the United States and sub-Saharan Africa” (Washington, D.C.: U.S. International Trade Commission and U.S. Department of Commerce, December 7, 2022), [https://ustr.gov/sites/default/files/2022-12/US%20Trade%20with%20sub-Saharan%20Africa%2012072022\\_0.pdf](https://ustr.gov/sites/default/files/2022-12/US%20Trade%20with%20sub-Saharan%20Africa%2012072022_0.pdf).

21 “Credits for New Clean Vehicles Purchased in 2023 or after,” IRS, accessed December 17, 2024, <https://www.irs.gov/credits-deductions/credits-for-new-clean-vehicles-purchased-in-2023-or-after>.

22 “Middle Power Politics in the Middle East,” Center for International and Regional Studies, Georgetown University Qatar, accessed December 17, 2024, <https://cirs.qatar.georgetown.edu/research/research-initiatives/middle-power-politics-middle-east/>.

23 “Prosper Africa,” Prosper Africa, accessed December 17, 2024, <https://www.prosperafrika.gov/>.

24 Edward Wong, Annie Karni, and Emily Cochrane, “Trump Administration Drops Proposal to Cut Foreign Aid After Intense Debate,” *The New York Times*, August 23, 2019, sec. U.S., <https://www.nytimes.com/2019/08/22/us/politics/trump-foreign-aid.html>.

25 “Trump Administration Announces Devastating Cuts to Foreign Aid,” CARE, accessed December 17, 2024, <https://www.care.org/media-and-press/trump-administration-announces-devastating-cuts-to-u-s-foreign-assistance/>.

To safeguard this increasingly important instrument that promotes U.S. investment on the continent, Congress could reconsider the Prosper Africa Act that was introduced by Representative Michael McCaul in 2022.<sup>26</sup>

PEPFAR is another program that has enjoyed strong bipartisan support since it was first authorized in 2003. It is also one of the most impactful programs the U.S. has ever implemented, providing life-saving medicines to more than 25 million Africans. Nevertheless, there has been a sharp erosion of support among Republicans who claim the program funds “abortion on demand.”<sup>27</sup> There is also a view that PEPFAR has transcended its original intent and that HIV is no longer an emergency, in part because science is on the brink of producing vaccines that will provide total protection against the virus to young women.<sup>28</sup> While the program has been reauthorized for one year through March 25, 2025, uncertainty persists as to whether Congress will vote to refund PEPFAR and, if so, for how long.<sup>29</sup> In leaving PEPFAR unfunded, the U.S. would lose an invaluable instrument of soft power that continues to make a transformative difference in the lives of millions of people on the continent.

As President-elect Trump assumes office once again in January 2025, the decisions made around the reauthorization of the DFC, the extension of AGOA, and whether to fund PEPFAR will serve as important indicators of the Trump administration’s approach to U.S.-Africa relations.

26 Michael T. McCaul, “Prosper Africa Act,” Pub. L. No. H.R.6455, § house - Foreign Affairs; Ways and Means (2022), <https://www.congress.gov/bills/117th-congress/house-bill/6455>.

27 Dan Diamond, “Lifesaving HIV Program Faces a New Threat: U.S. Abortion Politics,” *Washington Post*, July 29, 2023, <https://www.washingtonpost.com/health/2023/07/29/pepfar-aids-hiv-abortion-congress/>.

28 Stephanie Nolen, “New Drug Provides Total Protection From H.I.V. in Trial of Young African Women,” *The New York Times*, June 21, 2024, sec. Health, <https://www.nytimes.com/2024/06/21/health/lenacapavir-hiv-prevention-africa.html>.

29 Kellie Moss and Jennifer Kates, “PEPFAR’s Short-Term Reauthorization Sets an Uncertain Course for Its Long-Term Future,” *KFF* (blog), March 27, 2024, <https://www.kff.org/policy-watch/pepfars-short-term-reauthorization-sets-an-uncertain-course-for-its-long-term-future/>.

# U.S.-China engagement in Africa: A crossroads

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Since the end of the COVID-19 pandemic, China has gradually but steadfastly resumed its economic engagement with Africa.<sup>1</sup> However, this reengagement has taken on new features, the most distinct being the prominence of Chinese investment in acquiring mining and critical mineral assets in Africa. In 2023 alone, the Democratic Republic of the Congo was the site of copper-related projects worth almost \$1 billion,<sup>2</sup> a copper mine in Botswana was purchased for nearly \$2 billion,<sup>3</sup> and other large projects related to metals and mining across the continent totaled \$7.9 billion (including lithium mining in Mali and Zimbabwe).<sup>4</sup> Despite these substantial investments, China continues to evaluate areas in Africa where it could further develop its involvement in the mineral sector. During the 2024 China International Mining Conference, experts discussed new opportunities in Madagascar, Guinea, and Mozambique, where mineral resources including graphite, titanium, nickel, cobalt, and tin reserves are relatively underdeveloped and untapped.<sup>5</sup>

China is increasing the procurement of critical minerals for its own economic green transition, which includes the production of batteries, electric vehicles, and the development of renewable energy systems.<sup>6</sup> As a result, clean energy projects in individual African countries are also being pursued by China, in parallel with its growing mining and critical mineral assets. In 2023, \$290 million worth of Chinese loans were used for green-energy projects in Africa—including a hydropower plant in Madagascar, a solar power plant in Burkina Faso, and the electrification of an industrial park in Uganda.<sup>7</sup>

Looking ahead to 2025, the most significant change in China's external geopolitical environment will undoubtedly be the second Trump administration's China policy. While Africa has traditionally not been a priority for the U.S.'s grand strategy, countering China's

1 Laurie Chen and Joe Cash, "China Offers Africa \$51 Billion in Fresh Funding, Promises a Million Jobs," *Reuters*, September 5, 2024, <https://www.reuters.com/world/china-deepen-industrial-agricultural-trade-investment-ties-with-africa-2024-09-05/>.

2 "Chinese Companies to Invest up to \$7 Billion in Congo Mining Infrastructure," *Reuters*, January 27, 2024, sec. Commodities, <https://www.reuters.com/markets/commodities/chinese-invest-up-7-bln-congo-mining-infrastructure-statement-2024-01-27/>.

3 "China's MMG Seals \$1.9 Bln Deal to Buy Khoemacau Copper Mine in Botswana," *Reuters*, November 20, 2023, <https://www.reuters.com/markets/deals/chinas-mm-19-bln-deal-buy-khoemacau-copper-mine-botswana-2023-11-21/>.

4 Rachel Savage and Duncan Miriri, "Post-COVID, China Is Back in Africa and Doubling down on Minerals," *Reuters*, May 28, 2024, sec. Commodities, <https://www.reuters.com/markets/commodities/post-covid-china-is-back-africa-doubling-down-minerals-2024-05-28/>; Christoph Nedopil, "China Belt Road Initiative BRI Investment Report 2023" (Brisbane: Griffith University, February 5, 2024), <https://doi.org/10.25904/1912/5140>.

5 霍星羽 [Huo Xingyu], "非洲矿业投资机遇值得关注 [African Mining Investment Opportunities are Worth Paying Attention To]," *上海证券报 [Shanghai Securities News]*, October 22, 2024, <https://www.cnstock.com/commonDetail/285460>.

6 Weishen Zeng, "Towards Growth-Driven Environmentalism: The Green Energy Transition and Local State in China," *Energy Research & Social Science* 117 (November 1, 2024): 103726, <https://doi.org/10.1016/j.erss.2024.103726>.

7 Tom Baxter, "Roundtable: What the China-Africa Forum Means for Clean Energy in Africa," *Dialogue Earth*, October 2, 2024, <https://dialogue.earth/en/energy/roundtable-what-the-china-africa-forum-means-for-clean-energy-in-africa/#:~:text=In%202023%2C%20there%20was%20USD,green%20projects%20to%20take%20shape>.

**FIGURE 41****TRADE BETWEEN AFRICA AND THE U.S. (2010-2024)**

*Trade between the US and Africa has slowed considerably between 2010 and 2024 resulting in African countries creating trade opportunities with other countries*



Note: In millions of dollars. 2024 data does not include the months of November and December.  
Source: The United States Census Bureau.

influence in Africa, especially on strategic and critical mineral supply chains, could emerge as one of Washington's new priorities. If the Trump administration shifts toward the dealmaking approach that China has prioritized in the Global South, it could potentially increase U.S. effectiveness in its competition with China in Africa. President Joe Biden's December trip to Angola in support of the Lobito railway project and potential future U.S. investment in critical minerals points to this direction,<sup>8</sup> though it remains to be seen whether the Trump administration will continue this trend.

If that is indeed the next phase, the U.S.-China great power competition in Africa could ramp up at an unprecedented pace. As China sees Africa as a critical source of raw materials to fuel its new productivity industries, Beijing is likely to enhance its effort to cut deals and protect the resources indispensable for China's economic transition and future.

**While Africa could benefit from the geopolitical competition between U.S. and China, it will require African countries to be particularly diligent and vigilant.**

For Africa, this could be an opportunity that carries significant geopolitical risks. While Africa could benefit from the geopolitical competition between U.S. and China, it will require African countries to be particularly diligent and vigilant over the calculus, risks, and potential retaliations in the event that one of the great powers adopts a punitive approach toward African countries viewed to be working with the other side. There are many countries outside of Africa that are already engaging in this type of decisionmaking process. Singapore is one example of a smaller state maximizing their agency by calculating the pros and cons, costs and benefits of every policy that concerns the great powers. However, even they have found it difficult to continue to hedge their policies, as domestic politics rarely appreciates

8 Shola Lawal, "Biden in Angola: What's behind the Last-Ditch Africa Trip?," *Al Jazeera*, accessed December 19, 2024, <https://www.aljazeera.com/news/2024/12/2/biden-in-angola-whats-behind-the-last-ditch-africa-trip>.

continually-shifting foreign policy stances.<sup>9</sup> African countries and their domestic situations could be vulnerable in these rapidly shifting global geopolitics, particularly if they already hold significant debt or receive substantial development aid from either of these countries, offering them less flexibility in their foreign policy options.<sup>10</sup> There is also the possibility that proxy wars between U.S. and China could make their way to Africa, especially if the U.S. and China articulate their support for different political camps.

The diversification of other external partners and the strengthening of collective bargaining powers between like-minded African countries could be key for Africa to maximize its own gains. The European Union has proven to be a steadfast partner across Africa, while India, Turkey, and even Japan and South Korea have also all demonstrated growing interest in working more closely with the continent.<sup>11</sup>

While China has historically chosen not to prioritize influencing domestic politics, human rights, or governance issues in African countries, the U.S. has attempted to leverage its influence on such issues in the past. However, it is expected that the second Trump administration will put little weight on these issues. In the short term, this approach may mitigate the pressures on some African governments by minimizing the conditions placed on U.S. foreign aid or trade with the continent, but in the long run, this could undermine African countries' political and economic futures. As the impact of the U.S.'s changing approach to Africa during the Trump administration's second term is as yet unknown, it is important to consider how China may react to U.S. involvement in Africa. It is expected that African countries will leverage engagement with the great powers for economic gains, but they must also be cautious of how their actions can affect their future stability.

9 Wen Zha, "Leader Security and Hedging in the Era of Great Power Rivalry: Responses of the Philippines and Singapore," *China International Strategy Review* 4, no. 2 (December 1, 2022): 305–19, <https://doi.org/10.1007/s42533-022-00111-4>.

10 Tomás F Husted et al., "U.S. Assistance for sub-Saharan Africa: An Overview," (Washington, D.C.: Congressional Research Service, November 7, 2023), <https://sgp.fas.org/crs/row/R46368.pdf>; Zainab Usman and Tang Xiaoyang, "How Is China's Economic Transition Affecting Its Relations With Africa?" (Washington, D.C.: Carnegie Endowment for International Peace, May 2024), [https://carnegie-production-assets.s3.amazonaws.com/static/files/Usman%20Xiaoyang\\_Africa%20China.pdf](https://carnegie-production-assets.s3.amazonaws.com/static/files/Usman%20Xiaoyang_Africa%20China.pdf).

11 Paul Nantulya, "Africa-India Cooperation Sets Benchmark for Partnership," *Africa Center* (blog), accessed December 27, 2024, <https://africacenter.org/spotlight/africa-india-cooperation-benchmark-partnership/>; "Global Gateway: European Commission and African Development Bank Group Unlock New Funding for African Infrastructure Projects," *African Development Bank Group*, January 28, 2024, <https://www.afdb.org/en/news-and-events/press-releases/global-gateway-european-commission-and-african-development-bank-group-unlock-new-funding-african-infrastructure-projects-68243>; Shirato Keiichi, "Japan's Strategic Interests in the Global South: Africa," May 21, 2024, <https://www.csis.org/analysis/japans-strategic-interests-global-south-africa>; "Turkey Is Gaining Ground in Africa," April 9, 2024, <https://www.gisreportsonline.com/r/turkey-influence-africa/>; Tae Yeon Eom, "Why Africa Matters to South Korea's Indo-Pacific Strategy," *Asia Pacific Foundation of Canada* (blog), accessed December 27, 2024, <https://www.asiapacific.ca/publication/why-africa-matters-south-koreas-indo-pacific-strategy>.



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- Focus on rigorous economic research. We provide high-quality, independent research to inform policy. Our interdisciplinary team of experts and scholars draws on the core strengths of Brookings—authoritative and nonpartisan research as well as a depth of practical expertise—to establish long-term strategies for economic growth and innovative policies for development in Africa.
- Elevate African voices. We bring together African scholars, policymakers, and subject matter experts to offer insights into the unique and diverse challenges faced by African countries and propose new pathways for development. We see the elevation of African voices in global policy debate and U.S.-Africa relations as a key element to creating effective and transformative policies that will enable Africa to sustainably and inclusively converge with the rest of the world, particularly in terms of standards of living, opportunity, and GDP per capita income.
- Strengthen partner capacity. We collaborate and co-generate research with a broad network of African scholars and more than 24 leading think tanks across Africa. Our collaboration seeks to raise the profile of African think tanks as independent and credible research centers capable of providing robust and rigorous academic evidence to inform policy decisions. AGI leverages this network to disseminate research findings for maximum policy uptake and to ensure its research priorities are demand-driven and informed by the needs of in-country decisionmakers.

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