ATF2018 REPORT
Second African Transformation Forum ATF2018
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Second African Transformation Forum 2018

Executive Summary

- The African Center for Economic Transformation (ACET), in collaboration with the Government of Ghana, hosted the second African Transformation Forum (ATF) on 20-21 June 2018 in Accra, Ghana. It gathered more than 300 participants, including ministers and policy makers, researchers and development practitioners from African and industrialised countries to review progress and agree on methods to accelerate the process of economic transformation in Africa.

- Highlights of ATF 2018 included a dialogue between President Nana Addo Dankwa Akufo-Addo (Ghana), President Paul Kagame (Rwanda) and Vice-President Daniel Kablan Duncan (Côte d’Ivoire) with leading private sector figures such as Aliko Dangote. Vice-President Mahamudu Bawumia gave the keynote address. UN Economic Commission for Africa Executive Secretary, Vera Songwe and Ghana’s Minister of Finance, Ken Ofori-Atta, exchanged perspectives on transformation. Reeta Roy, President and CEO of the Mastercard Foundation, delivered the Inaugural African Transformation Distinguished Lecture.

- K. Y. Amoako, Founder and President of ACET, presented a progress report on the Pan-African Coalition for Transformation (PACT), which was set up at ATF 2016 as a platform for countries to refine policy design and accelerate implementation of transformation strategies by sharing tools, knowledge and experience. PACT members interact in five Chapters or thematic areas: Agriculture; Extractives; Light Manufacturing; Resource Mobilisation and Management; and Youth Employment and Skills.

- ACET Board Chairperson, Tito Mboweni, welcomed participants to Day One of ATF 2018. The PACT Chapters held breakout sessions throughout the morning and afternoon. These enabled private sector and non-governmental participants to engage with senior government officials on ways to advance the transformation agenda. Moderators and panel members comprised ministers, sector specialists, private sector actors, academics, researchers and development agency officials.

- Features of ATF 2018 Day Two included a panel discussion on Agriculture Powering Africa’s Economic Transformation and plenary presentations of the reports of the five PACT Chapter breakout sessions by ministers and other senior officials.

- In closing ATF 2018, K.Y. Amoako signalled three concrete outcomes. First, the launch of an online platform enabling PACT members to share knowledge and track progress on action plans. Second, an ACET-led initiative to help strengthen direct engagement between African policy institutes and governments on well-rounded policy design and implementation, with full utilisation of African expertise. Third, the new African Transformation Leadership Panel, chaired by Nobel Prize recipient and former Liberian President, Ellen Johnson Sirleaf. The Panel will comprise leading figures from politics, business and civil society working to influence policy across Africa and the globe to promote Africa’s transformation goals.

The full ATF2018 programme and photographs of participants are available here.
Opening remarks – ACET
Board Chairman Tito Mboweni

Tito Mboweni welcomed participants to ATF 2018, an African-led forum focused on “taking action to craft our own solutions to our own challenges.” He described ACET as one of the few truly Pan-African think tanks, working with governments and institutions across the length and breadth of the continent and providing technical excellence with world-class research and analysis. ACET engages with governments at the highest levels on policy challenges, design and implementation, providing them with practical advice informed by a deep understanding of African realities.

In only 10 years of existence, ACET has accumulated a notable body of work that informs broader dialogue and collaborations, Mr. Mboweni remarked. He cited the G20 Compact with Africa, where ministers of finance from Compact countries last year endorsed ACET’s role in supporting implementation of Compact initiatives.

ACET has also helped usher in a paradigm shift on economic transformation as the only way to achieve sustained growth and inclusive prosperity in Africa. Across Africa, many countries have had fantastic growth rates, but were lacking the policies and structures to turn short-term growth into long-term development.

Economic transformation is now central to development policy in many countries and to the long-term strategies of the continent’s leading institutions, Mr. Mboweni said.

He said ATF 2018 was an unparalleled opportunity to hold substantive discussions on key issues and action plans for implementation at country level, and for the public and private sector to engage and jointly shape the course of transformation in Africa.

Dialogue between Heads of State and Private Sector

One of the highlights of the two-day Forum was the session on ‘Transforming Africa: A Conversation Between Heads of State and Private Sector CEOs.’ It featured President Nana Addo Dankwa Akufo-Addo of Ghana, President Paul Kagame of Rwanda and Vice-President Daniel Kablan Duncan of Côte d’Ivoire. The private sector representatives were Aliko Dangote (Chairman, Dangote Industries), Yaw Nsarkoh (Executive Vice-President, Unilever Ghana and Nigeria) and Benjamin Dabrah (McKinsey Senior Vice-President).

Key points made by each speaker are summarised below. [Click here to view the full session]
President Nana Akufo-Addo of Ghana:

- Collaboration between government, private sector and civil society is vital for Africa’s transition from poverty to prosperity, with good governance a fundamental requirement for the continent, which has 50 percent of the world’s remaining arable lands, 30 percent of the remaining minerals and the youngest and most vibrant population in the world.

- Countries must manage the macro-economy, tax policy, educational policy and workforce skills development for the transformation process.
  
  - After 18 months in office, his government had or was:
    1. Made significant progress in improving economic management and the investment climate as well as expanding access to education through the free senior high school programme.
    2. Reorganising the technical and vocational education and training (TVET) system to bring 19 different institutions under the Ministry of Education and revising the curriculum in line with the needs of the modern world of work. Maintaining teacher quality was also a critical factor in successful education reforms.

- Ghana was fortunate in having a vibrant media and a vibrant civil society, which sometimes meant that government actions were subject to unnecessary criticism. Nevertheless, there was a general focus on accountability and social justice and making sure that development initiatives will benefit all sections of the society.

- Ghana’s economy was being relaunched and opportunities were being aggressively showcased. The combination of these policies and government consistency will accelerate the transformation process.

He emphasised:

- The need for a mental, ideological and cultural reform, and declared as self-evident the central importance of private sector leadership in the process of social and economic transformation. But he questioned whether the business community was up to the task, assuming governments provided a strong macro economy and did the right things in terms of monetary and fiscal policy, good governance and skills development of the labour force. These were preconditions, setting the stage for the principal actors to develop the economy.

- The need for more ‘Aliko Dangotes’ on the continent who will invest in their countries and economies and contribute to the continent’s transformation rather than putting away monies elsewhere.
Governments have a role to play in easing the major constraints of access to and cost of capital. In Ghana, the banks, for the past 30 years, had been very content with making lots of money by not being particularly involved in the risk taking that contributes to transformation. This was partly due to the structure of Ghana’s financial and banking systems. The foreign-owned banks were the major players in the economy and had their own profit goals. So, policy making should promote indigenous banks to become stronger, to provide the financial wherewithal for transformation; banks that are prepared to finance relatively risky ventures both in industry and agriculture.

On the CFTA:

- Conditions in other parts of the world reinforced the necessity of ensuring the success of the Continental Free Trade Area (CFTA). For example, trade within the EU is 70 percent of the EU’s collective GDP whereas intra-African trade represents 15 percent of Africa’s collective GDP. That is a gap that has to be filled. The CFTA needs ratification by 22 countries and so far, Kenya, Ghana and Rwanda were the first. The sooner the 22 countries ratify it the better for Africa. There is obviously tremendous opportunity for our business people and enterprises in pushing intra-African trade. And it is a very powerful tool for economic development, prosperity and increased household spending, he said.

President Akufo-Addo agreed that the state must be able to monitor its own activities, with the overriding objective of equality before the law. There was the need to develop the capacity of the state to police itself. Corrupt practices can be identified and dealt with on the principle that everybody is equal before the law – there is no big or small person; there is the citizen and we are all the same.

President Paul Kagame of Rwanda and 2018 Chair of the African Union:

- Happenings in Rwanda are intertwined with Nigeria, Ghana and other countries, big or small; what happened in Ghana mirrored what happened in Rwanda and other places on the continent, so, some of the things that Rwanda was doing to achieve transformation might be happening elsewhere.

- The talk about transformation was talk about people and resources, about management as well as political will and accountability in order for Africans to be where they want to be.

- With its abundance of human and natural resources, Africa had no excuse to be poor, decade after decade and discussion after discussion.

- The critical things that needed to be focused on and the mistakes that needed to be corrected were about how African countries invested in their people, managed their resources and common interests to progress to the goals they want to achieve as a continent.

- Rwanda was concentrating on investing in its people, its governance structure, institutions, accountability and public and private sector partnerships that enable both to function well.

On attracting FDI into Rwanda:

- There was nothing unique or special about Rwanda in the area of investment that cannot be achieved by other African countries. The important actions were:
  - Rwanda’s leadership had tried, first of all, to understand what was required to attract investment, what business environment to put in place and had put themselves in the shoes of the investor and started working in that reverse order, to answer the question of why an investor would want to invest in Rwanda.
  - Equally important was effective implementation. Across Africa, countries seem to have common problems and a common understanding of priorities. But when it came to getting things done, that was when the problems start. He attributed the problem to a mindset issue that cut across government and private sector and which needed a shift.
  - The rest of the world shunning Africa, so to speak, was a reminder that the more Africans come together to increase intra-Africa trade and investment, the better off we are. The message is clear: if we want to see our countries prosper, we have to provide jobs for our young people and stop those who try to cross the Mediterranean Sea and drown.
  - He related how it took 22 days for a container to get to Kigali from Mombasa through 54 road blocks where somebody had to be paid in money or in kind or both. Working with neighbouring governments and the private sector, however, the number of days had been reduced to five, at no added cost.
  - Rwanda also just eliminated some of the things that should not have been there in the first place in the way the private sector does business with the government, including the deals between some of them and some people in government. Holding people accountable without fear or favour will generate a positive response over time.
Vice-President Daniel Kablan Duncan of Côte d’Ivoire:

- Economic growth in Côte d’Ivoire had been strong since 2012, in the context of two programmes. Both the first programme (for the 2012-2015 period) and the second (from 2016 to 2020) recognised the private sector, both domestic and international, as the engine of growth.
  - However, reforms were required in order to make the business environment attractive for investors.
  - The country’s programmes are in line with the African Union Agenda 2063 as Africa’s collective vision.
  - The three initial priorities were security, peace and good governance; national reconciliation; and relaunching the economy.
  - The 2016-2020 programme retains the focus on strengthening institutions for good governance, along with structural transformation of the economy, raising living standards, improving the situation of women and the youth, and raising the “new Ivorians”, the high-quality human resources.

- African countries often had the will and the vision, but needed to work on three important issues: human capital (in terms of education as well as health); domestic processing of non-agricultural raw materials; and boosting the services sector.

- African integration was an imperative and he was happy to have been with Presidents Akufo-Addo and Kagame at the signing of the Continental Free Trade Agreement.
  - There was a need for more roads and railways within and between Africa’s regions. Integration was needed because most of Africa’s individual markets were small. “We are pleased to work with leaders such as these two Presidents who know where they want to go and how to get there. We believe that where there is a will, there is a way”.

On how Côte d’Ivoire was attracting investments:

- Policy consistency and continuous public and private sector dialogue that facilitates solutions and reinforces confidence.
- Providing incentives for private sector growth while avoiding market distortions and enabling fair competition.
- Enabling heavy domestic and external private sector financing in national thermal power generation, airports and ports since the state need not finance everything.

He also reiterated the importance of African countries moving rapidly to genuine African economic integration at a time the rest of the world was “closing in and shutting out.” Why?

- While Africa’s share of world trade is three to four percent, trade within Africa is at best around 17 percent of the continent’s total trade and growing this proportion is obviously beneficial. With the leadership of President Alassane Ouattara, about 27 percent of Côte d’Ivoire’s trade is with ECOWAS countries and 34 percent with all Africa.

Côte d’Ivoire’s objective:

- To have 50 percent of its trade within Africa, considering that trade within the European Union is 70 percent with the proportion even higher among Asian countries. “The faster we remove our internal barriers, the faster our private sector can grow with economies of scale aided by road and rail transport within and between countries and regions. This is what we need for our private sector to progress.”

Aliko Dangote, chairman of the Dangote Group:

- Leadership is the first catalyst in the decision to invest in a country. Others were the population, the size of the market, the rule of law and policy consistency.
- Government’s job is not to transform the economy but to facilitate.
- Governments on their own will never be able to transform Africa. It has to be a partnership between the private sector and the government. If governments do not make conscious efforts to develop their own private sector, it will be very difficult for them to develop the economy of Africa.
- It is therefore paramount for political leaders to make sure that they develop local capacity, not to have one or two Dangotes in Africa but 10 Dangotes in Ghana and then they can see a lot of miracles.
- Leadership is important but should be the backbone of making sure that the private sector is being established.
- There is no need for anybody in government to be unhappy with somebody making money, rather the person should make as much money as possible but should be socially responsible and pay his taxes.
- African leaders have not been able to diversify Africa’s economy. Today, some countries that have oil will
abandon agriculture and other goods when oil prices are high. Africa should be the food basket of the world. We need to build the capacities of the local people. I am not against foreign investors, but they will not come unless they see local investors taking the lead.

Mr Dangote stated further that:

- External trade wars would strengthen intra-African trade, but countries will still have to make sure that regional markets work. Due to the state of infrastructure, Lagos to Abidjan for instance, is about 1,000 km and if you send goods by road, it may take two weeks because of border checks and so on. We need to really improve infrastructure and remove bottlenecks and barriers to free movement.

- Everything boils down to visionary leadership for the AU and not about the age of the leaders as some of the old leaders have been doing better than the younger ones. There is no need for all 54 countries to have visionary leaders, Africa only needs a maximum of 20 of the likes of the Presidents of Ghana, Rwanda and Côte d’Ivoire, to have people trust her.

On corruption:

It takes two to tango for corruption to happen; the one asking and the one giving, Mr. Dangote said. “Our policy is that we are doing you a favour to invest in your country because it is a sign of trust. If somebody is going to ask for money, I can just take my investment to the next country. We have a red line.”

Benjamin Dabrah, McKinsey Senior Vice-President:

On the levels of taxation in relation to economic growth and living conditions:

- Research findings show that government revenues drive growth, but for transformation to happen, that growth needs to be reflected in improvements in household living standards. This creates a virtuous cycle where households can afford better living conditions, education and housing, which can spur the private sector as the engine of growth that does not rely on government handouts.

- Higher taxes can be good depending on the effect on average household spending power. Money in individuals' pockets is much more beneficial to economic growth and transformation than money in the pocket of government.

Yaw Nsarkoh, Executive Vice-President, Unilever Ghana and Nigeria:

Focused on the “operational intensity” needed to translate solutions in documents into action:

- Africa faces the paradox of poverty, where things are more expensive and where you have more poor people. The true challenge of kick-starting growth is how to remove dead weight, with the public sector in partnership with a private sector that identifies the bottlenecks.

- It is clear how to intervene. He cited one example of collaboration between public and private sectors that listed the bottlenecks, made a detailed roadmap, held quarterly meetings and cut the 32 days it took to clear things from Mombasa port to just three days. Saving on the cost of inventory and getting fresher products to consumers helps create jobs and a virtuous cycle.

- There is more taxation, regardless of the percentage. The entire economic model is kick-started because you have done the right things in the market. Working in serious partnership, the private sector can help transform the continent, but a key factor is policy execution.

On the issue of corruption vis-à-vis investment:

It would be extremely sanctimonious for the private sector to point to the public sector alone. Corruption is an issue of state competency – the state has the apex responsibility for building an incentive system that supports meritocracy. If you watch people take an unfair advantage in the market because they are not paying the right taxes, then that behaviour starts to reproduce itself. The primary function of the state in that regard is to create an environment for operating in a consistent system of law.

Keynote Address by Ghana’s Vice – President Mahamudu Bawumia

Vice-President Mahamudu Bawumia said ACET, whom he described as the flagbearer for the economic transformation that promotes ‘growth with DEPTH’, was a crucial partner for Ghana and Africa. Noting ACET’s 10th anniversary in 2018, he congratulated its founder and president, K.Y. Amoako, his team, the partners and donors. ACET has evolved into one of the most respected policy institutes in Africa, having advised dozens of governments and undertaken world-class research and analysis, which has brought new perspectives to agriculture, manufacturing, extractives and resource mobilisation.

Vice-President Bawumia welcomed the presence of the African Union, Economic Commission for Africa and African Development Bank at the forum as “close
Africa’s economic transformation will require closer, more purposeful collaboration between the Pan-African bodies, think tanks, policy institutes and capacity-building organisations, to share knowledge and hold each other to account. Think tanks should help struggling governments to leverage opportunities so as to drive the transformation agenda that reinforces Africa’s ownership of its own development. He described this as the “essence” of PACT – the Pan African Coalition for Transformation, led by ACET.

He said President Nana Akufo-Addo was leading a transformational policy agenda founded on sound governance and economic management. There was also emphasis on inclusiveness in transforming production processes and capabilities, increasing productivity and developing the depth and quality of human resources, with expanded access to quality education – notably with the free senior high school policy – the first step in inclusiveness and a key building block in the transformation agenda. Other transformational policies include reinvigorating agriculture through the Planting for Food and Jobs programme, which boosts access to seeds, fertilizers and extension services. The One-District-One-Factory programme aimed to accelerate industrialisation through value addition to local raw materials while government was also improving energy, transportation and utilities and promoting renewable energy.

Government was also harnessing information and communications technology (ICT) to improve institutional governance, catalyse trade and growth and boost revenue mobilisation. This would occur through various initiatives, including: introduction of the paperless customs management at Tema, the major sea port; online registration and licensing of businesses; a digital address system throughout Ghana; national biometric identification cards for all Ghanaian residents; and interoperability of payment systems for greater financial inclusion. He noted that work was underway to digitise land registration and administration, which, together with digital addressing, will facilitate development of a mortgage market to unlock finance for development. By early 2019, Ghana will join Rwanda in using drones to deliver critical medical products throughout the country. Finally, Google will open the first African Artificial Intelligence research centre in Ghana in 2019.

1: Implementation of this initiative began on 24 April 2019 with the inauguration of the first Zipline Distribution Centre at Omenako in the Abuakwa North Municipality of the Eastern Region of Ghana.

2: This lab opened in April 2019.
The government’s goal is to achieve a Ghana beyond aid, prosperous and self-confident, in charge of its economic destiny. Echoing the ACET slogan, Vice-President Bawumia said, “we want to see this transformation within a generation.” He urged the second Africa Transformation Forum to work towards new approaches and partnerships and the change in mindset that will drive economic transformation.

**Inaugural African Transformation Distinguished Lecture – Reeta Roy**

**Mastercard Foundation President and Chief Executive Officer**

*Introducing Reeta Roy, K.Y. Amoako recalled the support from Mastercard for the first African Transformation Forum, held in Kigali in 2016. Collaboration has continued, especially on youth employment and skills development, a major focus for ACET and a key component of the Foundation’s Young Africa Works strategy. During Reeta Roy’s tenure, the Foundation has committed $2.1 billion to education, skills training and financial inclusion programmes, primarily in Africa and reaching over 25 million people. The following is a brief summary of her lecture. Click here for the full text.*

**Reeta Roy** said this was a most consequential time for young people to come of age in Africa, with better access to healthcare, education, technology and new opportunities. It was also an optimistic time, with flagship initiatives underway to reduce conflict, improve governance, telecommunications and power generation, and now the African Continental Free Trade Agreement.

In looking at the pillars of economic transformation – agriculture, infrastructure and trade – it was clear that Africa’s young people, its greatest natural resource, will be the drivers and beneficiaries of this transformation. Long after this generation of young people is no longer young, they will still be leading.

Ms. Roy said by 2050, nearly half of the world’s young people will be African and will form the majority of the global workforce. Already, young Africans were driving digital entrepreneurship and their ideas were needed to answer the vital question of how to provide decent jobs for the hundred million young men and women who will enter the workforce over the next decade. Her Mastercard Foundation aims to enable 30 million young Africans to have dignified and fulfilling work by 2030. Its partners in this effort will be governments and the private sector, employers and entrepreneurs who will all need to show commitment to creating apprenticeships, internships and jobs for young people.

She said it was vital to prepare the workforce through secondary and tertiary education, especially vocational and technical education so that young people acquire skills in demand in the marketplace. To get to the marketplace, young Africans were already coming up with ingenious solutions. She pointed to Jobberman, a website created about nine years ago by three students in Nigeria that is now the largest job placement engine in West Africa and has put half a million people in jobs in Nigeria and Ghana.

Ms. Roy noted that a priority of the Foundation was to invest in women, due to their vital role in development. She told the story of a Kenyan girl who went from best pupil in her primary school district, to a MasterCard Foundation scholarship to Ashesi University in Ghana and Carnegie Mellon University in the US. She recently graduated and is starting a data analytics company with two classmates.

She noted that scaling up from the anecdotal to transformational level required not only enlightened leadership and incentives, good use of technology and investment, but also imagination to create space for young entrepreneurs to test and grow ideas and empower them to also help others, that’s why it was so important to get partnerships right. According to Ms. Roy, scale that endures is built on values, ethics, integrity, fairness and inclusion. Transformation required achieving scale and getting to scale depends on factors that enable others to help more people, especially a level playing field, meaning good governance not just in the public sector but also in the private sector.

Reeta Roy said there were many reasons to be optimistic about Africa’s future. “What is important is to unlock what is great in all of us and in the organisations that we lead.”

**Dialogue on Transformation Perspectives**

The first plenary session of ATF2018 featured Vera Songwe (UNECA Executive Secretary) and Ken Ofori-Atta (Ghana’s Minister of Finance) in a dialogue on key policies and practices for Africa’s economic transformation. Below is a summary of key points raised in the dialogue. Click here to view the full session.

The session began with the moderator, BBC journalist Sophie Ikenye, asking Ken Ofori-Atta about the ambitious
agenda outlined earlier by Ghana’s Vice-President Bawumia. The finance minister said Ghana had made progress with macroeconomic stability but was grappling with how to reduce poverty and attract investment for infrastructure, including through domestic revenue mobilisation. He said digitisation would help every citizen to play their part as taxpayers and as interested parties in tackling leakages at every level. Citing the Mbeki Report for the ECA on illicit financial outflows from Africa, he said the world should also look at how to eliminate the many billions of dollars in illicit flows.

The Conversation then focused on IFFs, human capital development in Africa, funding for SMEs, the CFTA, and free movement of people within the continent.

Mr. Ofori-Atta on illicit flows:
- Illicit flows are usually identified as corruption, but the Mbeki Report found that 65 percent of such flows are commercial transactions, which means multinationals doing transfer pricing or base erosion, and unbalanced contracts, which are all serious issues to confront. If ODA and other donor facilities are diminishing, then African countries must keep what they deserve.
- Africans are complicit in transfer pricing and other adverse practices either because their tax agencies lack technical know-how, or its citizens work with the multinationals to make those things happen. The challenge is to work with the ECA to track and stem these flows.

A new kind of engagement:

Africa, in 2050, will have a quarter of the world’s population, a huge trade market and the largest youth population of major producers and consumers. In enlightened self-interest, the West must look at a different engagement with Africa. The China variable also changes the discussion. A more productive Africa means a more productive world, so how do we work together to make that happen?

Human Capital development and investing in SMEs:
- Besides illicit resource outflows, another central issue that government will really focus on is that of human capital and that requires a new pedagogy and a technologically innovative society. For domestic revenue mobilisation, it is vital to strengthen the social contract.
- Finance ministers have to bite the bullet and fund SMEs. They have to put some money aside to support working capital, but they also need the right information for proper assessment of potential beneficiaries.
- Another key element is to have pension funds that enable long-term lending. The priority however, was on revenue mobilisation, noting that Ghana’s tax revenue to GDP was still 16 percent instead of 25 percent.
He called for partnership with operators to ensure trade facilitation and less leakage at the ports. On Africa’s youth, he said the challenge was not to create that big company that employs 100,000 people, but to grow the 100,000 people who create one or two jobs.

**Vera Songwe**

**On Illicit flows:**

- Africa must itself work to recover illicit flows and stem further flight. A positive step would be for all African countries to sign tax transparency treaties that enable governments to align private sector tax obligations across borders.
- Countries also need transparent public expenditure management to ensure that the wealth recovered is spent effectively for development. Hence the importance of using technology to track financial flows. Rwanda and Ghana are among the countries doing well today in ease of doing business. Africa needs better leadership to attract investors who value stability of contracts and credible institutions.
- The ECA is going to produce a report on the magnitude of base erosion and price shifting issues.

**On the CFTA:**

As part of the UN, the ECA was in a position to establish norms and standards relevant to the Continental Free Trade Area (CFTA).

- The first phase involves goods and movement of people, while the second phase involves standardisation of investment policy and issues of base erosion and price shifting.
- The CFTA aims for a uniform investment platform on the continent to get past countries “racing to the bottom” to compete for investment.
- Regarding CFTA ratification, she said ECA is striving to get the 22 countries needed. Rwanda, Ghana, Kenya and Niger are the first four countries that have ratified it. Our analysis projects a 53 percent increase in continental trade if the CFTA is implemented. Economic integration for the continent is not a slogan, it is actually about jobs and prosperity.

**Ms. Songwe:**

- The opening of borders was well underway; some 26 countries signed the free movement agreement in Kigali in March, with many more to come.
- On EPAs and the CFTA, it should be noted that COMESA and SADC already have a tripartite free trade agreement with 80 percent liberalisation. The EPAs fragmented the continent into five or six different regions. The CFTA is making one Africa with 1.2 billion people. It’s a more powerful market and more effective for job creation. One out of every four employees in the world will be African in 2050. By World Trade Organisation standards, you should actually be looking at 95 percent liberalisation.
- We started at 80 percent with the EPAs; we have 90 percent with the CFTA and hopefully we will get to 95 percent. The CFTA asks countries: can you open your markets today and be competitive enough with your neighbour? This is actually forcing competition and improvement.
- Most trade agreements take 10 years to take full effect so Africa should not feel defeated by the pace of ratification. This is the largest trade bloc in the world. It won’t be overnight; if you’re ready come and join.

**On the economic benefits of migration:**

- It is no surprise that much of the ICT innovation in Africa is in the Kenya-Rwanda nexus where citizens can work in either country. In this digital age, free movement allows like-minded people to agglomerate. "We need to excel; to excel we need specialisation and we cannot specialize in our little geographies. We want to specialize continent-wide, so we enter the global value chain with our 1.2 billion people and market behind us. That is the point of the CFTA."

**Meles Alemu, Ethiopia’s State Minister for Mines, Petroleum and Natural Gas**, noted that financing is a major bottleneck for achieving greater local content and value addition in the extractives sector. He invited Vera Songwe and Ken Ofori-Atta to suggest practical examples of innovative methods of financing, especially for local content and value addition since traditional sources such as borrowing, capital markets equity, trade financing, pension and insurance funds were either expensive or not easily accessible. **Vera Songwe** closed the dialogue by recalling a room in Kigali full of young men and women, Kenyans, Rwandans, Ugandans, all nationalities, in front of computers, programming for distant companies. "It was an amazing vision of the future of work for an educated African below age 20. And immediately, there is the issue of protecting African intellectual property. We’re becoming a huge innovation hub for the world," she said.
noting that Google and others came to invest, but also to look at African ideas. “We also need to keep talking about the women. Just as land reform is particularly important for women and agriculture, bringing women into the digital age is liberation and empowerment. Policy makers must include this 50 percent,” she declared.

Agriculture Powering Africa’s Economic Transformation

The second plenary session of ATF2018 featured a panel discussion on strategies to realise the potential of agriculture to boost food security, sustain agro-processing, expand manufacturing, create employment and raise incomes. The session was chaired by Simeon Ehui, Director, World Bank Agriculture Global Practice. The panellists were Julius Gatune (ACET Senior Researcher and Policy Adviser), Fadel Ndiame (AGRA West Africa Regional Head), Vanessa Adams (Vice-President, AGRA, in charge of delivery) and Nick Thompson (Governance Executive Director, Tony Blair Institute).

Click here to view the full session.

Simeon Ehui commended ACET for its emphasis on agriculture in Africa’s transformation process. Agriculture accounts for over 60 percent of jobs in sub-Saharan Africa and food system jobs account for even more. In several countries, the food system is projected to create more jobs than all other sectors combined by 2025.

However, productivity is low and one in four Africans is chronically malnourished. Further strain is coming from rapid population growth to 1.3 billion by 2050 and the threat of climate change to crop and livestock production. Without adaptation, production of maize – an African staple – could fall by up to 40 percent by 2050. What will it take in terms of policies, technology and systems to transform African agriculture? What areas should policy makers and entrepreneurs focus on?

Summarising the second ACET Agriculture Transformation Report, Julius Gatune said the joint goals were to attain food security and move agriculture from subsistence to middle-class living standards. To drive economic transformation, boosting productivity is key, along with upgrading the value chain and feeding industry. However, Africa has been losing competitiveness. Vietnam is the world’s second largest coffee exporter, with technology mostly learned from Kenya; the same with Asian advances in palm oil that have left Ghana and Nigeria behind. Nevertheless, Africa offers great opportunities as it has 60 percent of the world’s remaining arable land, year-round farming, growing markets, growing middle-class demand and dynamic youth and rapid urbanisation accounts for 50 percent of food markets in most countries.

Mr. Gatune said current challenges include access to land, water, better infrastructure and investment, together with low productivity and ageing farmers. For higher incomes, farmers need to specialise more, e.g. low-starch
cassava for *fufu* or high-starch for breweries. This leads to agriculture and agro-processing as the base point for industrialisation. This means modernising farms so that you can upgrade the value chains in such aspects as logistics, storage, processing, retailing and marketing. For agriculture to drive transformation, yields must be higher and food costs lower – currently about 70 percent of income in poor households is spent on food. This would leave more money in people’s pockets and raise aggregate demand. Food imports will start coming down, enabling greater fiscal space, he added.

According to Mr. Gatune, land challenges were not only about title; in some places, the problem was fragmentation, with families subdividing land. Access means not only road and other infrastructure, but also investment that does not involve land grabs and dispossessing people. Of central importance is using technology for easier access to land information, with faster and more secure transactions boosting government revenue (as in Uganda). Related issues include community engagement and local governance and how to make land rental markets work better (Ethiopia being a good example).

He said Africa needs a green revolution that factors in the female majority of farmers and includes farmer training and peer-learning. There also needs to be far more irrigation, fertilizer use and mechanisation to raise productivity. Machines could be pooled and hired out. Simple machines could get around labour shortages that affect harvesting crops such as cassava. Local fabricators could be incentivised to produce motorised, two-wheel ploughs, as occurred with the iron buffalo in Thailand.

Risk in agriculture must be reduced at different levels, from more efficient input and output markets to rainfall and other credit insurance. This also involves far better post-harvest management, including the use of traditional mud silos that can last 50 years. Beyond higher yields, there must also be consistency in supply, quality and price, which links up with better marketing, packaging, branding and image (e.g. new uses of sorghum and millet) to shift diets back from imported wheat and rice.

Mr. Gatune said the overall environment must also be conducive for profitable agriculture since it is the biggest part of the private sector. This means coordination between agriculture, trade and industry value chains, as well as the critical element of financing. It needs to be borne in mind that the food system is the biggest employer in France. Similarly, many opportunities in production and services arise from agriculture. This brings us to the missing medium-scale farmers that tie the whole system together, from actual farming with newer methods to service providers and contractors. He pointed out that upgrading was not gender-neutral. Gari production, for example, began with women processors, but growth has brought male-dominated SMEs with mostly males doing machine processing. Other areas to consider for gender balance include inheritance and land rights, financial inclusion and agricultural packages tailored to suit women’s additional burdens. He added that further issues to consider include sustainability, irrigation and conservation farming.

Fadel Ndiame introduced AGRA as a decade-old broad alliance founded under the leadership of the then UN Secretary-General, Kofi Annan, to address the question of why a green revolution had occurred everywhere else but in Africa. AGRA has since been a leader and partner in finding triggers for a uniquely African agricultural transformation. A basic starting point is Africa’s size and diversity, which means rather than a single blueprint there is a need to understand local conditions and context to devise unique local solutions to a global challenge.

He said AGRA had worked with governments, farmers, the private sector and development partners to build institutions and support research to come up with specific varieties with the genetic potential to improve what farmers are already doing. AGRA engages the private sector to bring improved seeds to the farmer. But none of this is possible without a conducive policy environment. It has been working in 18 African countries and has trained over 100 PhD and Master’s level researchers who have produced more than 500 varieties of staples across Africa. AGRA works with hundreds of seed companies across the continent, as well as with thousands of dealers and farmers’ organisations.

The challenge now is to deliver on a larger scale. This requires partnerships. An example is the partnership between AGRA and ACET. The two organisations have a shared understanding and analysis of challenges and opportunities, and also align fully with governments that increase resource allocations for agriculture and deliver them in appropriate ways. He said AGRA accepted that the private sector will drive the system. Africa’s smallholders were feeding most Africans, but were undercapitalized and scattered. Doing business with them was difficult unless ways could be found to innovate and aggregate, physically and digitally.

According to Mr. Ndjiame, this was why the digital revolution was going to be crucial in understanding opportunities and providing linkages to markets. In Ghana, he noted, AGRA was partnering with the agriculture ministry in the Planting for Food and Jobs programme and working on seed-to-market solutions. It was also partnering with ACET in five countries on four crucial areas: land tenure, since security of tenure is an incentive for investment; agro-processing, the key area for adding
value, encouraging investment in SMEs to process the farmers’ produce and feeding African markets instead of importing a lot of food; skills development and youth engagement; and market access.

A forum was recently held with stakeholders in Ghana where specific actions in each of these areas were agreed on to advance the transformation agenda, Mr. Ndjiame said.

**Nick Thompson**, who runs the Africa team at the Tony Blair Institute, which has also been in existence for the last 10 years and was formerly known as the African Governance Initiative, said all economies that had industrialised started with agricultural transformation. This transformation must happen in Africa, particularly in this age of automation. A primary focus for the institute was the importance of leadership through governments to achieve agricultural transformation. He agreed with K.Y. Amoako that transformational leadership was a prerequisite. He said the Institute was working with governments in 14 countries now, supporting them to deliver on their own priorities, and the number one priority consistently highlighted was job creation. He reiterated that job creation over the next 20-30 years will be the difference between a demographic dividend and national security issues.

Mr. Thompson said there was a long list of priorities not only in agriculture, but ranging from macroeconomic policy reforms, the business environment, incentives for innovation and technological development, education, land tenure and divorce law to ensure that women have access to land. Governments must answer the questions of where to start and how to coordinate the governmental machinery to reach specific objectives. The key idea is purposeful collaboration with a range of actors, including the private sector, NGOs, foundations, etc., critically all within the framework of government leadership. It starts with a vision of agricultural transformation within overall economic transformation. Then it is about applying a sector focus, working through both economic analysis and political analysis of the sectors that will give Africa a competitive advantage and allow development of the value chain. That focus is essential because of the complexity of both the issue and the government system, understanding the market system is key to knowing where to intervene to develop the value chain.

The Institute works on rubber and palm oil through the Liberia agricultural transformation agenda and is planning work on the cashew value chain with the government of Côte d’Ivoire and on horticulture in Rwanda. He said this sector focus is critical for finding leverage across the government system for both flexible and long-term policy and programme work that understands that markets are dynamic and subject to change. Building collaboration and coordination in decision making across government sounds very obvious and very bureaucratic but is central to transformational leadership. The Presidential Task Force for Agriculture flowed from working on the Ebola crisis with President Johnson Sirleaf. “You get all government ministers around the table and with political leadership, you can have the range of interventions needed for agricultural transformation,” Mr. Thompson said.

According to AGRA Vice-President in charge of delivery, **Vanessa Adams**, participants had all heard about the Malabo commitments to allocate at least 10 percent of GDP to agriculture. A few countries were already doing that and many were on the way to exceeding that commitment. One of AGRA’s commitments was to encourage that investment and to track, support and monitor how wisely it is invested. AGRA invests in improved systems, standards, rural finance, inputs, research and development. On improved technologies, she stressed the need to be market driven, ahead of the curve. “Why should Africa just catch up? Why don’t we leapfrog, as has happened with cell phone adoption, and do the same in agriculture? We can do precision farming in Africa; it doesn’t have to be just Israel. Land and water reform are hard work and they have to be done.” She said inclusive access for youth and women was of paramount importance. Finally, she highlighted the need for measurement, saying: “If we don’t measure it, it didn’t happen. We must put together the data and evidence to make it easier for the many investors trying to come in or grow their investment in the continent.” According to Ms. Adams, we need energy, creativity and focus to transform agriculture in Africa.

**ATF2018 Closing Remarks – K.Y. Amoako**

K.Y. Amoako thanked President Nana Addo Dankwa Akufo-Addo and President Paul Kagame for their insights and their inspiration. He said ATF2018 in Accra had happened because of President Kagame’s support for the successful ATF2016 in Kigali, his subsequent encouragement and Rwanda’s example as one of Africa’s leading countries in transformation.

ATF2016 ended with a consensus to focus on critical areas such as manufacturing, skills, extractives, agriculture, and resource mobilisation and management. To drive collective action in those areas, ACET launched the Pan-African Coalition for Transformation (PACT) as a platform for sharing knowledge, forming partnerships and identifying immediate next steps.
ATF2018 was envisioned as a significant milestone, an opportunity to measure progress so far and a call to action to move to the next level – in some cases, from objectives to action plans; in others, from action plans to implementation. The goal has been to keep moving the agenda forward. In this light, K.Y. Amoako thanked President Akufo-Addo for strongly supporting ATF2018 and for championing an African-led approach to transformation. Under his leadership, Ghana had recommitted itself to smart, long-term development that is inclusive, self-sustaining and an example for all of Africa.

He cited Côte d’Ivoire as another inspiration for Africa, with Vice-President Daniel Kablan Duncan personally playing an important role in its remarkable journey from years of turmoil and conflict to becoming Africa’s fastest-growing economy. Even more important was that Ivorian growth was accompanied by efforts to lay a foundation for transformation. Noting the importance of smart investment for economic transformation, K.Y. Amoako thanked the private sector panellists, Alhaji Dangote, Yaw Nsarkoh and Benjamin Dabrah, for their experienced input.

Moving forward from ATF2018, he said it was time to begin the process of enacting the country action plans that had been discussed and shared, and to be able to show clear progress at the next ATF.

K.Y. Amoako said the three concrete outcomes of ATF2018 were: the launch of an online platform; new collaboration among African economic policy institutes; and the African Transformation Leadership Panel. First, the online portal will enable PACT member countries and stakeholders to continue learning from each other and from regional and global best practice in a timely and cost-efficient manner. It will be a repository for knowledge and peer learning and will allow governments and partners to track key policy reforms outlined in country action plans. Second, ACET will help strengthen the direct engagement between local policy institutes and governments on policy challenges such as those being addressed by the PACT Chapters. Such engagement at senior levels is critical to well-rounded policy design and implementation. The aim is to ensure that African policy institutes are working hand-in-hand with African policy makers on real-time transformation issues and that their expertise is being fully utilised.

Third, said K.Y. Amoako, the African Transformation Leadership Panel will seek to influence policy across Africa and the globe to promote Africa’s transformation in the face of challenges such as free trade and common markets; climate change impact and the transition to renewable energy; education and skills training; and technology and innovation. Chaired by former President of Liberia, Ellen Johnson Sirleaf, the Panel will include leading figures from politics, business and civil society, working with a shared vision and shared goals.
ANNEX 1


ACET Founder and President K.Y. Amoako said that the parallel working sessions were organised on the five thematic areas (or Chapters) of the Pan-African Coalition for Transformation (PACT), the peer-learning platform hosted by ACET.

PACT was the primary outcome of the first African Transformation Forum held in Kigali in 2016. Its fundamental concept is that African countries can accomplish more by working together on transformation, sharing analysis and good practice. Three of the five PACT Chapters – Extractives; Manufacturing; and Resource Mobilisation and Management – have been active for a couple of years. The other two – Agriculture and Youth Employment and Skills – had come together at ATF2018.

He said these five areas were among the core drivers of economic transformation, regardless of country or circumstance. Much of ACET’s work since inception in 2008 has revolved around these core drivers and work will continue with PACT Chapter countries to build their action plans and transformation frameworks.

K. Y. Amoako announced the publication of Directions, an ATF2018 magazine that covers issues likely to dominate the transformation dialogue in Africa over the coming years. The critical issues include:

- Providing Africa’s booming youth population access to improved education, skills training and decent jobs;
- Expanding free trade and common markets to liberate the economic might of an integrated Africa;
- Mitigating climate change impact and ensuring a transition to renewable energy to decrease Africa’s infrastructure gap; and
- Leveraging technology and innovation to encourage entrepreneurship, accelerate growth and diversify the labour force.

Faced with this broad mix of issues, leadership was the most essential precondition for successful economic transformation, K.Y. Amoako said. He stressed that the issues must remain at the forefront for political leaders, development partners and the African people as there was no room to let up. He urged them to continue to push at all levels, with even bigger ideas and even stronger voices.

In this context, he announced the formation of the African Transformation Leadership Panel, chaired by Ellen Johnson Sirleaf, former President of Liberia and recipient of the Nobel Prize for peace and the Ibrahim Prize. The Panel of eminent men and women aims to influence policy across Africa and the globe to promote transformation, balance the narrative on Africa’s opportunities and challenges and focus attention on the right issues at the right time. The full Panel will take shape over the coming months and ACET will support it in championing Africa’s transformation agenda and its boundless opportunities. The Panel will also work with the new Ellen Johnson Sirleaf Presidential Center for Women and Development to support women as agents of change across the continent.

K. Y. Amoako reiterated the imperative of leveraging African expertise to move from policy design to implementation: “Leadership is not confined to state houses and presidential offices... the answer to the challenges and prospects of transforming Africa is in our collective hands.”

ANNEX 2

PACT Chapter Reports to Plenary

The Pan-African Coalition for Transformation (PACT) focuses on five thematic areas (or Chapters) – extractives, light manufacturing, resource mobilisation and management, agriculture, and youth employment and skills. The five Chapters held parallel working sessions on Day One of ATF2018. The reports of these sessions were presented to the plenary by participating ministers and senior officials.

PACT Agriculture Chapter Report

Uganda’s Minister of Agriculture, Christopher Kibazanga, observed that agriculture represented the future of Africa, a continent that must position itself to be a powerhouse in food production, with global demand expected to hit $15 trillion. Participants in the PACT Agriculture Chapter noted that investment in agriculture gave greater revenue returns than any other investment. It also boosts economic growth and creates jobs and stronger demand for new products and services.

What should be done?

- Collect data and all relevant evidence for agricultural policy making that is inclusive of the youth, women, farmers, scientists, traders, exporters, importers,
producers and processors.

- Address the issues of land and water with specific reforms, appropriate delivery mechanisms and general good governance.
- Ensure food security with adequate nutritious food as agriculture links health and nutrition.
- Apply science and technology to issues in agriculture such as mechanisation, crop protection and post-harvest storage, and agro-processing.
- Improve agricultural education through technical and vocational schools as well as training and extension services that build skills among the youth and the farmers.

**How do we do it?**

- To ensure value addition through agriculture processing, there must be strong farmer associations, effective communication and use of the media, linking local concerns to international issues in line with Sustainable Development Goal 17 and the spirit and practice of partnerships and networking.
- There needs to be a market-oriented approach in agriculture and reorganisation of agricultural commodity logistics through multi-sectoral collaboration and coordination.
- There must be effective policy implementation to drive an irreversible transformation of agriculture as a central factor in economic growth.

**PACT Extractives Chapter Report**

Participants in the meeting of the PACT Chapter on Extractives at ATF 2018 numbered almost 40, from nine African countries and four other countries. The group included Koang Tutlam Dung (Ethiopia’s State Minister for Mines, Petroleum and Natural Gas), senior government officials from other African countries, senior officials from mining, oil and gas companies; representatives of the international and local private sector, civil society, academia and international organisations.

There was a brief presentation of the ACET background study on local content and value addition (LCVA) in the mineral, oil and gas (MOG) sectors of selected African countries, which underpins the Chapter. Besides an overview of the Chapter’s progress and activities to date, participants spoke on implementation issues in various countries regarding key pillars of LCVA – local employment and skills development; procurement of local goods and services; equity participation by the state and the local private sector; and local finance and value addition. There was vibrant discussion on how governments, the major international MOG companies and development partners can work together to build local capacity to participate in the extractives sector and in other areas of the economy.

The discussions affirmed the priority importance of anchoring local content and value addition in the national development strategy and plans as well as exploring innovative solutions to the financing constraints faced by local companies.

**Next Steps**

- The Chapter emphasised the relevance and potency of peer learning of best practices and agreed that the African Mining Vision adopted by African Heads of State in 2009 is the guiding document and strategic framework for the Chapter’s transformation agenda.
- Due to the different stages of development of Africa’s MOG industry and the need to address challenges collectively, the Chapter decided to identify two or three tiers of countries at very similar stages, which could learn from each other’s challenges and solutions. This would be equivalent to “communities of practice” within the Chapter that will interact more frequently than once a year.

- Each country cluster would then be paired with a set of technical experts assembled and assigned by ACET and the African Minerals Development Centre. The interaction between the clustered countries and expert teams would be more frequent. There would also be cross-cluster exchanges of expertise and discussions online and through social media to be promoted and managed by ACET.
- Periodically, Chapter clusters would review country-level progress in implementation, using agreed “peer review” indicators and measures of progress. The reporting would be gathered in a final report for the next Extractives Chapter session of the ATF.
- It was also suggested that, depending on funding, each cluster would hold workshops a year before the next ATF conference.

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3: Burkina Faso, Ethiopia, Ghana, Namibia, Niger, Nigeria, Sierra Leone, South Africa and Zambia.
4: Australia, Trinidad and Tobago, Finland and Norway.
The Chapter agreed on an on-line magazine to be produced for Chapter members to network and exchange knowledge and ideas. The themes and function spell GHANA:

- **G** - generating knowledge for the Chapter;
- **H** - harnessing the knowledge through exchanges;
- **A** - accessing the knowledge for transformation;
- **N** - needing specialisation;
- **A** - advocating and affirming implementation.

Among the key strategic perspectives identified was the potential of the African Continental Free Trade Area to open up regional markets for supply chains, especially in extractives.

The Chapter agreed that ACET should seek funding to assess the potential for establishing regional supply chains for some critical mining and energy inputs using the new opportunities for free movement of goods and services. This implies a redefinition of the scope of local content in MOG: local-local; national; regional; and continental.

Finally, participants agreed on the need for a “champion” country to work with ACET and other interested countries to better fine-tune the nature and scope of Chapter objectives and activities and future modalities of implementation.

**PACT Chapter on Light Manufacturing Report**

**Nigel Gwynne-Evans**, Chief Director, African Industrial Development, South African Department of Trade and Industry presented the report of the Chapter. The report covered the following points:

- The basics of manufacturing – after a debate by participants on whether to include heavy industry, the report focused on getting the basics of manufacturing right; mounting an export drive; and policy coherence and coordination.
  
  - The key issues for getting the basics right included primary infrastructure, logistics and transport, and bureaucratic obstacles at border posts.
  
  - Africa’s need for rapid expansion of appropriate skills for the 4th Industrial Revolution and the digital economy.
  
  - Challenges of intermittency, weak supply and costs of energy being pushed onto industry, the need for good governance and ensuring adequate energy supply since the lifeblood of manufacturing was energy.

- The need to expand economies of scale with care despite an export drive being fundamental to manufacturing.

- Africa needs the Continental Free Trade Area to cut across its complex border challenges and non-tariff barriers. In SADC and in other trading blocs, there is the need to build and strengthen regional value chains across borders for key commodities and sectors. There must also be integration of Africa’s resource-intensive sectors, linking agricultural input suppliers and mining.

- The need for governments to engage the private sector in order to ensure coherence and coordination.

**How do we do it?**

- Some countries are doing fantastic work – Rwanda, for example, working closely with the private sector, has shot up the ranks in terms of ease of doing business. Ethiopia has set up agencies such as the Ethiopian Investment Commission to coordinate manufacturing investment-related activities. In light of the profound and complex changes of the Fourth Industrial Revolution, there is the need to:
  
  - Have specialised services in strengthened and upgraded trade ministries and departments.
  
  - Build strong structural capabilities to boost agro-processing, clothing and textiles, and the water sector.
  
  - Feedback from an emerging, innovative producer of shea and cocoa butter cosmetics in Ghana highlighted the following challenges:
    
    - High-cost factors including certification;
    
    - Lack of testing facilities
    
    - Need to import packaging from the US.

All these prevent her from achieving economies of scale and the competitiveness that would allow her to grow into a much bigger regional exporter and in time, hopefully, international. Policy makers and officials should think of how to cut red tape and encourage agility and growth.

Mr Gwynne-Evans noted that policy coherence and focus enables the manufacturing sector to expand and that the ACET platform had allowed participants to share many best practice examples from across the continent, which had been incredibly useful. He urged them to continue to dig out examples and go much deeper.
Next Steps:

- ACET should help to dig out how Ethiopia had managed to expand manufacturing within a very short time, growing at 10 percent a year.
- Expand the PACT peer review mechanism, and
- Understand and put the policy lessons into practice.

PACT Chapter on Resource Mobilisation and Management Report

Discussions in this PACT Chapter focused on the "Beyond Aid" theme and the changed mindset on development finance, promoting cohesive, nationally-owned sustainable development strategies. These strategies are supported by integrated national financing frameworks that encompass both domestic resource mobilisation (DRM) and external development finance (EDF) in line with the Addis Ababa Action Agenda and the UN 2030 Agenda.

The meeting discussed the changing landscape of EDF and how governments are strategically positioning themselves to capture the benefits. It also explored the fiscal and financial objectives and systems of DRM in the context of new financial technology. Countries represented in the discussions were: Benin, Burkina Faso, Egypt, Ghana, Guinea, Morocco, Rwanda, Senegal, Tunisia and Uganda.

Highlights

Uzziel Ndagijimana, Minister of Finance and Economic Planning of Rwanda, set the scene on the international finance landscape and resources needed to implement the African Union Agenda 2063 and the UN 2030 Agenda. He was optimistic more local resources could be mobilised if countries aggressively control tax evasion and illicit transfers, and fight corruption, with Rwanda as a model to emulate.

Richard Carey, a former Director at the Organisation for Economic Cooperation and Development (OECD) made a brief presentation on EDF, followed by a discussion on emerging country-level issues moderated by Edward K. Brown, ACET Director of Country Engagements and Operations. After a presentation on DRM by Ed Brown, there was a panel discussion and a Q & A session on country experiences in boosting DRM led by Natalia A. Koliadina, International Monetary Fund Resident Representative in Ghana. The discussions identified African policy objectives and systems at various stages of evolution, including:

- **Development finance strategies**: Mapping development finance with medium-term transformation objectives, across sectors and different levels of government.
- **Investment implementation**: Generating bankable projects, with consistent monitoring and evaluation.
- **Regional connectivity**: Linking infrastructure sectors to boost market growth and generate investment opportunities in a Continental Free Trade Area.
- **Private sector financial development**: Using new technologies to accelerate financial inclusion, with new savings vehicles, transaction systems and funding for small enterprises and start-ups.
- **Blended finance**: Using public sector finance to leverage commercial finance.
- **Domestic revenue strategies**: Instituting more effective administration using new technologies to boost tax revenue and eliminate discretionary exemptions that undermine fiscal integrity and require higher tax rates, in the context of medium-term fiscal objectives justified in social contract and equity terms.
- **Tackling illicit flows**: Saving African countries from being robbed of many billions of dollars.

Country DRM strategies

Participants said their DRM strategies focus on: (a) how to channel resources to where governments can increase revenue; (b) improving resource use to provide public goods to motivate taxpayers; (c) reviewing the legal framework as part of tax reform; (d) introducing ICT in tax systems to ensure transparency and efficiency; and (e) improving efficiency and effectiveness of tax administration and widening the tax base.

Challenges in boosting DRM

Challenges common among participating countries include: (a) inability to capture the informal sector in the tax net; (b) difficulty in encouraging tax payers without visible evidence of the benefits they derive from their taxes (infrastructure, services, etc.); (c) rationalising tax incentives, exemptions and subsidies; (d) low internet penetration hampering application of new technology in tax administration; (e) tackling tax evasion, illicit financial flows (IFFs) and corruption; (f) effectively taxing land and real estate; (g) ensuring consistency in tax systems from the national to sub-national levels; and (h) training and capacity building in tax administration, especially at decentralised levels.
Successes and potential solutions to DRM challenges

Countries have been largely successful in introducing value-added taxes, but common failures include:

- **Communication with taxpayers**: This involves strengthening the social contract between taxpayers and government by showing evidence of tax revenues enabling the provision of public goods.

- **Managing tax incentives and exemptions**: Participants called for analysis of value for money for current and future tax exemptions, along with legislation to minimise abuse of tax exemptions.

- **Leveraging technology to facilitate revenue administration**: This requires strong tax policies and institutions with better-trained administrators, a solid database and improved IT connectivity.

- **Prerequisites for effective DRM**: Participants emphasised the need for political will; simpler tax systems and effective tax databases that are harmonised to boost compliance; and medium-term revenue strategies (MTRS) and expenditure frameworks (MTEF) to guide revenue mobilisation. This also requires tax systems that strike a balance between direct and indirect instruments while ensuring consistency between revenue mobilisation and economic growth strategies.

**Key takeaways include:**

- Mobilise development resources with effective management that generates political goodwill.
- New taxes must balance short-term gains and medium- and long-term consequences.
- Incentives are not necessarily bad; removing exemptions can boost revenue without raising taxes.
- Technology is not a panacea for all revenue administration issues but an enabler that needs the right laws and strong institutions to be effective.
- Countries can generate more DRM by implementing tax policies effectively and sealing loopholes.
- Analyse the relationship between taxation, private savings and financial intermediation in order to mobilise savings and serve all economic actors, especially micro, small and medium enterprises.
- Find innovative ways to leverage external financing to increase DRM in response to declining ODA.

**Next steps for PACT Chapter on Resource Mobilisation and Management**

- Prepare medium-term revenue strategies (MTRS) to boost DRM.
- Review technology potential and how quickly it can be made an integral part of the MTRS.
- Review incentives to encourage the mobilisation of private savings to enhance financial intermediation with a focus on small and medium enterprises (SMEs) that create jobs.
- Analyse the efficiency of public expenditures and visibility in the use of public resources to bolster the social contract between taxpayers and the government.
- Set up communication channels between members of the Chapter, sharing experience via video conferences and physical meetings to distil research findings on effective implementation of recommendations. ACET will set up a portal to facilitate RMM Chapter information sharing.

**PACT Chapter on Youth Employment and Skills (YES) Report**

Inspiration for policy, process management and next steps were the three themes of the report presented by Adama Jimba Jobe, Deputy Permanent Secretary, Basic and Secondary Education, Gambia.

The YES Chapter noted the following:

- By UN figures, sub-Saharan Africa (SSA) has the world’s youngest population, with over 60 percent of its population in 2015 under 25.
- The working age population is set to rise from 522 million in 2015 to 600 million in 2030, and in most countries, over 80 percent of workers are in the informal economy.
- Currently, the face of unemployment and of the urban informal sector is becoming that of secondary and tertiary graduates.
- The disconnect between education and training and the job market is a major cause of exclusion among youth. Those who for various reasons leave the school system early have little or no opportunity for training for employment. Youth exclusion is a threat to socio-political stability.
While the number of secondary and tertiary graduates has been rising much faster than formal sector job creation, there is also a skills gap between the youth and job market requirements.

It is critical to build relevant skills for modern, knowledge-based economies and the Fourth Industrial Revolution (4IR), which is fundamentally changing the nature of jobs.

There is a need for more innovative and efficient education financing, using better information systems for evidence-based and accountable education policies.

In terms of process management and in the context of the 4IR, Africa needs to identify the current and future job opportunities in the formal and informal economies, in agriculture, industry and services, as well as the changes required at secondary level and in technical and vocational education and training (TVET) to take advantage of productive opportunities.

- This implies curriculum reform and an exponential increase in budgetary allocation for TVET as well as partnership and coordination with the private sector and academia for skills upgrading and entrepreneurship training in light of the digital revolution.

Next steps involve focused activity in a number of areas (not in any particular order):

- Build comprehensive databases on labour supply, skills gaps, entrepreneurship opportunities and job projections.

- Identify a champion country to drive the YES agenda.

- The YES chapter should facilitate interaction between policy makers, academia and the private sector to develop practicable policies and programmes tailored to each country’s vision.

- Among the vital policy actions recommended and spearheaded by the YES Chapter (e.g. the Maputo Declaration) is to increase budgetary allocation to TVET institutions across SSA.

- The YES Chapter should be a facilitator of innovative education, with a shift in mindset regarding TVET in the entire ecosystem – among teachers, policy makers, private sector and parents.

- The YES Chapter should facilitate interaction between policy makers, academia, development partners and the private sector.

ANNEX 3
Pan-African Coalition For Transformation (PACT)
Working Sessions of Thematic Chapters

Session 1. Transforming Agriculture Breakout Session

Session One: The Role of Agriculture in Economic Transformation
Moderator: Fadel Ndiame (West Africa Regional Head, AGRA)
Presenters: Julius Gatune (ACET Senior Research and Policy Adviser)
Forster Boateng (AGRA Ghana Country Manager)

Highlights of presentations
Julius Gatune:

- African countries are becoming less competitive in food production although the continent has about 60 percent of the world’s arable, uncultivated land.

- The challenges include: land tenure and access; low investment; low productivity; inefficient input-output markets; weak value chains; and ageing farmer populations.

- The goal is industrialisation, founded on modernised agriculture, which boosts yields, product quality and farmer income, lowers food prices and reduces balance of payments deficits.

- Among the basic issues with land is how to increase investment without dispossessing people and how to increase security of tenure.

- Boosting productivity requires a Green Revolution with affordable and accessible seeds and fertilizer, with better extension building on farmer knowledge.

- Agriculture also needs far more mechanisation, ranging from using ownership and rental schemes to supporting local fabrication of equipment.

- Beyond productivity, food processing and packaging need development, along with better infrastructure to reduce the cost of getting produce to markets and industry.
Agriculture has great potential for job creation, on and off farm, and can attract younger and better educated men and women.

Forster Boateng (AGRA):

- AGRA partners with governments aiming to drive their own transformation agenda with evidence-based policies and strategies.
- AGRA and ACET are collaborating on key issues of land reform, security and access, and protecting vulnerable women’s rights.
- AGRA supports policy alignment between agriculture and industry. Thus, mining legislation must factor in farmers’ rights.
- Skills development is a critical issue along the entire agriculture value chain. There needs to be greater focus on agriculture-related technical and vocational education and training (TVET) in the interests of job-creation for the youth; higher productivity and resource efficiency in processing and meeting health and food safety standards.
- Markets must also move up from their usually informal and unregulated standard, with more investment in warehouses, testing for quality and better access to internal and external markets.

Discussion Highlights

- There must be clear definition of which institutions are responsible for specific aspects of agricultural development.
- Food safety regulation is weak; more attention is paid to productivity; and the same recommendations have been made for many years.
- Market and productivity, like chicken and egg: what do you start with? In fact, they need to be looked at concurrently and linked to industry.
- Encourage setting up of processing plants closer to where the produce is.
- Smallholders need better connection to local markets. The tipping point is when productivity rises without market development. We need to be forward-looking and decide on what we need to do now to get where we want to be.
- Similarly, when you increase production, consider the likely effect. Côte d’Ivoire cocoa production went to two million tonnes in 2017, but world prices dropped by almost 40 percent.

- Ghana is one of the 11 priority countries in the Partnership for Inclusive Agricultural Transformation in Africa (PIATA), with Burkina Faso, Ethiopia, Kenya, Malawi, Mali, Mozambique, Nigeria, Rwanda, Tanzania and Uganda.
- There is no quick fix or blueprint, hence the need for further focused dialogue on a strong action plan with clear responsibilities and accountability.

Session 2: Country Perspectives on Agriculture

Moderator – Yaw Ansu (Senior Adviser, Ghana Ministry of Finance)

Panelists: Owusu Afriyie Akoto (Ghana; Minister of Food and Agriculture); Hassan Muhammad Jallow (Gambia; Ministry of Agriculture Permanent Secretary); Lewa Tendai (Kenya; Senior Policy Adviser to Governor of Kirinyaga County)

Discussion Highlights

Agriculture is not the business of the agriculture ministry alone. This was the key message of this session.

Panellists emphasised that the sector is of systemic importance and the concern of all government institutions. Speakers made the following key points:

Owusu Afriyie Akoto

- Ghana’s agriculture has been going down; food imports that could be produced in Ghana cost about US$2.2 billion in 2015, equal to income from cocoa.
- The sector is driven by smallholders with one to two hectares, bigger than China’s average smallholders but China applies 200 kg of fertilizer per hectare compared to our 15 kg/ha.
- Ghana’s biggest crop is maize and only 11 percent of maize farmers use fertilizer. Getting to 50 percent will make a big improvement.
- The government’s Planting for Food and Jobs programme aims to help smallholders with improved seeds and fertilizer, extension services and marketing. The first-year target is to reach 500,000 farmers and at least 1.5 million farmers in four years. It is a very inclusive policy with 25 to 50 percent subsidies.
- Full supply of seeds from local sources will be achieved in years ahead; at first, we had to get seeds from Burkina Faso, Nigeria and Côte d’Ivoire.
We are reviving the buffer stock company. We aim to raise storage capacity from 32,000 tonnes to 200,000 tonnes, with new warehouses in strategic areas identified in collaboration with the Roads and Highways and Trade and Industry ministries.

Responding to various questions, the Minister said:
- The private sector will have shares in buffer stock warehousing and sales.
- Ghana is building a fertilizer plant using local gas.
- Work proceeds in partnership with the Brazilian and Indian government on tractors, but 90 percent of farmers are not commercial farmers and cannot go to the bank, so attention will be paid to hand-held machines for smallholders.

Lewa Tendai
- The conversation needs a sub-national perspective because that is where the farms and markets are.
- Kirinyaga County has a 15-year strategy to improve land use and increase the proportion of titled land beyond the current 84 percent. An increase in land grabbing and sub-division into small units has raised issues of spatial use.
- Most smallholders, many of them elderly, have between 0.6 ha and 2 ha. Transition and succession are issues because the youth are increasingly urban and not attracted to agriculture.
- Kirinyaga has 12 technical and vocational education and training and one farmer training centre. Partnerships between academia, government and private sector aim to improve these institutions to bring in the youth.

Hassan Muhammad Jallow
- Gambia’s National Agricultural Investment Plan focuses on improving productivity and marketing.
- Challenges include land tenure and labour supply.
- There is low mechanisation and extension agent-farmer ratios.
- Policy work continues on mechanisation, extension, crop and livestock development, and attracting foreign and local private investors.

Participants’ questions covered youth migration, rice marketing, enticing the youth and land tenure. Sustainability issues were also raised in terms of subsidies – “the government cannot keep providing seed and fertilizer forever” – and with regard to partisan politics, when there is a change of government.

Panel responses included:
- The role of the government is to get standards right, so we can improve local markets and enter international markets.
- We need to own our development with increased public participation at grassroots level so that farmers feel in control of the strategy and the results.
- For social transformation, inheritance should be to both male and female youth.
- “Willing buyer-willing seller” harms community interests and promotes disaggregation of land.
- Consider family businesses as a model of private sector engagement.
- New pricing mechanisms are needed so that substantial local production (of rice, for example) can easily compete with imports.

The moderator, Yaw Ansu, referred participants to the examples of best practice outlined in the ACET Agriculture Transformation Report. He noted that plans for agricultural transformation need to be long-term instead of changing with each electoral cycle.

Session 3: Partnership and Agricultural Transformation
Presenter: Eric Owusu Danquah (Michigan State University and Alliance for African Partnership)

Discussion Highlights
- The most important partner is the smallholder. There must also be institutional and interdisciplinary partnerships, along with youth empowerment programmes.
- The main pillars for partnership are: building bridges through networking and outreach; transforming institutions; and transforming lives.
- Michigan State University, as part of its 2018 Year of Global Africa, has done farmer participatory evaluation of pea varieties and found them to combine well with yam production. They fix more nitrogen, helping soil fertility and reducing yam farmers’ need to move to more fertile soil. Branches can be used for firewood and other parts for livestock feed. Farmers introduced to the benefits are ready to adopt but often have land tenure problems.
Session 4: Key Issues in Agriculture
Moderator – Holger Kray (World Bank Africa Agriculture Policy Unit)

Discussion Highlights

- What is the country’s vision of the outcome of agricultural transformation?
- Transformation is finding a solution for the woman who uses a hoe every day without seeing any yield improvements.
- There needs to be progress beyond staple-led value chains.
- Food policies should be bottom up and involve farmers, although many lack education.
- There is no single model for transformation. We need appropriate innovation, a focus on upstream and downstream value chains and economic sustainability. It is vital to overcome risk-aversion, lack of technical capability and other costs of change.
- External partners need to align their interests, policies and advice. One of Ethiopia’s strengths is having its own vision and holding partners accountable.
- Roles should be clearly defined between government, civil society and private sector. In Uganda, to build a factory, you have to invest in power lines, etc. whereas the government should provide them. The private sector is often disappointed with government policies and inefficient and inconsistent use of resources. The government should support farmers with warehouses to stop surpluses from becoming losses.
- The government should enable policies to work; it has no business providing subsidised inputs.
- Exemptions and price reductions are needed for some vital inputs (e.g. equipment).
- The focus is usually on institutions, and/or commercialisation and/or private sector development and/or resilience against threats. What is the topmost priority?
- Execution is a top priority – it is easy to propose policies, but execution is a challenge.
- Focus on a few realistic priorities. Start from markets and design catalytic interventions. When in doubt, take it to the farmer, who is risk averse but economically rational.
- Farmers lack land and capital for inputs; private partnership to facilitate access would help.
- To help replace ageing farmers, practical agriculture should be put in the high school curriculum to build interest from a younger age; encourage school farming that feeds schools.
- What kind of inputs and extension can make the middleman or market queen valued partners? They are demonised although they are enterprising and dynamic actors in value chains.
- Women’s empowerment and unfettered access to land will positively change the dynamics of agriculture.
- Instead of defining agriculture only in terms of primary production, engage the youth by defining it as “from seed to plate”. Involve them along the value chain (packaging, restaurants, exports).
- Agriculture must be seen as a good investment for all sizes of private enterprise.
- Agriculture is the biggest private sector business in many countries. Investment in agriculture – which should be at least 10 percent of the Budget – is 11 times more effective than in other sectors. It generates jobs and incomes in rural areas and urban demand for new products and services. Public expenditure on Research and Development is most effective when it opens up specific areas for the private sector, e.g. hybrid seeds.

2. Extractives Chapter Breakout Session

The session was opened by Gosetseone Leketi (Chief Director, Department of Energy, South Africa). There was a presentation on Chapter activities to date by Sarah-Jane Danchie (ACET Engagement Manager and Policy Adviser) and panel discussions moderated by Koang Tutlam Dung (State Minister in charge of Mines, Petroleum and Natural Gas, Ethiopia), Joe Amoako-Tuffour (Office of the Vice President, Ghana) and Kojo Busia (Senior Minerals Sector Governance Adviser, UNECA African Minerals Development Centre). Discussion topics included how to increase local participation in the extractives value chain and how to improve collaboration between governments, the local private sector, international mining, oil and gas companies and development partners.

Gosetseone Leketi maintained that:

- African countries had been great in documenting challenges while others designed solutions for them.
It is time to provide solutions that fit the African context, not the ones that come from someone sitting in Washington. African countries need to own them with the skills needed to implement them.

It is important, as they unpack the value chain, to upgrade and update the skills needed by the youth to add value and become globally competitive.

The solutions are Africa-centric but not one-size-fits-all. African countries must ensure that there is growth, so that in 10 years they can see themselves as developed rather than developing countries.

Joe Amoako-Tuffour noted that:

- The conversation on extractives had changed over the years from the state being a passive tax collector to actively seeking to leverage natural resources for sustainable development;
- Local content and value addition are prominent current concerns; and
- Invited participants to discuss the current state of affairs and country responses.

Issues emerging from Participant Comments and Questions

- The need for Africa, with all its resources, to avoid the ‘Dutch disease’.
- The need to set a specific definition of who Africans are as a people and what they want Africa to be, a continent that controls its resources and the means of production for the dignity of African lives.
- Addressing land tenure issues as land is the first resource to take control of.
- Look at Norway’s 10 commandments on oil and how citizens get the benefits of the oil sector. How do we take control of the production of Africa’s resources for the benefit of African citizens born and not yet born?

Sarah-Jane Danchie (ACET Engagement Manager and Policy Adviser) said the PACT Extractives Chapter aimed to:

- Enable countries to jointly seize opportunities to benefit from resource extraction and address the challenges.
- Help increase job creation and skills development, business opportunities and enterprise development, with greater participation of state and local actors in equity and management, more involvement of local financial institutions in extractive projects and viable value addition.

Key conclusions of the report include:

- The need to anchor LCVA policies firmly in national development strategies;
- The need for local businesses and individuals to build the capacity to participate in and reap the benefits from the extractives sector; and
- The need for countries to explore regional opportunities for value addition in order to overcome domestic constraints.

Participant Questions and Comments highlighted the following:

- The need to generate enough knowledge, as everything they discuss will fall flat if knowledge was not generated. Africa could not leverage anything if it did not have the right geological knowledge, thus the need to generate and harness it, articulating its needs and objectives with clarity rather than begging for help.
- African countries with extractives must have medium- and long-term strategies for the youth, diversification, growth, welfare and investment.
- Africans should find better ways to develop local content. Jobs cannot be created for the millions of youth without a solid plan for diversification. It is time to move away from policy making based on guts, instinct and ideas from outside.
- Local content is the bane of most African countries, with some companies even bringing people from outside to drive trucks. Africans shout about local content, but do not have the capacity to do anything about it. At senior level in mining companies, there are virtually no locals, and maybe 30–40 percent at mid-level. These are estimates and until the data issues are solved, there would be a problem arguing the benefits of local content.
- What does the ACET study tell us about the frequent non-alignment of mining contracts and national policy?
Africans tend to wallow in self-pity. There is a need for visionary leaders and action. In Zambia, the supply chain of tyres has nothing to do with local content – they go to South Africa to buy tyres to sell them in Zambia. Local content is to look at car manufacturing and see what the country can start producing locally, like batteries. Local content is a technological change in people’s minds, with a vision of their destination.

For a long time, extractives have been considered as a source of rents. However, it needs to be looked at as a value chain and governments must work with the mining companies and with inter-sectoral collaboration. They must define what they can do for themselves and then capture the opportunities within the value chain.

Who owns this new narrative? Is it the World Bank telling African what they must do? Africans must both own it and implement it. Africans were told (by the West?) in the late 1980s and early 1990s to set up export processing zones and good tax regimes to make us competitive, yet they created tax havens. African must move on to discuss its own solutions. It must create the basis for trading across the continent.

Africa lacks continuity – when the government changes, the new one changes everything. There is the need to ensure that governments sign up to certain commitments so as to have continuity in an area like local content.

Panel Responses

First, there is the need to understand the nature of the commodity, as it is not really understood. If Africa knows what it has, they will not give it away so easily. Based on the lack of understanding, interests are not defended, vision is very limited, and they do not see the need to plan. Many countries have done a terrible job in terms of the contracting process. This is a critical question is how hungry they are to extract. They should leave more of the resources down there.

In Burkina Faso, the formal mining sector is 10 years old and in that time

- 10 mining companies have been established but local content has not developed. Why?
- In order to develop LC, legislation has been introduced that compels the government to come up with a vision for local content growth. Since then there have been three governments.
- Progress is very slowly because of a lack of political will.

Some mining companies are leaving the country because of the lack of a good working environment.

Africans have to work; As long as they cannot come up with strategies, they cannot come up with solutions.

All participants are leaders and must go back to their countries with strong ideas.

In Ethiopia as in other countries:

- There is the need for visionary leaders who are also committed to the extractives sector.
- There is a good legal framework, but the problem is implementation.
- Work is ongoing on inter-ministerial collaboration on developing policy on extractives.
- Some of Ethiopia’s people have been trained in South Africa. Work is also ongoing with the Ministry of Trade to supply local industry, although there are some problems to resolve, particularly with the traditional miners.

From the point of view of Zambia, the largest copper producer in the world:

- The biggest problem in Africa is the lack of skills.
- Another important aspect is where Africa is in the supply chain.
- Local people are not given a chance to be in the local supply chain.
- Most do not have the capacity, but they can be built up.
- One mining company in Zambia is providing skills to the locals but all parties must be more proactive to give more opportunities when unemployment is very high, especially among the youth, and formal sector jobs are proportionately few.
- There is need for policies to spread more business, which will enable the government to collect more taxes.

Nigeria:

- One of the leaders in local content implementation, particularly engineering procurement and steel-based equipment.
- Manufacturing is an important part of local content in Nigeria. It is supported by policy that demands content certification for one to be a supplier of equipment in the Nigerian economy.
Nigeria has been able to use local content policy to attract major investors.

Industrial parks have been established for people to set up their business, with arrangements that enhance local content and many incentives to support local manufacturing.

**South Africa:**
- Has a vision that has been evolving since 2000, which was audited for 2010 and is now moving towards 2020.
- Local content strategy for mining involves ownership, control and participation.
- Factors in local and imported skills along the global value chain.
- There are also issues of corruption to deal with.

**In Sierra Leone:**
- Mines and Minerals Act has been set up in 2009 and will be reviewed to strengthen support for local content, with appropriate monitoring.
- Skills training needs to be strengthened.
- The vocational institute in northern Sierra Leone is expected to encourage locals to be the main source of personnel rather than bringing in miners or drivers from Conakry.
- Efforts are being made, with local communities and the mining companies, to build up community development funds.
- Due to structural adjustment programmes, the government has not been involved in the management of the mining sector. The World Bank and IMF advised that we should allow the private sector to be the main actor.

**In Niger:**
- Uranium extraction has been ongoing for over 45 years.
- Oil refining began five years ago.
- Multinationals are doing all the work. People do not know what is going on in those areas.
- Local companies do not have know-how in the mining sector.
- There is the need to come up with a role for locals in the value chain of the mining sector and also increase the funding available.

There has been some success in job creation in uranium – although the multinationals are the main shareholders, the whole management is from Niger.

In the oil sector, the skills and manpower come from China and negotiations are being made for them to adopt some mining sector regulations.

When it comes to value addition, uranium is a highly strategic mineral and the political side of mining is key, even if one has the equipment.

France is Niger’s first partner and some of the decisions are not in our hands.

Surprisingly, Africa’s transformation was being discussed but the critical decisions to transform it were not being taken.

In West Africa, there was a problem with electricity, limiting its industrialisation. ECOWAS advised the establishment of an energy plant, but years are passing by and nothing has been done, only talk.

Transformation requires solutions and decisions.

Further Participant Comments
- It’s not a question of what needs to be done, but what it takes to get it done.
- Vision has been spoken about; implementation is needed.
- There is a limitation to what is happening today and not the next step. Africans do not ask how they can become the investors and reduce their dependency.
- It’s about assessing and understanding the resource and building a business case. We need to nurture African excellence in business strategy, manufacturing and contracting.

How do we build the pillars of the sector?
- All the inputs, the capital and skills, are FDI driven. How do we make them local?
- This has to be done through legislation.
- Nigeria has made some progress, but the rest of the continent is starting almost from zero.
- It is important to ensure that politics do not get in the way.
- There is no guarantee that having mineral resources results in economic growth.
The resource curse can promote corruption and dependence on one sector among other negative consequences. But the curse is not inevitable.

Australia has very strict laws when it comes to doing business abroad. Many Australian companies are working in Africa, providing jobs and incomes and developing local capacity.

In terms of sequencing, must governments wait for legislation to be passed and or implemented before starting to build capacity?

Legislation leads to consistency.

In Ethiopia, legislation is not consistent with the current situation, but they are not waiting. Producing petroleum from plants is a relatively new phenomenon; there is no legislation on it yet, but they are going ahead. Africa must do whatever it can to utilise its natural resources.

Tullow does not promote local content and natural resources because of the laws, but because it is the right thing to do.

Australian companies are already doing local content without the legislation being in place. There is a need for strong institutions to implement local content.

Mining is very capital-intensive, so companies need to be big to be able to invest in a big mine. There is no bar for Ghanaians to enter the market, but is it possible for them to raise the finance? Not likely.

Tullow’s operation is capital-intensive, high-risk and high-value, so it makes sure it is financially stable. How?

- It has a number of arrangements, such as joint ventures, to address indigenous company financing.
- When Tullow started in Ghana in 2007, it saw the lack of a solid industrial or supplier base. To understand the market, an industrial base study was conducted, which helped it plan for joint ventures with indigenous companies in mineral processing.
- In order to build local capacity, it mandates each contractor to commit to local content plans.
- It makes sure that it reserves certain contracts specifically for indigenous companies. Contracts are broken into two so that everyone has a piece of the pie.

It works with universities and polytechnics to identify what practical skills are needed for easier entry into the job market. Its major contractors also have to train some Ghanaians at the Takoradi technical centre.

Tullow aims to work with the government and private sector to continue this process.

Mining is also knowledge-intensive.

Ethiopia’s extractive industry is still small, about 2 percent of GDP:

- By 2025, it aims to reach 10 percent.
- One of the challenges is capacity, so they are working with partners, especially from Canada, to strengthen education in mining, in high schools and colleges.
- Another challenge is the industrial gap. They have light manufacturing and the leather industry could produce boots for miners. Much of its mining industry comes in artisanal and small-scale forms.
- Ethiopia has two categories: small scale and special small-scale mining that uses machines.
- The government is supporting miners by granting them permission to import machinery duty free.

As a local content supplier in Ghana:

- Interest rates are so high that it makes no sense to take a loan.
- Suppliers need financing, but it is not available.
- When it comes to negotiating contracts, some are capable, but are unable to meet market demands.

In terms of transformation, Africa’s challenge is governance.

Towards an Action Plan

- Focus on strengthening institutions and the rule of law.
- Once a mining company comes, there needs to be a plan to work with them on full capacity building.
- There is the need to tap into the local content industry and to need to know the development partners and work with them. Academia and industry need to work together. Big companies can tell suppliers how to do what they need to do.
Capacity building has to be done, especially practically, and from the lowest to the highest level. Pass the necessary legislation and policies to promote good governance and support local producers.

Deep analysis of the past helps to create a strategic approach and people should see themselves as their destiny. For transformation, think bigger and create a good governance system with empowerment.

Continuing advocacy is needed to get the Ministry of Trade involved in order to really benefit from the mining industry.

Need to be systematic about local content and value addition –

- What capacity is going to be built and how do we build it? Investors bring capital, know-how and access to resources. But with Africa’s ownership, it can become partners and less dependent.

- Investors assess the value of the resources for Africa because of the lack of understanding of its value and use the resource to create capital.

- When the skills are learnt, they can be applied to other sectors. Building capacity depends on where one wants to go and why. After the why comes what kinds of jobs. The implementation strategy of a new project is key. You should pick your partners.

- You should not see ourselves as subordinates in a partnership, but rather as full partners.

3. PACT Light Manufacturing Chapter Breakout Session

Robert Ahomka-Lindsay, Ghana’s Deputy Minister (Industry) in the Ministry of Trade and Industry, opened the session, noting the need to add value and create value chains for wealth and growth, and that exporting gold and cocoa, for example, was not enough.

The sessions held during the day were on knowledge-sharing on key issues and areas for light manufacturing development, and the future of industrialisation and job creation. The moderators were Dirk Willem te Velde (Overseas Development Institute), Tony Oteng-Gyasi (Managing Director, Tropical Cables and Conductors) and Nigel Gwynne-Evans (Chief Director, African Industrial Development, Department of Trade and Industry, South Africa). Presenters included Karishma Banga (Senior Research Officer, Overseas Development Institute) and Buddy Buruku (ACET Country Programme Manager, Ghana).

Country members of this Chapter gave short presentations.

In Kenya:

- There is low value-addition in manufacturing and some growth in jobs but mostly at lower levels in the face of declining competitiveness, mounting illicit trade and constraints in market access.

- The government has ambitious plans involving substantial expenditure on an enabling environment for innovation, technological upgrading and diversification.

- Greater market access and a stable policy environment are also critical.

In Rwanda:

- Manufacturing growth has been averaging 7 percent a year, with successful government efforts to make it easier to do business and reduce trade and transport costs.

- Infrastructure for industrialisation is being expanded with special economic zones, mainly for manufacturing for export and domestic markets, and establishment of strong value chains, notably through agro-processing.

- Programmes and further plans are underway for high- and low-level skills development and financing for innovation.

South Africa:

- Is strong in manufacturing, with hundreds of thousands of jobs in automobiles, textiles and food processing, alongside more capital-intensive chemical and steel plants.

- Challenges include rising energy costs and corruption, developing skills, raising production capacity and promoting regional value chains in collaboration with the private sector.

In Nigeria:

- The Ease-of-doing business rank has improved from 169 to 140 and a Council on Industrial Policy and Competitiveness, with 50 percent private sector membership, is looking at how to move beyond oil.

- There is a clear need for policy direction in view of the huge skills gap in the workforce and the growing sophistication of the services sector providing fewer jobs.

- Challenges include inadequate power supply; little linkage with the oil sector; and expanding domestic production and markets for locally manufactured goods while reducing dependence on imports.
Ethiopia:

- Aims to raise the manufacturing share of GDP from 5 percent to 25 percent, with a strong role for agro-processing.
- It is already attracting world-class manufacturers that are creating jobs.
- Commitment at the highest political level has made a difference, with one coordinating agency for all manufacturing and heavy government investment in infrastructure.
- The country also has an Africa-wide low of three US cents an hour for electricity.

Tanzania:

- Faces domestic supply constraints and low productive capacity.
- Is working with the private sector on ease of doing business, reviewing common external tariffs to favour domestic production potential (e.g. edible oils) and lowering import duties on basic materials such as packaging for local production.

Key issues in manufacturing according to panellists and participants

- For Africa to keep up with population growth, it needs 30,000 new jobs each day.
- Africa needs committed leadership, institutional coordination, skills development and an export push for local manufacture. Also important at domestic and external level is implementation of regional integration measures and a value-chain approach to industrialisation and regional trade.
- For a more enabling environment, is more government intervention needed in markets, in part through taxation? Should policy support light manufacturing over trading and develop value chains for heavy manufacturing?
- Manufacturing tasks will be taken from Africa unless the continent boosts traditional manufacturing and simultaneously prepares for the digital future.
- Too many micro firms; a “missing middle” challenge; very few African large firms. The numerous obstacles for firms to become bigger – e.g. cost of doing business, certification and other red tape hurdles – must be removed by strong governments and a nimble, responsive, flexible and specialised public sector.

- Need for concrete proposals based on lessons learned from different countries, appropriately nuanced and targeted to the differing needs of small, medium and large enterprises.
- Look not only at examples in China but also in India.
- Governments should monitor policy results along the value chain.
- Policy implementation and continuity are major challenges.
- Banks need to allocate more credit to SMEs and manufacturing requires long-term funding.
- A Continental Free Trade Area with inadequate infrastructure is unrealistic.
- Transport is critical: a container from China to Kenya costs US$1,000, then US$4,000 from Kenya to Rwanda.
- Develop African markets for African products, looking at scale, product diversification, and tougher negotiation for equitable entry into global value chains.
- African countries have high tariffs and need to deal with non-tariff barriers (NTBs).
- Develop local talent and protect local industry.
- Focus on science, technology, engineering and mathematics (STEM) in schools and increase the demand for and supply of technical and vocational education and training (TVET).
- Make training relevant, with “smart” skills that attract young people and not old factory jobs.
- Skills may be absent at some levels but there are also young people who leave because the job market does not cater for their skills.
- Should countries build talent pools individually or liberalise movement of skills across the continent?
- There is a need for a visa-free Africa.

4. PACT Resource Mobilisation and Management Chapter Breakout Session

The session was opened by Rwanda’s Minister of Finance and Economic Planning, Uzziel Ndagijimana, followed by a presentation of Chapter activities to date by Richmond Commodore (ACET Research Analyst). Panel sessions on key issues of external development financing and
domestic resource mobilisation were moderated by Edward K. Brown (Director, Country Engagements and Operations, ACET) Jean-Louis Sarbib (Chief Executive Officer, Development Gateway) and Natalia Koliadina (IMF Resident Representative). Presenters were Richard Carey (former OECD Director of Development Cooperation) and Edward K. Brown.

Uzziel Ndagijimana made the following point:

- Implementation of the SDGs requires an estimated additional US$48 billion to reduce inequality and poverty by 2030.
- The sum can be mobilised if countries reform tax laws, control tax evasion and illicit transfers and fight corruption.
- Rwanda aims for lower middle-income status by 2030.
- Significant gains have been made in revenue mobilisation, in part through information and communications technology (ICT) and zero tolerance for corruption.
- ICT has facilitated revenue collection through electronic billing, cargo tracking and tax payments by mobile phone.
- Reforms to improve the business environment and develop the capital market have helped triple foreign direct investment in recent years.
- Rwanda has set up an agricultural development fund, along with a long-term savings scheme for universal pensions for five million people, including those in the informal sector.

Updating participants on RMM activities, Richmond Commodore highlighted the recent ACET six-country study – Burkina Faso, Ghana, Rwanda, Uganda, Tanzania, Zambia – on the extent of government adaptation to changes in external development financing. ACET held two RMM policy-learning events in Accra and in Washington, DC, based on the six-country study and worked on the Compact with Africa and a DRM Beyond Aid Forum with the IMF and the Ghana government.

Richard Carey noted the following:

- Demography may have a big influence in financing.
- By 2050, SSA will have the world’s biggest working-age population, making Africa a very large market, the continent of opportunity.
- Africa needs coherent, nationally-owned sustainable development strategies with an integrated national financing framework (INFF). The INFF provides the strategy for combining domestic resource mobilisation (DRM) – through taxation and financial sector development – with the blend of external development finance from state and commercial sources.

- Lessons to be learned include careful navigation of the multiplying sources of development finance, faster project pipelines and better management of public investment, stronger regional cooperation and trade, and inclusive national and regional transformation dialogues.
- Current opportunities include the use of new financial technology to accelerate DRM and job creation for rural and urban development. Among the risks are unsustainable borrowing and spillovers from international trade wars.

Edward K. Brown outlined challenges in DRM including:

- The erosion of the domestic tax base. This involves the preponderance of the informal economy and other “hard-to-tax” sectors, as well as complex and incoherent taxation frameworks, leading to shortcomings in implementation.
- There is base erosion and profit shifting by multinationals; an excess of tax exemptions, partly due to political interference in tax policy and administration and weak commitment to implementation of reforms, along with weak consideration of gender dimensions in tax policy formulation and administration.
- Revenue administration issues include cumbersome filing systems with complex tax return forms; weak categorisation of taxpayers and poor infrastructure and institutional capacity to serve all categories of taxpayers. With the lag in harnessing technology to build databases, these shortcomings combine to facilitate low tax compliance and highlight the need for more efficient tax administration.

- The list of action items includes: broadening the tax base and building a strong social contract between citizens and the state; integrating DRM into medium-term revenue strategy; and effective cooperation at international level to tackle illicit financial flows.

Contributions of participants from countries including Egypt, Ghana, Morocco and Côte d’Ivoire indicated the need to:

- Maintain the momentum of economic reform programmes and reduce the cumbersome processes for engaging with partners.
● Improve public services for end-users through efficient digitisation of documentation, as well as accounting for state assets and liabilities.

● For Countries raising external finance to seek investment in areas that can repay in future, with good implementation plans and demonstrable human resource capacity to see the project through.

● For coordination between ministries on coherent district and national development plans and appropriate alignment of international partners with national development strategy. This means leveraging external financing to increase domestic resource mobilisation as grants decline.

Further country contributions were made in a session on DRM processes:

**Tunisia** –

● Budget pressures push for borrowing in order to attain targets. Efforts continue to bridge revenue gaps through tax collection despite tax evasion and difficulties in coverage of the informal sector.

● There is a clear need for better assessment of policy and project outcomes and better administration.

**Morocco** –

● The tax/GDP ratio is 21 percent, providing only a modest boost to investment.

● Tax incentives for property owners aimed at discouraging unplanned construction resulted in severe tax evasion but this has been fixed in the last two years.

**Egypt** –

● Political will is boosting revenue mobilisation, along with ICT.

● Tax revenue went up 35 percent against expenditure growth of 19 percent.

● A new law aims to contain the wage bill through performance-related measures.

● Subsidies, such as on petroleum, are being rationalised.

● There is a new VAT system at 14 percent, capturing more goods and services, along with a real estate tax overhaul and an efficient electronic database on real estate.

● In applying technology to mobilise more resources, one challenge is to persuade the public to pay more taxes and show them where their money is going.

● There needs to be a social contract between the government and citizens. Public trust is eroded by inefficient use of public resources and no accountability.

**Guinea** –

● Encouraging investment with tax and other incentives but is due to review the whole incentives structure and reduce corruption in revenue collection.

● Efforts continue to capture the informal sector, although the initiative in 2017 to train informal sector accountants failed.

● Lack of communication is a major challenge – people do not see where their tax money goes – and overcoming this means doing more sensitisation in local languages.

● People can now file taxes online and pay by mobile phone, but internet penetration is low, especially in rural areas.

● There is a GPS system to improve land survey for taxation but no database as yet.

● Work is proceeding on expanding access to the internet, including through fiber optics, along with digitisation and data links between Customs and the tax authority to improve collection on import/export duties.

**Uganda** –

● GDP is growing but tax revenue is not, staying close to 16 percent of GDP.

● The country needs a DRM strategy that bears in mind that introducing technology is only effective within reformed structures and process.

● The biggest hurdle is political support and goodwill.

● Corruption and misappropriation of revenue lowers voluntary tax payments.

**Senegal** –

● The 15 percent share of tax revenue in GDP is lower than regional averages and partly due to low mobilisation of petroleum revenue.

● The fiscal authority has modernised services, with specific offices for SMEs and new legislation aims to simplify tax payments in order to reduce evasion.

● New taxes on tobacco and soft drinks have broadened the tax base. However, there is still an excess of tax exemptions.
Exemptions are easily politicised and foster corruption. The quickest way to increase revenue is to cancel exemptions. In Switzerland, taxes are so high, yet businesses operate.

Certainty of tax regime creates a conducive business environment and the tax regime must be harmonised at local and national levels.

Rwanda –

- Targeted exemptions – such as on manufacturing inputs – are having positive outcomes.
- To encourage taxpayers, Rwanda has an annual taxpayers’ day where taxpayers gather at provincial and national level and discuss returns for the year, and top performers are given public recognition.

5. PACT Youth Employment and Skills (YES) Chapter Breakout Session

The session, moderated by ACET Director of Communications and External Relations, Dede Amanor-Wilks, aimed to sharpen understanding of key employment challenges facing Africa’s youth and prospective solutions in the context of economic transformation. James Irungu Mwangi (Executive Director, Dalberg Group) said that every year, 12 million African youth joined the pool of the unemployed while the formal sector provided only three million jobs. He highlighted the increase in freelance employment and an education system out of tune with the needs of the job market. Anselm Schneider (Germany International Cooperation, GIZ) briefly presented the Global Delivery Initiative’s (GDI) methodology for dealing with the complexity of skills development and broader development challenges.

ACET Senior Research Fellow Helen Slater presented studies on YES for the African Development Bank (AfDB) and the Mastercard Foundation. Basic requirements were to strengthen foundational cognitive skills and reset priorities for secondary education, while ensuring depth, diversification and export orientation will be vital for job creation. In this light, five sectors have strong potential for job creation: modernised agriculture, manufacturing, modernised services, tourism and the creative industry.

Panel Discussion

This session was moderated by Kim Kerr (Mastercard Foundation Regional Programmes Director), with panellists making various key points.

Fred Asamoah (Executive Director of Ghana’s Council for Technical and Vocational Education and Training, COTVET) emphasised the need for total commitment to improving the prospects of the youth by updating skills to meet changing demands. He said Ghana was already on this path.

Adama Jimba Jobe (Gambia’s Deputy Permanent Secretary, Ministry of Basic and Secondary Education) highlighted Africa’s numerous opportunities and challenges, including the links between the education system and the modern workplace and the need to revamp teacher training colleges.

Ahmed K. Ferej (Chairperson, Technical and Vocational Education, Kenya) agreed that young people were trained for non-existent jobs. He said teachers must be invigorated and the training system restructured for progress and lifelong learning.

Kate Dooley (West Africa Regional Director, Tony Blair Institute for Global Change) highlighted the need to ensure appropriate sequencing, prioritisation, implementation and management of the transformation process. Related factors were: better collaboration between the public and private sectors, strengthening foundational skills and the importance of political leadership.

Ronald Mukasa (Enterprise Uganda) emphasised market-oriented skills development and the apathy and lack of support on the part of family and society towards the informal sector.

Comments from Participants covered:

- The need for more professional and practical input in classes, and to maintain/improve the quality of teaching.
- Making the issue of falling standards in the education system a collective responsibility.
- The importance of transforming the education system to produce skilled professionals for the job market but not entirely discarding the existing curriculum.
- Encouraging industry apprenticeship. This will mean investing in rigorous data collection (e.g. knowing the number of manufacturing firms in each country).
- Promoting continuous professional development for teachers could reduce the need to bring practitioners into the system while ensuring familiarity with current job market requirements.
The undue political interference, which has impeded progress towards achieving agreed goals because every government applies resources according to what is needed to stay in power. Increased investment in TVET must be a priority of every government in Africa.

The need to pay more attention to nutrition, a very important component of the future of youth, which has not been highlighted by the conference. The extent of malnutrition among African children and the associated adverse learning outcomes deserve utmost attention.

The need for Africa to tailor measures to its environment rather than copying industrialised countries. Vocational skills should go hand-in-hand with the formal sector. One should not develop at the expense of another.

Highlight the use of media in sharing success stories of youth in agriculture, as was being done in Kenya, as a way to get young people interested in agriculture.

The youth in TVET must be able to upgrade themselves on the educational ladder.

Panel discussion on entrepreneurship and digital technology

The second session focused on the potential impact of the Fourth Industrial Revolution (4IR) on jobs and job creation, the implications for entrepreneurs and how to maximise the gains for Africa. The moderator was Barbara Freeman (University of Saõ Paulo Graduate School of Education). The panel comprised Patrick G. Awuah, (Founder and President of Ashesi University, Ghana), Laure P. Fotso (Member of Parliament and Coordinator of the United Nations University Institute for Natural Resources in Africa Office in Cameroon), Joe K. Mensah (Country Manager, Kosmos Energy Ghana), Kathleen G. Beegle, (World Bank Programme Leader for Ghana, Liberia, and Sierra Leone) and Rosemond Offei-Awuku (Chief Development Economist, Jobs for Youth in Africa, African Development Bank).

Patrick Awuah said Ashesi used a pedagogy that encouraged ideation, discourse and debate and trained students to cultivate entrepreneurial skills in all their activities, on a foundation of ethical leadership and individual integrity, which were vital for Africa. As part of their community service, groups of Ashesi students had to identify a community problem and solve it with limited resources and their engineering skills.

Joe Mensah stressed that discipline and hard work were key ingredients in success. He pointed to the important role of ICT in the revolution that was needed in Africa’s educational, entrepreneurial and digital situation. Vital elements included mentoring the youth in entrepreneurship and providing opportunities.

Kathleen Beegle directed attention to issues of poverty and limited access to finance for potential entrepreneurs. Developing the best approaches to make such access possible meant a critical role for the public sector. With a view to facilitating creation of digital jobs, the World Bank had set up a state-of-the-art facility in Accra, but it was underutilised. Challenges in other countries such as Sierra Leone included the very expensive and limited internet access.

Rosemond Offei-Awuku encouraged participants to ensure that decisions made at the conference were integrated in their work plans. AfDB was supporting ICT start-ups and also investing in data research so that Africa will be well prepared for the 4IR opportunities ahead.

Comments from Participants

- Need for Africa to bet heavily on its youth if it wants to advance as a continent.
- African countries must build lasting partnerships among themselves.
- There is a lack of finance for most SMEs because loan conditions are set unattainably high.
- At the same time, SMEs need orderly financial records to enhance their ability to obtain loans.
- There’s a need to involve the youth more in discussions of this nature, giving them the chance to express their concerns directly and be involved in the process of transformation.
- Involving the media in this fight is crucial because the youth are largely driven by social media.
- Africans must empower themselves and take full responsibility for overcoming their challenges. Instilling this attitudinal change in the young ones is important because they are the very ones that will help change the narrative.

Panel discussion on consensus and the way forward

This session synthesised key issues and priority activities for measurable progress in the short and medium term. The moderators were Max Walter (Co-Founder and Executive Director, Centre for Development Alternatives, Uganda) and Anselm Schneider (Co-Chair, GDI Steering Committee and GIZ Programme Director).
Comments from Participants included:

- The youth are inadequately represented in discussions such as the African Transformation Forum. They need to be engaged more in the construction of the way forward.
- Need to learn from what others have already done, using case studies such as the East Asian Tigers, Europe and the Americas, and tweaking the lessons to suit our conditions.
- Relevant data are needed to harmonise the range of salaries between professionals in TVET and those in the formal sector to eliminate the apathy towards TVET.
- There must be a shift in the mindset of our youth and our education system must become more open, flexible and creative in stimulating the dynamism and confidence of the youth.
- The media should be employed as a tool in advertising TVET skills and opportunities.

Inspiration for Policy

- The numbers graduating from secondary and tertiary levels have been rising due to expanded access, but even as formal sector job creation has not kept pace, graduate skills often do not match the needs of the job market.
- Education is highly relevant for fostering resilient, prosperous, sustainable and peaceful societies in Africa in an interconnected world.
- Africa will move faster towards the knowledge-based society through higher education more focused on science, technology, engineering, mathematics, innovation and research.
- The Fourth Industrial Revolution (4IR) – robotics, 3D printing, artificial intelligence and the Internet-of-Things (IoT) – is fundamentally changing the nature of jobs.
- Education financing must meet domestic and international commitments, with an increase in innovative and efficient investment.
- Information systems need strengthening for monitoring and evaluation of evidence-based and accountable education policies and strategies.

Process Management

The YES chapter focuses on the levers for reducing youth unemployment by enhancing skills development to help meet the supply side and future job needs of young people. Participants discussed managing this process as follows:

1. African countries should identify and own the new job opportunities.
2. Changes should be made to secondary and TVET systems to take advantage of 4IR opportunities, including in the general informal sector and in agriculture.
3. Curriculum reform and an exponential increase in budgetary allocation will be key to advancing TVET and digital technology in Africa.
4. Partnership and coordination are critical to skills upgrading and entrepreneurship in the imminent digital revolution.
5. Bridges are needed between the different types of training and education in the formal, non-formal and informal sectors, and there should also be a shift from TVET to Technical and Vocational SKILLS Development.

Next STEPS

Participants agreed on the following focus areas for the YES Chapter (not in any particular order):

- Explore how to build a comprehensive database on labour, skills gaps, entrepreneurship and future job projections.
- Identify a champion country to drive the YES agenda.
- Peer learning and best practice must guide the Chapter but tailored to each country’s vision.
- The Chapter should facilitate interaction between policy makers, academia and the private sector in navigating through case studies, lessons learned and progress monitoring and evaluation.
- The Chapter should spearhead policy action by African countries (e.g. the Maputo Declaration on budgetary allocations for agriculture) to increase allocations to TVET institutions across SSA.
- Innovative education should be fundamental: a shift in mindset is needed in the entire ecosystem regarding TVET, covering teachers, parents, youth, policy makers and the private sector.
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