



37th session of the Intergovernmental Committee
of Senior Officials and Experts of Central Africa

*FOSTERING LEADERSHIP AND TRANSFORMATIONAL CHANGE
FOR ECONOMIC DIVERSIFICATION IN CENTRAL AFRICA*

06 - 10 DECEMBER 2021

CONCEPT NOTE FOR THE HIGH-LEVEL PANEL ON:

Leadership and transformational change: what architecture for Central Africa's economic diversification?

I) BACKGROUND AND CONTEXT

Over the last 10 years, the Sub-regional Office for Central Africa of the United Nations Economic Commission for Africa (ECA/SRO-CA) has taken advantage of the annual meetings of the Intergovernmental Committee of Senior Officials and Experts of Central Africa (ICE) to rigorously promote the Commission's structural transformation agenda in Central Africa. The 33rd session of the ICE in 2017 under the theme "Made in Central Africa: from a vicious circle to a virtuous circle" marked a turning point in ECA's efforts to champion structural transformation in the subregion. It witnessed the adoption of the *Douala Consensus on Economic Diversification in Central Africa* – a theory of change for the total transformation of the economies of the subregion from commodity rent-seeking to manufacturing and high-end service provision. That theory of change has informed

all subsequent sessions of the ICE. The last ICE session, which was held online in November 2020, examined the crucial role of skills for economic diversification in Central Africa and prompted the declaration of the years **2021-2030** as ***Decade of Economic Diversification in Central Africa***. Participants at the session were unanimous that the Decade be kickstarted with a careful examination and issuance of guidelines on the urgent need for a movement towards improved leadership and transformational change for achieving economic diversification. It neatly coincides with the UN's Decade of Action for Achieving the Sustainable Development Goals (SDGs).

As a crucial starting point of the Decade of Economic Diversification in Central Africa, ECA/SRO-CA will be organising its 37th ICE in from 6 to 10 December 2021 in Brazzaville, Congo, under the theme: "Fostering Leadership and Transformative Change for Economic Diversification Central Africa." The theme has been selected to highlight the urgency for the rapid transactions needed to totally diversify and structurally transform the economies of Central Africa in building forward better from the impact and lessons of COVID-19, towards achieving both the UN Sustainable Development Goals and the African Union's Agenda 2063.

The 37th ICE will be held in several segments, including: an opening session, a high-level policy debate on leadership and transformational change for economic diversification, parallel thematic sessions to analyze the theme and provide recommendations to Member States, a session to report on progress of ECA's work in Central Africa as well as on pressing regional development agendas, and an ad-hoc expert group meeting on "Harnessing renewable energy for economic diversification in Central Africa".

A High-level panel on the theme "Leadership and transformational change: what architecture for Central Africa's economic diversification" would be crucial in setting the right tone for the conversations to elicit clear and actionable recommendations to meet Member States' urgent need for change-driven economic diversification for sustainable development.

OBJECTIVES OF THE DEBATE

1. To tease out the meaning, underpinnings and required actions for leadership and transformational change to support economic diversification in Africa in such a way that these lead to far-reaching recommendations for Member States.
2. To set the pace for focused and productive working session of the ICE
3. To attract high traditional and social media attraction to the ICE policy issues
4. To have a recorded debate which can be wholly rebroadcast or repackaged in compartments and distributed to various ECA mailing lists.

FORMAT OF THE DEBATE

A 90-120-minute Davos-style debate on stage to be run as follows:

1. Moderator introduces the topic and the guests,

2. Moderator asks questions in 5 to 8 thematic segments to elicit specific responses from the panelists,
3. Panelists use their time slots to answer succinctly with examples and evidence where possible,
4. Moderator stirs cross-feedback among the panelists,
5. Moderator takes questions from the audience and redirect them to the right respondents among the panelists,
6. Panelists respond to audiences' questions,
7. Moderator gives a room for concluding remarks per panelist
8. Panelists make very succinct concluding remarks
9. Moderator summarizes the key statements from the discussions, and
10. Moderator pronounces recommendations of the debate

KEY ISSUES

Understanding leadership and transformational change. What is it and why is it crucial for economic diversification and sustainable development especially in the context of the 2021-2030 Decade of Economic Diversification in Central Africa?¹.

Leadership is the accomplishment of a goal through the direction of human assistants—a human and social achievement that stems from the leader's understanding of his or her fellow workers and the relationship of their individual goals to the group's aim" (Prentice 2004).

According to ACBF (2019) transformative leadership is less about the leader or chief executive and more about the leadership group, drawn from the political and management segments of the state, the private sector, and civil society who are capable of directing change toward desired outcomes" (ACBF

Grass (2010) considers transformational change as one which is holistic and involves radical breakthroughs in paradigms, beliefs and behaviour. Understood that leadership and transformational change can drive central Africa's economic diversification agenda forward, the context to set the tone for the debate should include the following points:

1. Central Africa's quest for economic diversification would come to naught without societal transformational change. But transformative leadership is a crucial missing ingredient in the pursuit of transformational change that can bring about sustainable development and economic diversification in the subregion. How does it present itself?

¹ According to the concept & stakeholder campaign strategy document of the Decade, the change sought is that "Central African countries move from commodity exporting countries to valued-added economies, through resource-based and trade-induced industrialization in terms of traditional manufacturing, digital transformation and service delivery; hence escaping the vicious circle of booms and bursts in GDP gains."

2. Governance is a crucial yardstick for transformative leaders to lead by example and pull “the crowd” for the transformational change needed to engineer economic diversification. But how can be demystified to show that it is a collective principle, it is not about naming and shaming, it is about context and red tape removal and it can be copied from comparators in the developing South and not necessarily the GDP-rich Global North?
3. Poor, unconcerned public and private service delivery is hobbling efforts at quality economic diversification in Central Africa. Only sweeping changes in leadership can engender efficient public and private service delivery. How can we break the status quo?
4. Formal training in just management and public administration is not enough to create the sine qua non conditions for economic diversification in Central Africa. Deliberate investments must be made in transformative leadership training to produce transformational change which supports such a diversification drive. Is this enough?
5. The role of youth and women are crucial in the transformational change needed to propel Central Africa in this knowledge, information and digital economy, especially with the opportunities of the African Continental Free trade Area (AfCFTA). Traditional practices which serve as barriers to contributions from youth and women towards economic diversification in Central Africa, must be dismantled with the support of renewed leadership. How can this be achieved; and what more?
6. For economic diversification to come to fruition, governments cannot be left alone to figure out ways of providing transformational change. The private sector, civil society, community and traditional leaders, the media, academia, industry captains, diaspora influencers and other individuals must be part of a conversational movement which co-creates irreversible transformational change. What is the right formula?
7. The COVID-19 pandemic has abundantly demonstrated fundamental weaknesses of Central African economies, notably their very low levels of structural transformation and economic diversification. There can be no turning back to business as usual. The subregion must build forward better from the pandemic. As indicated in the UNCTAD 2020 *Trade and development report*, recovering better demands that the Covid-19 pandemic be treated not only as a crisis to be managed, but an opportunity to identify and address the structural barriers in the way of a more prosperous, equitable and resilient future. As such, transformative leadership and transformational change would engender the revolution in Central Africa towards building forward better to become more economically diversified and resilient. Are we sure?

Moving forward, what are the opportunities, challenges, and elsewhere lessons that should be considered to drive a new kind of leadership and transformational change for economic diversification in Central Africa? The debate would need to consider the following, side by side the anticipated findings of the background study for the ICE:

1) RAPID TRANSITIONS: What are the **rapid transitions/ short term measures** needed? Value chains for critical minerals, agribusiness, pharmaceuticals, energy as well as the pursuit of natural capital counting for rebasing the wealth of economies to broaden the fiscal space for economic diversification. In terms of critical minerals, what particular attention can be paid to cobalt for in the 8.8 trillion-dollar battery and electric vehicle value chain by 2025, as a matter of urgency to avoid a scenario of it becoming a stranded asset? How should governments improve their game as developmental states by providing incentives (e.g. on taxes and or enrolment into STEM educational fields) and institute local content instruments in the short term?

2) POLICY MIXES AND KEY ACTORS: What are the policy mixes to be worked out to support the kinds of transitions mentioned above? Who are the key actors of the system (such as political leaders, private sector leaders, women, young entrepreneurs, academics, media personalities and civil society champions) and how should they be brought under the 'palaver tree' with change agents to work a way out for '**motors of creative destruction**' which embrace but modify old ways of doing things while introducing other disruptions?

3) DEMISTIFYING GOVERNANCE: How should the debate on governance be recalibrated away from naming-and-shaming to incentivising and eliminating red tape; and broadened to address procedures for creating productive spaces for economic diversification such as Special Economic Zones without creating spatial poverty, for instance? In other words, how should governance be everyone's 'cup of tea' in order to create a wellbeing economy of job creation, poverty alleviation and gender equality (as Mebratu and Swilling 2019, eds; have postulated)? How can the risks of not pursuing transformational change through governance be clearly demonstrated to avoid 'lock-ins' to the old dispensation?

4) NATURAL CAPITAL ACCOUNTING: How should the question of natural capital accounting be made to gain currency among Central African Member States and development partners in order to rebase their wealth and broaden their fiscal space for pursuing transformational change enhanced by transformative leadership?

5) DRAWING LESSONS OF FAILURE AND SUCCESS: What are the clear lessons of failure and successes on leadership-induced transformational change in economies of similar levels as those of Central Africa (for instance state directionality and agro-industrial parks in Ethiopia; Rwanda and its rapid transitions into ICTs and tourism; South Africa and its Operation Phakisa established in to foster rapid change by 2030 in seven development sectors including the ocean economy, health, biodiversity, education, mining, agriculture and land, chemical & waste economies)?

6) INFRASTRUCTURES FOR CHANGE: What are the physical, institutional, ecological and human infrastructures to be leveraged for rapid economic diversification? How should these neatly come together?

PROFILE OF PANELLISTS

The panel should consist of acclaimed male and female personalities from across Africa recognised as leaders and influencers in spheres which can make a difference for Central Africa's economic diversification.

They should come from: government, the scientific/technological community, business, civil society and academia. The panellists should spread across countries/regions and should reflect gender balance. About 4 to 5 panellists, including one from ECA should be on the set with the moderator.

EXPECTED OUTCOME

The high-level panel debate is expected to provide:

1. A clear picture of what leadership and transformational change is really about and why it is important for the sub-region's economic diversification
2. Insights and material to inspire further debates especially in media spheres
3. Clear messages and recommendations to feed into the overall ICE report directed at member States, the RECs and key publics.