

**Financing
the transition to inclusive
green economies in Africa**

**Financer la transition
vers des économies vertes
inclusives en Afrique**

Bulletin 4

Click on the items below to go to the story / Cliquez ci-dessous pour accéder aux articles

LEAD STORY

Our work is far from over, Gatete tells the ECA >



**SME Voices
Otilia Mathe >**



**We need a practical,
collaborative and
regional approach –
Gatete >**



**Cross-border trad-
ers await benefits
of AfCFTA >**



**Victoria Falls
puts its best foot
forward >**



**Africa needs a
conversation with
credit ratings
agencies >**



**Broadband
penetration
increases will drive
growth >**



**Africa must address
the 'paradox of
plenty' >**



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Our work is far from over, Gatete tells the ECA

The 56th Conference of Minister of Finance, Planning and Economic Development ended on Tuesday after a week of intense discussions, information exchange, side events and round tables and an array of meetings between continental bureaucrats and guests.

About 250 people from around the continent gathered in Victoria Falls while another 100 or so joined the meeting online from various countries for the Committee of Experts meeting, side events and the Ministerial segment.

In closing, ECA Executive Secretary Claver Gatete expressed his gratitude to delegates for their invaluable contributions over the week.

“Your active participation and your request to us to do more demonstrate that the journey towards building inclusive green economies is not merely an anecdote but a pressing imperative that demands our concerted action.

Find the full document on this link: [UNECA PaperSmart - Fifty-sixth session of the Economic Commission for Africa Conference of African Ministers of Finance, Planning and Economic Development](#)

“The insights shared, the innovative solutions proposed, and the partnerships forged underscore our resolve to advance economic prosperity for all Africans.”

Gatete said consensus was build around the following issues:

- The key areas for the reform of the global financial architecture to be fit for purpose;
- The instruments and institutions needed to bridge the technology gap; and
- The innovative financing mechanisms that can work with the right governance frameworks.

“It is precisely because of these imperatives that the Economic Commission for Africa is

reorienting its work, with particular focus on deepening our intellectual leadership on technology, infrastructure and climate.

He called for everyone to make a commitment to the work that lies ahead.

“We must not think of the reports and resolutions as the ultimate outcome of our work. The conference of ministers may be ending, but our work is far from over.

“On the contrary, we have heard you loud and clear. You have asked us for more concreteness on scalable and replicable solutions that work. I have taken note of the need to strengthen peer learning platforms.

“We have also been requested to translate these deliberations into tangible actions that yield outcomes.”

Gatete thanked Zimbabwe for its hospitality, with a special mention of Bureau Chair and Zimbabwe’s Minister of Finance and Investment Promotion, Mthuli Ncube.

The Draft Ministerial Statement highlighted the main issues still affecting African economies, outlining in detail both achievements and lapses, including the failure to meet many set targets. It also outlined serious funding gaps in key areas.

CoM 2025 in Addis Ababa

The next Economic Commission for Africa Conference of African Ministers of Finance, Planning and Economic Development (CoM2025) will be held in Addis Ababa in March 2025.

At the closing of the Committee of Experts segment of the CoM2024, it was proposed, and carried, that the theme of the meeting will be, Advancing the implementation of the Agreement Establishing the AfCFTA: Proposing Transformative Strategic Actions.

In making the case for the theme, ECA Deputy Executive Secretary and Chief Economist, Hanan Morsy, said inter-regional trade in Africa stands at only 13%, compared to 55% in Asia and 70% in Europe.

Added to this are recent challenges and disruptions to global supply chains, which has affected costs, trade flows, costs, and efficiency.

She stressed that Africa has an opportunity to leverage the African Continental Free Trade Area (AfCFTA) to break into supply chains that would not have been possible before.

However, challenges remain in terms of regulatory reforms needed to advance the implementation of the agreement on non-tariff barriers, the high cost of doing business, political impediments and connectivity challenges.

Keeping it clean: the fight against waste



The workers of the Pristine Victoria Falls Society are the custodians of this seventh wonder of the world, says its Campaign Manager, Douglas Musiringofa.

The venture is a partnership between the private sector, communities and law enforcement to ensure that the streets of Victoria Falls are litter free for tourists and residents.

Tourism operators who are part of the initiative have adopted streets that they ensure are kept clean.

A “hit squad” drives around every day to find litter dumping and offenders are found and forced to clean up the “crime scene”.

The aim is to change mindsets through consistent pressure.

“It is a work in progress. There are many who don’t yet understand why we are doing this but we will get to them eventually,” says Musiringofa

The Society works with hotels too to ensure they adhere to waste management policies, minimize their output and come up with ideas to upcycle and recycle.

The group is seeking new ways to deal with the plastic waste, not just recycling it but with a long-term view of making Victoria Falls a pilot in a push for a ban on plastic in Zimbabwe.

“If we all speak the same language to preserve our environment, that is good for the city and for tourism and a clean environment means more business for all of us.”

Africa needs to have a real conversation with the credit ratings agencies to address the perceptions of risk that are a deterrent to private investment, says Rebeca Grynspan, Secretary-General of the UN Conference on Trade and Development.

Africa needs a conversation with credit ratings agencies

Contributing to the High-Level Roundtable on global financial architecture reforms, Grynspan said reforms to the global financial architecture should be underpinned by increased both long-term and affordable financing to Africa.

The key to this was to create both better and bigger multilateral development banks.

“We need banks that are better in the sense that they have to draw in private investment. We know that even if they are bigger, they will not be enough: we need to crowd in private investment.”

Grynspan said another key reform was to channel the IMF’s Special Drawing Rights through multilateral development banks, pointing out that the African

Development Bank, for example, had put forward a “credible” and “robust” programme for implementation of this.

In 2021, the IMF issued \$650bn in SDRs to member states. Of this, Africa - with a population of 1,2 billion people - got \$33bn, or just 5% of the total.

Zimbabwe’s Minister of Finance and Investment Promotion, Mthuli Ncube, said his country was implementing innovative measures to boost domestic resource mobilisation.

These included a 2% tax on mobile money transfers, a levy on owners of buildings from which unregistered informal businesses operated, and a sugar content levy on beverages.

Ncube added that Zimbabwe had developed a framework to

5%
OF TOTAL
FUNDS ISSUED
BY IMF IN
SDRS WAS
GIVEN TO
AFRICA

leverage carbon credits.

Adalgisa Vaz, Cabo Verde’s Secretary of State for Business Development, said the island state was rolling out green and blue bonds to unlock climate financing.

She suggested that to deal with credit risk perceptions, it was time that African financial institutions like the AfDB, Afreximbank and insurance firms, started taking a lead role in risk assessment.

Senegal’s Minister of Economic Affairs, Planning and Cooperation, Mr Doudou Ka, said their government was directing investment towards renewable energy and offering tax incentives to firms that implemented green policies, with penalties for polluters.



Broadband penetration increases will drive growth

The digital economy will grow to \$180m by 2030. But governments need to brace for a sector that changes each day, to ensure that their citizens can reap the full benefits of a digital transformation.

Countries will need to develop responsive policies that balance inclusion, safety, and resource mobilization, according to a panel discussing crafting a path to inclusive technological advancement.

A 10% increase in mobile broadband penetration could lead to a 0.8% to 2.46% rise in national GDP growth. African countries, given their low internet penetration, would benefit enormously from this, said ECA Deputy Executive Secretary Hanan Morsy.

Digital technologies show great potential for applicability in under-resourced settings on the continent. Google's Charles Murito noted that greater adoption of blockchain technology could enhance resource mobilization by enabling the traceability of revenue collection streams. But blockchain technology can also save lives. The Google official noted that the technology has shown promise in addressing the proliferation of counterfeit pharmaceutical products and could also help in disease diagnosis.

Meanwhile, the issue of digital IDs also remains at the forefront of many governments, with The Gambia's communications and digital economy minister Ousman Bah noting that this forms a key

pillar of Gambia's digital transformation agenda.

"You need to know how many people are graduating from high school to college, how many people are employed, how many people are born," he said.

Through preliminary research in six countries, Morsy said countries could increase their economies significantly by optimizing digital inclusion.

A digital tax could increase broadband penetration, drive revenue growth through enhanced productivity, expand the tax base, fuel economic growth and generate jobs.

But the question remains of how to balance these benefits as a tax may diminish access to these technologies in countries where access is already low.

Only about 40% of people currently use the Internet, with around 60% unable to use it because of the high cost of data or the lack of access to smartphones, Smart Africa's Didier Nkurikiyimfura noted.

As it stands, Africa also needs to urgently adapt its frameworks to cover new areas. For example, participants said only about 10% of countries have AI policy frameworks or processes, even though some citizens have already begun to use the technologies.

A Zambezi break

Delegates rounded off a busy week with a cruise on the Zambezi River



Africa must address the ‘paradox of plenty’

Africa has the natural resources required for its development but continues to be at the bottom of most development indicators.

Opening a session on green trade and the future of Africa, Antonio Pedro, Deputy Executive Secretary of the ECA stressed that Africa needs to take appropriate steps to resolve what he referred to as the “paradox of plenty”.

Africa, he said, must move away from resource extraction, where minerals are exported in their raw state, without any links to the local economy, thus producing few or no improvements in the communities that have the resources.

With the procurement challenges that arose during the COVID-19 pandemic still resonating, Pedro called for Africa to localise its supply chains. “At ECA, we have introduced this notion

of Afro-shoring, which means producing and consuming goods made in Africa,” he said.

Much will however depend on the success of the African Continental Free Trade Area, which will boost the capacity of African producers and create a market of 1.4 billion people. “We need to investigate what we have to do to make it work better and we need to move from potential to action and real development outcomes,” he urged.

Judith Suminwa Tuluka, Minister of State for Planning of the Democratic Republic of Congo said her country, working with India and Indonesia, is seeking to reverse the situation where developing countries are paid far less for carbon credits than developed countries are.

We must come together and compare notes so that investors do not say different things to different countries

“We must be capable of negotiating prices so that it’s profitable for our people and they can benefit from their resources,” she added.

The DRC’s partnership with Zambia in the production of batteries for electric vehicles, is a necessary step for localising production and retaining greater value from Africa’s mineral resources, Tuluka said.

“We must come together and compare notes so that investors do not say different things to different countries. The benefits will not accrue effectively to our countries if we don’t. Africa must come up with a common framework and we must negotiate as a collective,” Zambia’s minister of green economy and environment, Collins Nzovu, stressed.



SME VOICES

Otilia Mathe

Otilia Mathe is the woman behind the team of craftsmen and women selling their wares on the sidelines of CoM2024 at the SME tent.

She works in the Hwange District as community coordinator with the Zimbabwean Ministry of Women Affairs, Community, SME and Development.

“We work with women and artists in Hwange District. We encourage them, we monitor their work, and we link them with markets,” she explained.

When she learnt about the ECA Conference of Ministers, she was thrilled at the opportunity of showcasing the best of what Zimbabwe has to offer in terms of cultural and artistic expression.

“What we’re exhibiting here is the heritage and the culture of Zimbabwe,” she said.

In line with the theme of the conference, she emphasized that the items on sale in the tents were made using sustainable methods that are respectful of the local environment.

“These are homemade products made using locally-sourced materials and recycled materials. They are sustainable and also help to protect our environment. We don’t waste material, we reuse, repurpose and recycle,” said Otilia, gesturing at the colourful wares around her.



BULLETIN 4
#CoM204



DELEGATES
AT WORK



ECA Executive Secretary Claver Gatate chats to publisher and MD of media company, IC Publications, Omar Ben Yedder in Victoria Falls.

We need a practical, collaborative and regional approach – Gatete

You’ve sat on the other side of the fence as Minister of Finance and later of Infrastructure. What are your plans for the ECA to ensure it is relevant to policy makers?

One thing that we support countries with is macroeconomic management. The African Union has a vision for 2063 and we have assisted them with the second 10-year implementation plan. Together with the Sustainable Development goals, we have to look at how we can assist them to achieve these objectives.

We also have to look at trade, working with the eight regional economic communities to bring down the barriers to trade. There are issues of energy security and climate, which are going to be very important for the continent.

Another is technology, which can fast track the entire development process. Our job is to support these processes, using a regional approach so that we can help many countries at once. We are trying to find the best way to contribute in a way that is most impactful, working with all the relevant stakeholders, sharing knowledge and scaling up best practice to a continental level.

In terms of practical solutions, does that mean bringing new stakeholders on board and looking at things more from a data and evidence-based perspective?

The role of financial institutions is critical. We have our traditional institutions such as the World Bank, the African Development

Bank and Afreximbank supporting trade. We have to see how to coordinate and work together to address specific issues.

How do you see the role of philanthropy, which is playing a bigger role in the development agenda?

It’s another contribution which is very useful. They are putting money in education, in health and the areas that we need so it is a wonderful addition. The most important thing is working with them to make sure that the money goes to where it’s most needed.

What is the ECA’s position on the reform of the global financial architecture?

The current arrangement was established when very few countries had been born and so it worked for those countries that designed that model. This model has been found to be inefficient, so we need to adapt it to the new century.

There are some proposals, including the Bridgetown Initiative and some from the G20, all of which revolve around making sure government, private sector and international financial institutions participate in the solution. But we need to move with greater urgency.



You’ve been calling for greater regional thinking. Can you elaborate?

Governments have to create a conducive environment, but it is the private sector that has to invest. And we need to work together. For example, in Zimbabwe and Zambia, we need to ask how we create an agro-processing zone where we can bring in the private sector, government can invest in infrastructure, we can do that derisking and the private sector can establish companies so that we can process rather than export raw products.

How do we expand that to critical minerals, for example, so we can create jobs, the money remains in Africa and the development is at a higher speed because it’s regional in nature.

Governments have to create a conducive environment, but it is the private sector that has to invest.



Traders share their experiences of operating across Zimbabwe's borders but the AfCFTA is elusive for them.

Cross-border traders await benefits of AfCFTA

Job Mangwalala, 55, sells curios at the tourist centre in Victoria Falls.

He has run the business since 1996, selling a variety of wooden animal carvings, which are popular with tourists, especially from Europe.

The business is his livelihood; it feeds and educates his four children. But business has been tough.

"I sell less compared to the years before Covid," he said. "Tourists who buy our goods have reduced."

This has forced Mangwalala to look for markets outside Zimbabwe. Every six months, he crosses the border into South Africa where he supplies his products in bulk. He sells more in a short time this way and he is now thinking of expanding to Botswana and Namibia.

"There were plans to have a cross border association and we

were a group of 100 traders who had registered to join.

"They mentioned AfCFTA to help us with trading in other countries which was a good thing, but we haven't heard from them again," he said.

The AfCFTA's mandate is to create a single continental market with a population of about 1.3 billion people and a combined GDP of about \$ 3.4 trillion.

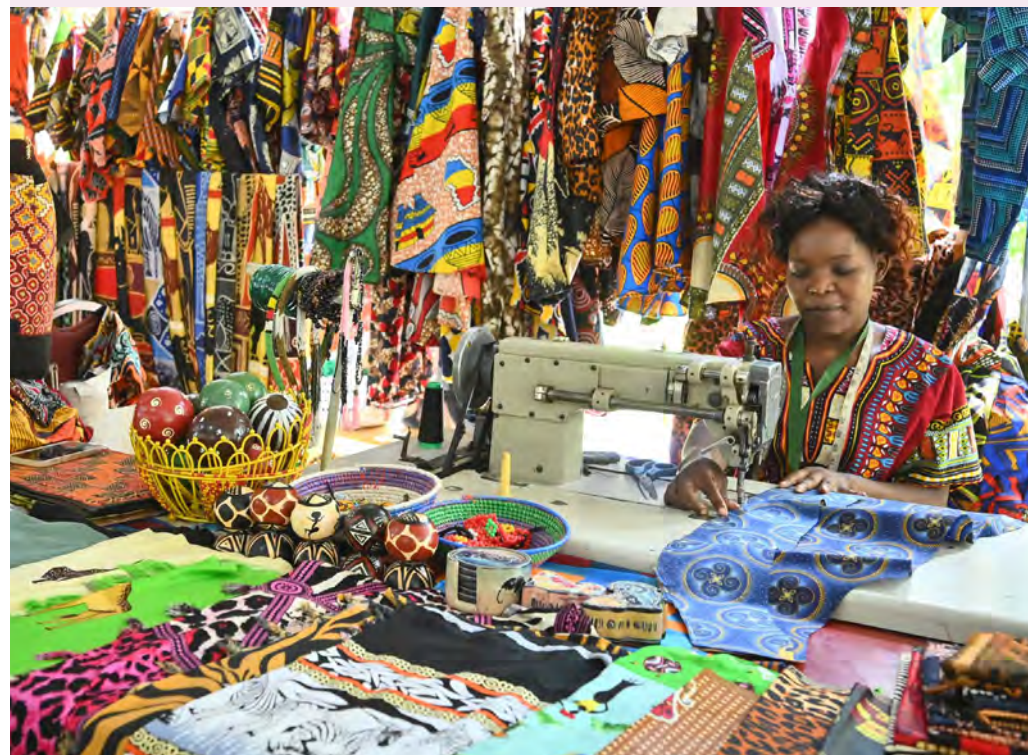
AfCFTA aims to reduce tariffs, boost economic growth and increase collaboration among African countries.

It will give a big boost to the likes of Mangwalala and other cross-border traders such as Rudo Kabete, 40, who sells African outfits and fabric at her shop in Victoria Falls.

She is a tailor by profession and started her business because of a lack of employment opportunities. Together with five other women, she travels to Namibia



Selling outside the country is better because we sell in bulk and make a good profit



and South Africa to sell goods.

"Selling outside the country is better because we sell in bulk and make a good profit," she says. "Here in Victoria Falls we make very little profit, and it is hand to mouth."

It takes two and half days to travel to Cape Town. She stays in South Africa for three weeks selling her goods and then comes home.

"Declaration of the goods at the border is a lengthy process because you require approval from the agriculture and forestry commissions," she notes.

Kabete is a member of a local womens' cooperative and members support each other through advice and access to finance. But she has not heard of the AfCFTA.

What Kabete and other traders in Zimbabwe are looking for is information to help them trade successfully.

Velile Dube, Client Advisor of Zimtrade says the Zimbabwe Ministry of Trade gives information to traders on export markets so they can make informed decisions.

"The problem with the most traders, like the curio traders, is that they do not adhere to the set standards where they are meant to export up to \$2000 worth of goods," Dube said. "Instead, they smuggle their goods into neighbouring countries."

The government has a flagship programme, Marketing and Branding for International Competitiveness (MBIC) Training Programme.

"We train traders, organize participation in trade fairs, negotiate deals for them and conduct advocacy so that the traders are aware of any new laws and agreements like AfCFTA and how they can benefit from it," Dube says.





Victoria Falls puts its best foot forward

It takes a village to pull off an event like the ECA Conference of Ministers, and in this regard, the warm and generous hospitality of Victoria Falls was unmatched.

Businesses ranging from hotels and restaurants, to transport providers, to waste disposal companies, came together to make sure that everything ran without a hitch as 250 people from across the continent flocked to the picturesque tourist town for the seven-day conference.

Running the logistics for such an event is not an easy feat, as Chiku Mulinde, the chairperson of the Matebeleland’s chapter of

the Hospitality Association of Zimbabwe noted. “[We counted on the close collaboration of] the Ministry of Health, the environmental health departments as well as organizations such as Pristine that work hard in the management of waste,” to manage the environmental and safety aspects of the event.

Mulinde, who is also the general manager of Elephant Hills

Resort, where the conference was held, said government marketing efforts had played a crucial role in building greater awareness of the beauty of Victoria Falls and its surroundings.

Events such as the Conference of Ministers, he noted, “boost the local economy by bringing in tourists with a fairly good length of stay”.

In addition to the direct income from hosting COM2024, he appreciated the rollover effects of enabling “trainings and engagement of service staff” as well as to the informal sector, such as crafts vendors at local markets.

COM2024 owes a huge debt to the people of Victoria Falls, who truly went above and beyond to make the event a success.

“They have always put their best foot forward in times like these,” Mulinde said.

HOST PROFILE

Mining booming in Zimbabwe

Zimbabwe’s mining industry is currently attracting more investment than any other sector.

The country is home to 48 known minerals, some strategic, some critical. They include gold, diamonds, platinum group metals (PGMs), chrome, ferrochrome, nickel, lithium, coal, uranium, oil and gas, and iron and steel.

In the past five years, the mining sector has expanded through a number of interventions, including new investments, increased mineral exports, value addition and beneficiation, opening of new mines, and increased capacity utilisation at existing mines.

The sector employed 106,151 staff directly by the end of October 2022, up from 77,799.



\$4.4 billion

Total projected Investment Value Licensed

63

Mining sector – Highest Number of licenses issued

BULLETIN 4
#CoM204

In 2021, the government set itself a \$12bn annual target of earnings from mining, and it was surpassed by the end of 2022.

According to the President, the earnings in the mining sector when he took over the country, was \$2.8bn per year. Now it is \$12bn per year.

The new investment in mining has largely come from China.

One is a large steel project implemented by Dinson Iron and Steel Company (DISCO), a subsidiary of China’s largest stainless-steel producer, Tsingshan Holdings.

It will become Africa’s largest steel works upon completion this year. Phase One of the project alone cost \$1bn, which will rise to \$4bn when completed.

China is also investing in lithium in Zimbabwe, which has some of the largest deposits in the world.

Oil and gas exploration is taking place in the Zambezi basin in northwest Zimbabwe and prospects for production are good.