LEAD STORY

President Mnangagwa: ‘We must think outside the box’

Global system reform will help Africa
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AI comes with risks but plenty of opportunities

Africa must address G20 complacency
Democratizing information access
Africa’s realities and ‘to do’ list
“The School That Thunders”

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Africa has the weighty responsibility of boldly and decisively tackling the challenges faced by its economies. “We cannot afford to bury our heads in the sand.”

**President Mnangagwa:**

‘We must think outside the box’

Zimbabwe’s President Emmerson Mnangagwa, opening the Ministerial Session of the ECA’s 56th Conference of African Ministers of Finance, Planning and Economic Development in Victoria Falls, said, “We must look within and among ourselves for solutions.”

“We cannot afford to bury our heads in the sand,” the President told delegates. “I, therefore, challenge you to pursue robust and innovative measures to unlock maximum benefits from our natural resources, which essentially starts with the sharing of ideas through deeper collaborations.”

Turning to the theme of the conference – Financing the transition to inclusive green economies in Africa: Imperatives, opportunities, and policy options – the president exhorted Africa to build climate resilient infrastructure to drive green industrialization that is inclusive and sustainable and eradicates poverty while creating jobs.

To this end, he said, climate financing instruments must be leveraged to reap maximum benefits from Africa’s vast natural resources. Finance and economic planning ministers should come up with alternative resource mobilization initiatives that transform economies in line with technological developments to meet climate goals.

“We must think outside the box and trust in our home-grown initiatives,” he said. “This should be complemented by mainstreaming the principle of green economy in policy reforms, regulatory changes and strategic investments.”

However, the President cautioned the ministers to be mindful of the need to take account of the uncertainties and risks associated with future economic growth as they try to replace the conventional economic model with a green economy.

He regretted that global greenhouse gas emissions continue to rise as climate change wreaks havoc on nations that are least responsible for the emissions.

President Mnangagwa called on “the Global North to bear their burden and face up to their responsibilities by honouring their commitments”.

While the climate change challenges faced by the continent are immense, they are surmountable. Africa should leverage its vast forest resources to garner more finances for sustainable development, in particular by leveraging growing carbon markets.

“Let us collaborate to mobilize resources for financing our transition towards inclusive green economies,” the President said.

He pointed out that while governments have the mandate to deal with emerging challenges, businesses have the experience, technology and drive to deliver on the solutions Africa needs. Programmes in this regard must be scaled up.

“No matter what difficulties may come our way, we must focus on a people-centred development philosophy that leaves no one and no place behind,” the President said.

“Together with unity of purpose, we can indeed build the ‘Africa we want’, brick upon brick, stone upon stone, and step by step.”
Music teacher Ruth Mpofu has been training musical talents at Mosi-oa-Tunya High School in Victoria Falls to perform in front of Zimbabwean heads of state since 1998.

We caught up with Mpofu shortly after she led her students in a stirring rendition of the national anthem in Ndebele, Shona and English in front of President Emmerson Mnangagwa at the opening session of CoM2024.

Mpofu admitted that although all of the young musicians, aged between 14 and 18, were thrilled to be performing in front of the president, some of the younger ones were slightly nervous at the prospect of it.

She talked them through what to do when the nerves hit. “I encourage them, and I tell them there is nothing new, it’s just the singing like they’ve been singing at school, only that they’re now doing it in front of guests.”

In the past 26 years, Mpofu has seen several students pass through her choir and go on to graduate. As she counts down to her own retirement, she has already started to train her successor.

Regardless of who forms the choir, Mpofu affirms that Mosi-oa-Tunya will “make sure that we maintain our standards”.

“We will remain the school that thunders,” she quipped.

Global system reform will help Africa

Speaking at the official opening of the Ministerial Segment of the 56th Session of the ECA Conference of African Ministers of Finance, Planning and Economic Development, Gatete said with 2.7% growth in 2023, and a projection of 2.4% in 2024, inflation at nearly 20% and 21 countries at risk of, or already in, debt distress, the future seems bleak.

But all was not lost, he said, proposing a cocktail of solutions to help the continent navigate the restricted fiscal space.

“First, the global financial architecture needs to be fixed. It must work for everyone and reflect the new dynamics. In this regard, we welcome the membership of the African Union in the G20. But we need to go further!”

He also urged more proactive domestic resource mobilization, reform of tax systems, investment in capital market development, and establishment of a productive green finance system in Africa with “the potential to generate $3 trillion by 2030”. Earlier, African Union Commission Deputy Chairperson, Monique Nsanzabaganwa, called for Africa’s voice to be amplified on the global stage.

“Among other priorities, she said there was need to capacitate structures that advanced the development agenda. These include the African Central Bank, the African Monetary Fund, the African Investment Bank and the African Stock Exchange.

Ambassador Rebecca Otengo, the Outgoing Chairperson of the Ministerial Bureau, highlighted the importance of “structural reforms to revive growth, enhance resilience, and optimise fiscal monetary policies”.

The official opening session started with Mr Richard Moyo, who is the Minister of Provincial Affairs and Devolution of the host province of Matabeleland North, welcoming delegates to the tourist city of Victoria Falls.
African governments are facing a raft of priorities they need to tackle even as the fiscal space continues to shrink and the needs increase in the wake of climate initiatives and African Continental Free Trade Area imperatives.

Hanan Morsy, Deputy Executive Secretary of the ECA, reminded delegates that the Report of the Independent High-Level Expert Group on Climate Finance found that emerging markets and developing countries (excluding China) require $1 trillion a year by 2024 (4.1% of GDP) and $2.4 trillion a year by 2030 (6.5% of GDP).

The unique challenges, extent of the need and characteristics of the required financing brings significant challenges for the IMF, she said.

The IMF has stepped up with its Resilience and Sustainability Facility (RSF), established in October 2022, which helps low-income and vulnerable middle-income countries to build resilience to external shocks and ensure sustainable growth.

Morsy said the number of countries that would likely seek RSF programmes, combined with the specificity of the climate and energy issues involved in each, would stretch the IMF’s institutional capacity as never before.

IMF support requires doing more with less, Morsy said. One suggestion was to bring green debt swaps to scale with the RSF functioning as a policy instrument. Another was to provide credit enhancements.

The RSF could be mobilized to boost accountability and transparency for higher private financing.

This could be enhanced by measures including:

- Establishing a national reporting system highlighting key climate performance indicators.
- Establishing a credible and transparent audit process to monitor the use of proceeds raised through ESG financing instruments.
- Publishing a list of eligible projects.
- Developing a green financing framework aligned with the ICMA framework.

We need to examine all options, but we need to move quickly.

Creating a sense of urgency about Africa’s challenges “won’t happen by an invisible hand”, she said. “There is a need to do things differently.”

“An estimated 3.3 billion people live in countries that are spending more on debt servicing than on education and health. This makes spending choices painful.”

She believes the complacency about Africa in developed countries is because their own situation is more stable and prosperous.

“We need to make sure they are looking at the numbers that reflect the reality of Africa, not the aggregated statistics and averages that mask that reality.”
AI comes with risks but plenty of opportunities

Advances in artificial intelligence present tremendous opportunities that will reshape the lives of people around the world, including in Africa, even though the technology presents certain risks.

This is the view of James Manyika, Senior Vice-President for Research, Technology and Society at Google delivering the 2024 Adebayo Adedeji Memorial Lecture at CoM2024. Manyika, who is also the co-chair of the UN High Level Advisory Body on Artificial Intelligence, said AI would have the most impact in “assisting people, powering the economy and expanding prosperity, accelerating scientific breakthroughs and helping to address societal challenges, enabling development.”

He noted, however, that these gains would not accrue automatically and would require investment, innovation, diffusion and an enabling policy agenda.

Already, Manyika said, AI is helping to improve lives through advances in scientific research and discovery.

Among other uses, these developments are helping professionals to fund cures for diseases faster, discovering minerals that can power next-generation technology and enabling faster predictions of natural disasters.

Some African nations have already deployed AI capabilities to improve lives. “In Kenya, AI models are being trialled that make ultrasounds more accessible to lightly trained ultrasound operators in under-resourced settings,” he said.

“In South Africa, AI-powered screenings are helping to catch tuberculosis early, reducing its spread,” he noted.

Despite these advantages, Manyika said there are potential drawbacks and complexities, including concerns about the impact it will have on jobs.

While most research indicates that more jobs, including new types of employment, could be created by AI, Manyika said its benefits could be diminished if it led to job losses and affected workers were unable to find new jobs due to their lack of relevant skills.

“Tackling these issues of workforce readiness, skilling and supporting worker transitions will be critical,” he emphasised, adding that Google is involved in initiatives to provide certified training programmes for thousands of Africans.

This, he said, will be especially critical for Africa, given the size of its young population who will have to contend with AI-related shifts over the course of their working lives.

FINANCE
A private-sector perspective

The continent needs to explore private investment more deeply, both through access to the international market, as well as intra-African investment opportunities.

This was according to Dr Hubert Danso, the chairman of Africa Investor, speaking at a session on Public-Private Partnerships for Green Financing.

Danso called for Africa to expand its current model for raising money. “How can we create a Team Africa that brings together institutional investors that can take long-term risk?”

Such funds could be used to expand the availability of project development finance, he said.

While he lauded the commitment to building trust among the development community, Danso argued that a “philosophical struggle” exists between the roles of the private sector and the development community.

“We’re allowing ourselves to be perceived as a development project as opposed to a world-class investment destination,” he said.

Instead, he urged countries to consider the viability of untapped sources of finance such as pension funds within the continent, and to focus on developing an investible, banking project pipeline.

He said the continent would not be able to build the required financing scale in terms of climate finance until the public and private sectors changed their attitudes to each other.
Les intervenants étaient partagés dans leur réponse à cette question lors de la session intitulée “Favoriser la prospérité grâce à des politiques sur l'intelligence artificielle en Afrique”.

Si certains ont loué les avantages potentiels de l'IA pour le 1,2 milliard d'habitants du continent, d'autres se sont montrés plus prudents quant au fossé entre ces aspirations et les politiques et systèmes d'infrastructure existants du continent.

Les panélistes ont réfléchi au potentiel positif de l'IA pour stimuler les économies africaines, notamment en renforçant la fourniture de services publics et la mobilisation des ressources, et en permettant une prestation de soins de santé plus efficace.

Dans le même temps, ils ont exprimé leur inquiétude quant à la manière dont l'IA peut détourner un pays de ses objectifs économiques fondamentaux, appelant à la participation des parties prenantes africaines aux forums mondiaux sur l'IA afin de s'assurer que les préoccupations de l'Afrique sont représentées de manière adéquate.

Les modèles d'IA que nous utilisons en Afrique et qui proviennent de pays étrangers ne sont pas nécessairement adaptés au contexte africain, a considéré Sandra Makumbirofa, chercheuse économiste principale à ICT Africa.

Baratang Miya, PDG de Girlhope partage ce point de vue et établit un lien direct entre la précision et la capacité des modèles d'IA et l'inclusion des groupes marginalisés dans leur développement.

Cette exclusion va au-delà du développement des technologies et s'étend à l'élaboration de politiques clés régissant leur application et leur utilisation.

Dans l'un des principaux défis identifiés est le manque de données provenant d'Afrique. De nombreuses études ont montré que l'exclusion des minorités dans les données d'entraînement des modèles d'IA perpétue la discrimination à l'égard de ces groupes.

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En matière d'IA, comme pour d'autres technologies, les gouvernements doivent trouver un équilibre entre la création d'un espace pour l’innovation et la réglementation des entreprises. Mais la considération de l'humanité doit être au cœur de cette démarche.

L'IA est-elle bien placée pour tirer pleinement parti des possibilités offertes par l'émergence des modèles d'intelligence artificielle tout en atténuant les risques ?

"Les modèles d'IA que nous utilisons en Afrique et qui proviennent de pays étrangers ne sont pas nécessairement adaptés au contexte africain et nous ne sommes pas en mesure de les utiliser aussi efficacement que nous le pourrions dans les pays africains", a considéré Sandra Makumbirofa, chercheuse économiste principale à ICT Africa.

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The ECA is building spaces for knowledge exchange that go beyond the traditional library format, says Irene Onyancha, Chief of Knowledge Management Services Section at the ECA’s Publications, Conference & Knowledge Management Division.

An example is its stand on the sidelines of CoM2024, where it showcased its offerings alongside the Zimbabwe Investment Development Agency, Zimtrade and the Victoria Falls Stock Exchange.

“We realized we needed to go where we can really reach the people,“ she said.
DELEGATES AT WORK
**Africa’s realities and ‘to do’ list**

ECA Deputy Executive Secretary and Chief Economist Hanan Morsy breaks down some of Africa’s current realities in her speech at the Ministerial Segment of CoM2024.

- Countries spend more on debt servicing than on climate action, for example, and many spend more on servicing debts than they do on health.
- Tax receipts as a percentage of GDP are still lowest in the world at 16% compared to 28% in Latin America; and 19% of GDP in Asia.
- Illicit financial flows through transfer pricing and tax evasion and avoidance are costing Africa $88.6bn annually, representing ½ of the annual funding gap needed to reach SDG targets.
- The private sector accounts for a meagre 14% of climate-related investments. This compares to 50% for Asia, and 96% for the USA.
- Africa accounts for 0.2% of total issuance of Green Bonds, a truly insignificant amount.

**Global interventions**
- Accelerate the reform of the global financial architecture;
- Build affordable finance at scale and involve multilateral development banks in the process;
- Reform the debt architecture and completely restructure the G20 Framework to include middle-income countries;
- Push for greater Africa representation and a stronger voice within international financial institutions.

**Regional interventions**
- The African Continental Free Trade Area and everything it has to offer;
- Clean energy. Regions need to foster greater regional power pools and connectivity;
- Building regional value chains to boost productivity and industrialization;
- Building regional frameworks around climate issues.

**Key issues for discussion**
- What measures are countries putting in place to create the fiscal space for climate action?
- What is being done to promote private sector investment?
- What technical support do governments need to crowd in private sector?
- What are lessons learned from carbon markets?
- How can countries integrate natural capital to drive economic growth beyond GDP?

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**Zimbabwe pins hopes on trade strategy**

“Over the years, our trade policy has largely been inward-looking in an attempt to safeguard local industry from unfair import competition,” says Zimbabwe’s President Emmerson Mnangagwa in the preface to the country’s National Trade Policy Vision and Export Promotion Strategy.

But more recently, it is strategically opening up for business to promote mutual trade and investment.

“There is need to balance our policy intervention measures with the tenets of, and our commitments to, the regional trade integration agenda and the multilateral trading system that we are party to.”

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**TOP 6 EXPORT DESTINATIONS (2023)**

- **SOUTH AFRICA** 33%
- **UNITED ARAB EMIRATES** 28%
- **CHINA** 19%
- **HONG KONG** 6%
- **MOZAMBIQUE** 6%
- **BELGIUM** 3%