



# Growth through innovation

Harnessing data and frontier technologies for the economic transformation of Africa

Fifty-eighth session of the Economic Commission for Africa Conference of African Ministers of Finance Planning and Economic Development

28 March - 3 April 2026

# Bulletin 2

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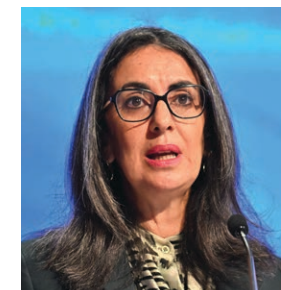


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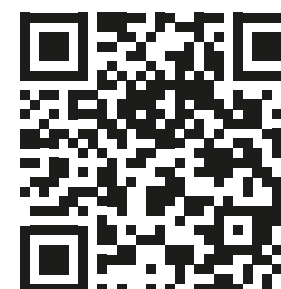
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**A**s the impacts of the war in the Middle East cascade down into African economies, the continent is looking at how to not just manage the impact, but to use it as an opportunity for structural change and growth.

The African Development Bank (AfDB), the African Union Commission (AUC), the United Nations Development Programme (UNDP), and the UN Economic Commission for Africa (UNECA) have released a report on the impacts of disrupted supply chains and spiking oil and fertiliser prices on African countries.

The Policy Brief, entitled *The Impacts of the Middle East Conflict on Africa*, says the region accounts for 15.8% of Africa's imports and 10.9% of its exports, while the Strait of Hormuz handles around 20% of global oil exports and nearly 90% of Persian Gulf oil exports.

## Middle East war is a disaster for Africa, but a catalyst for strategic rebuilding

It emphasises that Africa must defragment while the rest of the world fragments, focusing on continental self-sufficiency, accelerated regional integration, and immediate implementation of existing frameworks rather than doing new studies.

The report, released on the margins of the 58<sup>th</sup> Session of the Economic Commission for Africa in Morocco this week, outlines practical recommendations for crisis responses and resilience

building in African countries.

At a press conference in Tangier held to release the report, Mahamoud Ali Youssouf, Chairperson of the African Union Commission, said, "Continued escalation of the conflict worsens global instability, with serious implications for energy markets, food security, and economic resilience, particularly in Africa where economic pressures remain acute."

The report highlights that the current shocks are transmitting

faster and through more concentrated channels than past global disruptions, leaving African economies with little time to adjust.

Overall, a loss in output growth of 0.2 percentage points on Africa's GDP is expected for 2026 if the war exceeds six months. The extent of the impact would vary across the continent based on levels of import dependency.

The war's effects are already affecting African economies

and households, requiring rapid effective policy action. Some countries have low fuel stocks, with more than 15 countries getting more than 50% of their oil from the Middle East.

Southern and East Africa are worst affected, said Claver Gatete, Executive Secretary of the ECA.

Global oil prices had already surged by more than 50% by late March while 29 currencies in Africa had weakened, raising the cost of servicing external debt and importing food, fuel, and fertilizer.

Disruptions linked to Gulf energy supplies threaten access to ammonia and urea during the critical March–May planting season and threaten agricultural production.

The outcome of this war is impossible to predict, Ali Youssouf said. "It is not predictable, but preparedness

is very important. Solidarity and coherence are just as important. So we on the continent must join hands to find the best ways to mitigate the consequences of this crisis."

### Crisis as a catalyst

The four pan-African institutions joined forces to find ways to not just examine the problem at hand but to use this crisis as a catalyst for structural change and growth.

"Africa is being hit by another external shock. This time the impacts are being felt much faster, the vulnerabilities are starker, but the opportunities are also much clearer," said Uhunna Eziakonwa Onochie, Assistant Secretary General, Assistant Administrator and Director, Regional Bureau for Africa, UNDP, one of the four participating organisations.

"Let's be clear. These global shocks are not going away. They are becoming more frequent and more structural. So the choice is quite simple. Africa can continue to absorb these shocks and try to recover over several years or even decades. Or Africans can decide to fundamentally reduce our dependence on external supply chains," she said.

## WHO BENEFITS?

While the conflict is generating broad economic risks for Africa, a few countries may see short-term gains through higher commodity prices, trade diversion, and rerouted logistics, the joint report on the impact of the Middle East war says.

Nigeria stands to benefit from higher oil prices and the export expansion of the Dangote Refinery, while Mozambique could gain from renewed momentum in LNG and increased traffic through the Port of Maputo.

South Africa's Durban port, Walvis Bay in Namibia, and Mauritius are also benefiting from shipping rerouting around the Cape of Good Hope, which is boosting port activity, bunkering, and maritime services.

In East Africa, Kenya is emerging as a logistics hub through Lamu Port and Nairobi, while Ethiopia is benefiting from its role as the emergency air bridge linking Asia, Africa, and Europe through Ethiopian Airlines.

These gains, however, are likely to be uneven and may not offset the wider inflationary, fiscal, and food-security pressures affecting the continent.



**D**iscussions at a breakfast hosted by the four participating organisations who launched the report on the impact of the Middle East conflict on Africa, focused on how to tackle the issues constraining the continent's self sufficiency and resilience.

At this meeting, and during other meetings of the ECA event in Morocco this past week, several issues were raised in this regard.

They included the slow pace of progress of the vital African Continental Free Trade Area and the growth of intra-African trade, put at about 17% in currently.

Non-tariff barriers, including insecurity, affect the movement of goods as do poor infrastructure and expensive logistics, lack of digitisation in governments and their agencies (including customs), low levels of manufacturing and

## How can we strengthen Africa?



visa issues, with more than half of countries still requiring visas for other Africans to visit.

Policies are not always pro-growth with key sectors such as health being largely underfunded and donor-driven for many years, rather than being prioritised in government budgets.

"There is growing recognition that Africa cannot continue to outsource its stability," said Ahunna Eziakonwa Onochie, UN Assistant Secretary General/ Assistant Administrator and Director, Regional Bureau for Africa, UNDP.

"This time around Africa is better prepared to respond to crisis," she said, citing the possibility of greater local content in the fertiliser industry with Morocco, Nigeria and Egypt being major producers.

"Energy shocks are pushing countries to accelerate investment in renewables, while trade disruptions are reinforcing the urgency of the AfCFTA as a tool for resilience, rather than just a trade agreement," she said.

### Recommendations

Other recommendations made by countries at the ECA presentation of the report to African Finance Ministers included:



- Open borders for intra-regional trade to ensure African resources serve African countries before being exported
- Focus on making corridors more efficient to bring down costs and delays
- Accelerate visa liberalisation across the continent
- Leverage existing port infrastructure to boost continental corridors rather than competing nationally
- Prioritise large regional solar power projects with multi-country co-investment
- Look at regional collaboration, for example, Morocco partnering with Nigeria to manufacture fertilizers
- Share best practices on domestic resource mobilisation
- Be more inclusive with African private sector in development discussions

# African institutions must boost technology efforts

**A**frican multilateral financial institutions must take a more coordinated and scaled-up role in financing the continent's innovation and economic transformation, as funding gaps threaten to leave Africa behind in the global technology race.

This was the view of the Acting General Secretary of the Association of African Multilateral Financial Institutions, Babajide Sodipo, speaking at the ECA side meeting on Financing for Innovation: The Role of African Multilateral Financial Institutions in Accelerating Africa's Technological and Economic Transformation.



He warned that despite rapid advances in artificial intelligence, digital infrastructure and technology-driven industries globally, financing on the continent remains “significantly below what is needed”.

This increases the risk of underinvestment in sectors that will define Africa's future competitiveness and resilience.

Sodipo stressed that addressing Africa's financing gap will require a systemic shift toward greater coordination and scale.

“Financing innovation in Africa requires scaling long-term capital, reducing the cost of financing, and addressing risk in a much more systematic and



coordinated manner,” he said.

This, he added, will depend on stronger alignment between finance ministries and African financial institutions, improved coordination of institutional balance sheets, and more

effective mobilisation of private capital.

## Financing at scale

The key question, he said, is “not whether Africans can finance this transformation, but whether we will do so collectively, strategically, and at scale”.

In the ensuing panel discussion, speakers agreed that the continent's financing challenge is less about the availability of capital and more about the systems that connect capital to viable opportunities.

There were calls for stronger project preparation pipelines, more standardised and bankable instruments, and a greater appetite for risk, particularly in early-stage innovation and youth-led enterprises.

At the same time, there was consensus that unlocking financing for innovation will require a shift toward more flexible, venture-style funding models alongside improved coordination between public institutions, development finance actors and private investors.

Noting the paradox of available funds and unfunded projects, Haytham El Maayergi, executive vice president, Global Trade Bank, Afreximbank, stressed the need for “structured, standardised instruments that banks or investors can fund”.



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## AFRICA NEEDS A SHIFT IN THE FINANCING ARCHITECTURE

Africa's economic trajectory will be determined by its ability to finance innovation at scale, particularly in digital infrastructure, data systems and AI capabilities, ECA Deputy Executive Secretary (Programme) and Chief Economist Hanan Morsy told the side event on innovative financing

However, this digital transition is taking place at a time of tight fiscal constraints and elevated capital costs, leaving the continent exposed.

“Africa's innovation challenge is not a shortage of ideas,” she said, “but a shortage of long-term and appropriately structured

finance.”

Morsy argued that addressing this mismatch requires a fundamental shift in financing architecture, with African multilateral financial institutions playing a catalytic role.

Beyond lending, she suggested that they can “lower the risk premium through guarantees, first-loss structures and co-financing”.

She said they could also move beyond fragmented project financing toward system-wide investment in “digital public infrastructure, national data systems, interoperable payments, and applied AI for productive sectors”.

# Investing in health is an African imperative



Leaders across Africa are recognising that the current model of health financing is no longer sustainable, Dr Tedros Adhanom Ghebreyesus, Director-General of the, World Health Organization

told the opening of the Africa Health Financing Initiative. “They see an opportunity to leave behind the era of aid dependency and move towards self-reliance,” he told the opening of an ECA side event focused on innovation in health financing.

The high-level forum on sustainable health financing is a new initiative of the ECA to shine a spotlight on the health sector in Africa with the aim of raising funding through investment to complement public finance in an era of declining donor funding.

The large funding cuts from the US have been a catalyst for a

new focus on health financing.

In 2022, Africa spent about \$145bn on health, yet less than half came from public financing. The rest was borne largely by donor resources but also households, with out-of-pocket spending accounting for nearly 40% of health spending.

The continent is also dependent on external value chains for medicines.

In 2023 only two countries managed to meet the target set out in the Abuja Declaration to allocate 15% of their national budgets to health. But the problem is also embedded

inefficiency, wastage and poor outcomes for the expenditure, speakers noted.

## Wasting resources

Dr Tewodros Bekele, Senior Director, Global Programs at the Susan Thompson Buffett Foundation, highlighted the issue of wastage. “We lose lots of lives not just because we are investing too little but because we are wasting more than 40% of what we spend.”

“Millions of people are impoverished because of out-of-pocket spending. Our health systems are actively creating economic vulnerability.”

This was supported by Dr Jean Kaseye, Director General of the Africa Centres for Disease Control and Prevention, who said in the DRC \$800m a year was wasted on ghost workers, a problem that was quite widespread in Africa.

“There is also in procurement issues with fraud, inappropriate planning process challenges and others. By fixing these, we will need fewer resources,” he said.

The event focused on how to attract investment and models that could be for innovative funding models. The issue of building trust was raised as well as policy, efficiency and models that would attract investors.

**Look out for the ECA’s Special Edition on Health newsletter next week.**

## VOICES

**Health sovereignty is not only about hospitals and doctors, it’s also about the ability to produce, to procure, to deliver and to govern effectively. And this is where the shift must happen. Under investment in health is not neutral, it is expensive.**

*Amine Tahraoui, Minister of Health and Social Protection, Kingdom of Morocco*



**Health is not just public policy; it is a strategic compass for our model of development. The question before us is no longer why we should invest in health. The real question is how we turn Africa’s urgent health needs into reforms that institutions can trust and finance.**

**Dr Mohamed Yakub Janabi,**  
*WHO Regional Director for Africa*

**Africa today stands at a crossroads. We can continue to treat health as a cost-reactive, fragmented and underfunded issue or we can reposition it as one of the most powerful drivers of economic transformation.**

**Ahunna Eziakonwa-Onochie,**  
*UN Assistant Secretary-General, Assistant Administrator and Director, Regional Bureau for Africa, UNDP*



DELEGATES  
@ WORK





## Digital tools will drive better public finance outcomes

**A**frica's increasingly complex public finances require the use of technology and in order to better manage finances, Africa's money managers must turn to data and digital tools, Hanan Morsy, ECA Deputy Executive Secretary and Chief Economist, says.

In a speech delivered on her behalf at a panel discussion on advancing the development of digital public infrastructure, data centres and sovereignty, Morsy said that rising interest rates, elevated debt servicing costs and geopolitical disruptions are

driving inflation and fiscal strain.

In light of this, the question, she said, is how to strengthen fiscal systems to make them more transparent, more resilient and better aligned with long-term development priorities.

Morsy argued that data and payment systems must not be seen as merely administrative tools but as "central to fiscal governance", determining how risks are identified, decisions are made and accountability is enforced.

"Where information is incomplete, risks are underestimated. Where coordination is weak, policy

responses are misaligned. Where oversight is limited, accountability fails. Breaking the gap between growing fiscal complexity and institutional capacity is not optional; it is essential," she said.

### Robust systems

Morsy further stressed that effective debt management and domestic resource mobilisation are inseparable, both relying on robust, integrated data systems.

Drawing on insights from the ECA's Economic Governance Report, which was launched at the event, she said that strengthening debt sustainability

requires sustained investment in data infrastructure, analytical capacity and institutions, alongside reforms to the global financial architecture.

Technology alone, however, is not enough. "Its effectiveness depends on strong governance frameworks, clear rules, institutional mandates and oversight mechanisms that ensure transparency and accountability. Without these foundations, digital tools fall short."

Mohamed Ibrahim Abdu, Egypt's Associate Minister of Finance for Policies and Economic Affairs, said his country's fiscal transformation is being driven by the strategic integration of digital tools across tax administration.

This has enabled the country to expand its tax base, improve fiscal discipline and reduce debt levels, while creating space for social spending.

Ilaria Carnevali, the UNDP's Resident Representative in Morocco, said it was necessary to build systems that connect tax, treasury and debt to improve risk assessment and build "digital trust" through strong legal frameworks, data protection and accountability.

When these elements are combined, she argued, data systems can enhance transparency, strengthen compliance and support better fiscal outcomes.

## LANCEMENT DU RAPPORT SUR LA GOUVERNANCE ÉCONOMIQUE



Le dernier Rapport sur la gouvernance économique de la CEA, lancé cette semaine au Maroc, appelle à un changement fondamental dans la manière dont les pays africains abordent la viabilité de la dette. Il soutient que la question porte moins sur le volume des emprunts que sur la qualité de la gouvernance qui les sous-tend.

Le rapport propose un cadre de « gouvernance favorable à la croissance », invitant les décideurs à aligner les emprunts sur l'investissement productif, la transformation structurelle et les objectifs de développement à long terme, tout en renforçant

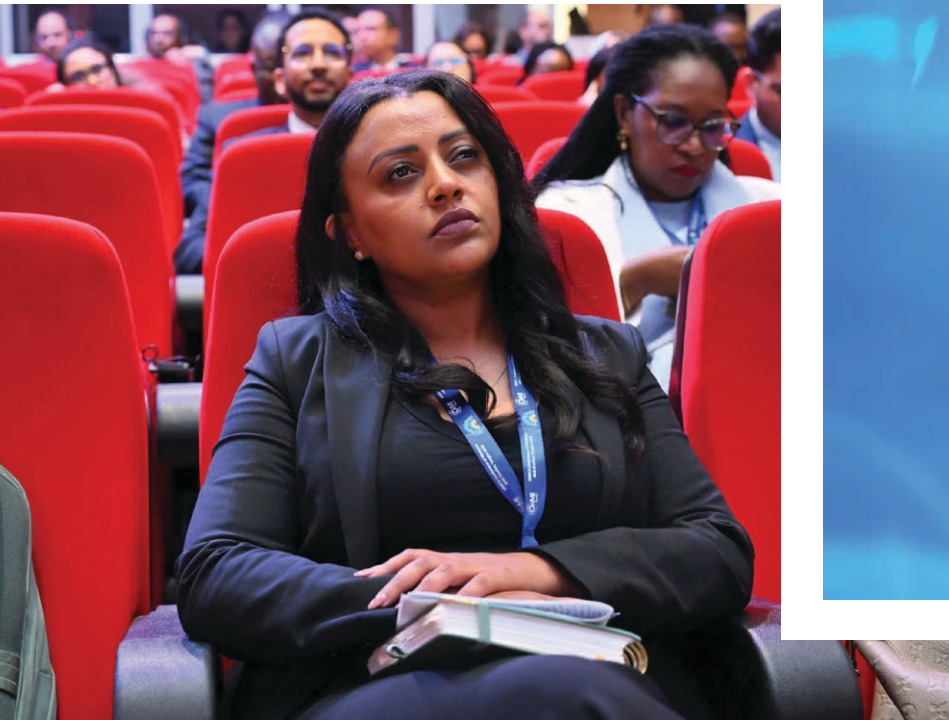
les institutions, la transparence et la redevabilité.

Présentant les points saillants du rapport, Gamal Ibrahim, Chef de la Section de la gouvernance économique et des finances publiques à la Division de la macroéconomie, des finances et de la gouvernance de la CEA, a indiqué que l'objectif du rapport était « d'examiner non pas combien les pays empruntent, mais comment la dette est gouvernée ».

Le rapport constate que de nombreux pays réussissent à définir des priorités stratégiques et à identifier leurs besoins de financement, mais que des lacunes persistantes subsistent en matière de diversification des sources de financement, de capacité de négociation, et surtout de contrôle et d'évaluation.

« Le contrôle de la dette et l'évaluation de son impact restent un défi », a-t-il déclaré, en soulignant les faiblesses des systèmes de transparence et de suivi.

Le rapport recommande de passer d'une gestion réactive de la dette à un modèle plus préventif et axé sur le développement. « Il est désormais nécessaire d'aller au-delà de la gestion de crise », a conclu Ibrahim.



# Women’s financial and economic inclusion: Can Africa wait until ... 2093 ?

The African Union (AU) declared 2020–2030 the Decade of Women’s Financial and Economic Inclusion, an initiative that aimed to close gender gaps and advance economic empowerment.

But progress has been slow, according to speakers at the ECA side event on Women’s Financial and Economic

Inclusion.

Hanan Morsy, Deputy Executive Secretary (Programme) and Chief Economist at the ECA, said that 88% of African women remain vulnerable and the 48% who can afford banking accounts cannot necessarily access banking and insurance services.

Minister of Economy and Finance of Morocco, Nadia

Fettah Alaoui, said Africa will never transform its economy without its women, who make up half of its population.

But there are many ways that women are still discriminated against, sometimes not always in obvious ways.

“African women are trained but not hired,” she said, as an example.

At the present rate of change, real African women’s economic inclusion could be as far away as 2093, according to Théophile Bose-Duker, Senior Economist-Gender at the African Center for Economic Transformation (ACET), a think-tank based in Accra, Ghana.

Bose-Duker came to this conclusion after aggregating inclusion rates in law (72%),

leadership (47%), economic inclusion (51%), and financial inclusion (43%).

### Handbrake on progress

She said the truth is that improving the social inclusion of women in Africa still lacks deep, significant and decisive action, which is a handbrake on effective improvements in empowerment.

Keiso Matashane-Marite, Gender Affairs Officer at the

Gender Equality and Women’s Empowerment Section in the Gender, Poverty and Social Policy Division at the ECA, reminded delegates that “we are in the African Union decade of economic and financial inclusion”.

She said the programme aims to accelerate the implementation of gender policies and monitor progress through tools such as the AU Gender Scorecard.

The focus is on ending gender violence, ensuring equal access to productive resources (land, finance and ICT), and enhancing women’s participation in decision-making.

Adamnesh Bogale, Head of Gender Equality Program at ACET, stressed that “progress is uneven and not deep enough to transform reality. Progress, action, and speed are not the same thing as delivery.”

### KEY TAKEAWAYS

A shift from policy commitments to funded actions, implementation of policies and economically-driven approaches are needed to empower women in Africa, said Zuzana Schwidrowski, Director of the Socioeconomic Development Division at the ECA.

She outlined some takeaways from a side session at the ECA meeting in Morocco on Women’s Financial and Economic Inclusion.

Firstly, she said, legislation can help to support gender equality, but policies need to be implemented.



In addition, social norms can change and evolve as reforms are being implemented, which may affect their effectiveness.

Thirdly, she said, financial institutions are necessary but not sufficient for the economic

inclusion of women.

Nadia Fettah Alaoui, the Minister of Economy and Finance, Kingdom of Morocco, also weighed in with some observations.

She said it is not enough to educate women; they also need to be employed in decent jobs that are productive and properly paid.

It is also not sufficient to hire women and to keep them at entry-level jobs; they should be promoted where warranted and where merit plays a role.

When promoted to leadership positions, they should not be only seen but also heard, she said. “Their opinions and decisions matter.”



## Un symposium de la jeunesse marqué par des échanges francs

Des leaders de la jeunesse africaine ont rejoint des responsables et des diplomates lors d'un événement parallèle de la CEA, « À la croisée de la technologie, de l'innovation,

de la souveraineté et de l'emploi », en marge de la réunion du CoM à Tanger, afin de proposer des idées visant à aligner les ambitions des jeunes Africains avec les politiques nationales et régionales.

« L'Afrique n'attend plus l'avenir ; elle le construit », a déclaré la représentante résidente du PNUD au Maroc, Ilaria Carnevali, qui, à l'instar d'autres intervenants, a souligné la nécessité de renforcer et de développer l'écosystème africain de l'innovation et du numérique.

Le symposium a été marqué par une présentation

instructive du portail marocain Portnet, qui regroupe les services logistiques et les procédures administratives au profit des professionnels du commerce international et des administrations publiques (ministères, douanes et ports).

Pour le président de l'Union panafricaine de la jeunesse (PAUY), Moumouni Dialla, « beaucoup reste à faire pour soutenir les politiques des 54 pays africains dans les domaines de la formation technologique et de l'innovation ».

Il a ajouté : « Il faut soutenir les organisations de jeunesse, mettre en place des cadres

d'échanges orientés vers les résultats et améliorer la coordination entre les ONG, la CEA et les gouvernements. »

Car, comme l'a souligné Gladele John Mihi, vice-président pour l'Afrique de la PAUY, « l'Afrique dispose des atouts pour devenir grande ».

La synthèse est venue du secrétaire exécutif de la CEA, M. Claver Gatete, qui a déclaré à l'assemblée : « Nous comprenons ce dont le continent a besoin ; nous avons le savoir ; nous avons une vision ; nous avons un rôle de conseil et d'orientation. »

Les échanges ont également largement porté sur les



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questions de financement et sur l'image de l'Afrique dans le monde : la manière dont les médias internationaux présentent le continent, alors

même qu'il ne dispose pas encore de voix médiatiques continentales et mondiales fortes pour porter son propre récit.



### YOUTH EMPLOYMENT – BEST PRACTICE

Africa's significant demographic growth requires careful management, Zuzana Schwidrowski, Director of Macroeconomic Development at the ECA, told the Youth Symposium at the CoM meeting in Tangier.

She offered some recommendations, saying the focus should be on high-growth sectors with strong employment multiplier effects, such as agriculture and agribusiness, technology, and

the creative industries.

Other priorities she highlighted included promoting industrialisation, supporting entrepreneurial ecosystems, and continuously adapting and aligning education and training systems with labour market needs in each African country.

With a population of 1.4 billion today, Africa's population is expected to double by 2050, multiplying the challenges related to public policy and employment.

Drawing in particular on the examples of Rwanda and South Africa, Schwidrowski outlined five core best practices that

could stimulate Africa's labour market:

- Strengthening employability and skills supply
- Boosting labour demand and recruitment
- Supporting entrepreneurs
- Aligning the transition from education to the labour market
- Improving the economic environment..

“The adoption of best practices is a comprehensive approach, not a standalone instrument,” she concluded.

**G**lobal shippers favour ports with reliable and well-connected inter-modal links including railways and airports, while African ports focus on vessel size, a new study by the ECA on trade has found.

The study unpacks the relationship between port infrastructure, maritime transport costs, and trade in Africa.

The highlights were presented to the ECA side event on enhancing Africa's trade flows through improved port infrastructure and operations by Robert Lisinge, the ECA's Director for the Technology, Innovation, Connectivity and Infrastructure Division.

Efficiency, infrastructure quality, and rail connectivity drive international trade, Lisinge said. Ro-Ro facilities and rail connections lower transport costs by 17-38%, he said, while the competition provided by the presence of multiple ports in a country reduces costs per ton/km by 24%.

A 1% decrease in transport costs leads to an approximate 0.24% increase in trade.

Serious structural inefficiencies remain in African logistics. Containers' average dwell time is 30 days compared to three to four days in leading global ports. Transport costs are 30% to 40% higher than in other developing regions.

Landlocked countries face



## Africa's ports relying on digitisation for improved efficiency



compounded delays from border inefficiencies and limited corridor options.

Tangier Med Port in Morocco emerged as Africa's top performer in the study. The facility handles 11.1 million TEUs annually and ranks in the global top 10 for connectivity.



### Port digitisation

The Moroccan port has focused on digitisation to boost its performance and relies on solar energy for green power, which is a value add for users of the port and clients facing stringent energy transition requirements, said Hicham Kharoufi, Container Terminals Director, Tangier Med Ports Authority.

"We are implementing smart solutions in our ports to enable more predictability and to increase the reliability of our operations. We have just-in-time operations and our turnaround time is one of the top five in the world."

He said the port benefits from its unique geographic position in the Strait of Gibraltar, where 300 commercial vessels cross daily.

Lesli Mpofu, Executive Director, Trans Kalahari Corridor Secretariat said the port at Walvis Bay handles about 6.6 million tonnes a year and it is seeking further growth.

Mavis Maunganidze, Programme Officer of the International Telecommunication Union, said the organisation sets global standards for maritime trade. Among many other services, it helps African ports to adapt to energy efficient digital infrastructure, low emissions, ICT systems and circular economy-aligned approaches.

The ECA's African Virtual Ports Information System was also launched at the event.

## LOBITO CORRIDOR IS GLOBALLY STRATEGIC INFRASTRUCTURE



the Atlantic Ocean, unlocking one of the world's richest deposits of strategic critical minerals.

It is one of the SADC priority corridors and part of a Trans African Highway that connects the Port of Lobito to the Port of Beira. It is also linked to multiple trade corridors including the North South Corridor, Namibe and the TransKalahari Corridor.

"The Lobito Corridor is not just for moving goods, it is putting member states at the centre of global value chains."

The critical nature of this infrastructure is highlighted by the deficits in the region. Angola and Zambia share a border of just over 1,000km but there is no infrastructure connecting the two nations. "So this infrastructure is very critical," he said.

Dry ports are to be set up along the route, with two places already identified. The Secretariat is also working with the ECA to develop an observatory using AI and GIS to monitor the quality of the infrastructure in real time to ensure it is managed efficiently.

The Lobito Corridor is more than a railway line; it is a strategic socio-economic corridor supporting industrialisation, regional integration and intra-African trade.

Kafuta Mulemba, Senior Advisor to the Executive Secretariat of Lobito Corridor, told the ECA side event on Enhancing Africa's Trade Flows that the facility is now fully operational.

Legally binding agreements to coordinate all activities along the corridor now exist between Angola, Democratic Republic of Congo and Zambia.

The corridor, he reminded, connects the three countries to

A citizen who has a good experience in a public health system comes away with a good impression of government. It is a test of whether the government is working.

“So prioritising health financing is actually smart politics,” according to Professor Yemi Osinbajo, former Vice President of Nigeria.

In his keynote address to the Investing in Africa’s Health High-Level Forum on the sidelines of the ECA annual meeting in Morocco, Osinbajo cited a study that found that if citizens experience decent healthcare, their trust in government rises significantly.

But nearly half of Africans that responded to the study said they had no access to healthcare and those that did, found it hard to access. Out-of-pocket expenses remain high, with citizens lacking social protection.

“Poor investment in health systems does not save money. It simply shifts costs into crisis. Fragile systems produce deeper economic shocks. Emergency spending far exceeds preventive investment.”

“Health cannot be seen merely as recurrent expenditure. We must recognise it and treat it as a sovereign infrastructure class,

## Financing health is smart politics - Osinbajo

just as we finance ports and power plants for economic growth.”

He urged governments to unlock more resources for health.

“Today, fewer than five African countries have met the 15% of budget healthcare spending targets that we set for ourselves under the AU Abuja Declaration in 2001. And



we know that health spending has a powerful multiplier effect.

### Institutional capital

But even if every government met its commitments, there would still be a funding shortfall of about \$66bn a year. Addressing this requires private capital.

The challenge is how to tap into the estimated \$200 trillion of institutional private capital available. This requires making healthcare a scalable, resilient and investable asset class.

There are many fundamentals that support this. Firstly, demand is guaranteed and growing fast.

The population is projected to double by 2050, there is rapid urbanisation and a rising middle class with high expectations of care.

People also consume healthcare regardless of economic cycles.

### A new ecosystem

“This is not a saturated market. It’s a build-out story. We are witnessing the early formation of a continental health industrial ecosystem.

“Cross-border health supply chains are taking shape. This is precisely how the automotive and electronics sectors scaled in other regions.

“We are not talking about one investment segment. We’re talking about diverse segments; a portfolio of sub asset classes – infrastructure, hospitals, clinics, diagnostic centres and others, including new tech-driven businesses and insurance.”

To succeed needs many things at the same time, he said. But political commitment is key and a holistic, “all- of-government” approach, with all ministers working together to transform this key sector.