



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

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Bulletin 3

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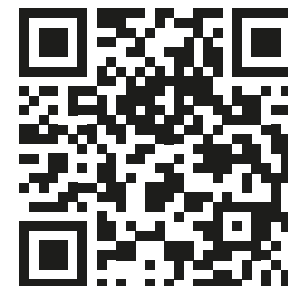
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2027 SUMMIT

The 59th Committee of Ministers of Finance, Planning and Economic Development will take place in Addis Ababa in 2027.

It will be held under the theme, Shaping the future of work in Africa: Youth employment, growth and fiscal resilience.

It was decided that a second theme put forward by the Committee of Experts would be held over for the 60th CoM meeting in 2028 – From extraction to transformation: Leveraging the critical minerals and biodiversity of Africa for industrialisation and green growth.

The Bureau chair for the 59th session will be Paul Tasong, Minister Delegate in charge of Planning at Ministry of the Economy, Planning and Regional Development, Cameroon.

He takes over the role from Nadia Fettah, Morocco's Minister of Economy and Finance.



Africa must use innovation to deepen growth

The 58th ECA Conference of African Ministers of Finance, Planning and Economic Development ended with a commitment to seek innovative solutions for the continent's development, particularly in leveraging technology to drive economic growth and competitiveness.

In his closing remarks, ECA Executive Secretary Claver Gatete reminded delegates

that three main topics had been under the spotlight during the proceedings of the two-day event.

“The first one is the situation we are in regarding what is happening in the Middle East, which will affect our own continent. On this, we are working with the African Development Bank, AU and the UNDP.

“We will continue to consult

with you as we develop solutions to the impact the conflict is having on Africa as the war comes to an end. This work will continue as we deal with other shocks that may affect our continent.”

The second is the work on health financing, he said, referencing the Africa Health Financing Initiative and the one-day high-level side event held to explore options for diversifying funding of the sector.

The need to diversify health sector funding has become urgent particularly in the light

of the reduction of aid from key donors, including the US. It has accounted for a large proportion of health funding in Africa.

“We aim to make sure that our ministers of finance take into account ways of sustainably financing our health sector.”

The third issue under discussion at the event was to see how data and frontier technologies can, and already are, contributing to economic growth.

The event was held under the theme, Growth through innovation: harnessing data

and frontier technologies for the economic transformation of Africa.

Gatete said Africa had to use technology to modernise the economy and particularly key economic sectors such as agriculture, health and financial services. It is also integral to driving inclusive growth on the continent.

“We will do more research in this area but as we move forward, we will see how technology is measured and how it contributes to economic growth.”

Despite posting some of the world's fastest growth rates, African economies have struggled to convert this growth into economic transformation.

This is largely because much of the continent's growth has come from adding more labour and capital, not from using existing resources to produce more.

Productivity has lagged and the shift from low-productivity sectors like subsistence agriculture to higher-value manufacturing and services has been slower than hoped.

Against this backdrop, the 2026 Economic Report on Africa examines the impact of innovation on productivity and, by extension, economic growth and development. It argues that adopting frontier technologies, such as artificial intelligence, machine learning, and advanced data analytics, offers Africa a pathway to high-productivity growth.

The report notes that the adoption of these technologies in Africa is already delivering positive results across key sectors.

"Across Africa, smart agriculture is increasing yields while reducing input costs.



Frontier technologies offer Africa a way out of low productivity

Digital platforms are expanding access to markets and finance. Renewable energy technologies are extending electricity access to underserved regions.

"Electric vehicles are creating jobs and generating export earnings. And e-government services are improving efficiency and transparency."

Transform economies

Unveiling the report's key findings, Stephen Karingi, Director of the Macroeconomic Policy, Finance and Governance Division at the UN Economic Commission for Africa, underscored a central message: Africa must embrace frontier technologies not just



to grow, but to transform its economies through productivity gains.

Boosting productivity, he argued, is the lever that will shift the continent from incremental gains to structural change.

"From experience and all the empirical work, any positive increase in productivity, however small, actually gives a very good push to the economy."

Karingi argued that for Africa to fully harness the potential of frontier technologies such as AI, countries must collaborate to build shared foundational

infrastructure, starting with data centres.

"In the report you will find places where we argue why African countries need to work together on the question of infrastructure for frontier technologies. It takes a lot of resources to build a data centre, so perhaps we can explore having shared data centres," he said.

Karingi stressed that energy investment is a critical enabler of frontier technologies. "Data centres require a lot of energy. We have abundant renewable energy, but we need to work together to see how we can use our energy pools to optimise powering these facilities."

Karingi stressed that Africa's youth must be at the centre of the continent's digital transformation. Their embrace of frontier technologies will shape the future of innovation, entrepreneurship, and inclusive growth. But he warned that high data costs remain a major barrier, excluding many young Africans from fully participating in the digital economy.

"The cost of data remains an issue. If we really want our youth to use these technologies, we have to figure out how to make the cost of data affordable."



Health financing initiative launched

The current models of health financing in Africa are both unsustainable and economically damaging to citizens and states, says Aboubakri Diaw, Chief of Staff in the Office of the Executive Secretary of the Economic Commission for Africa.

Diaw, at the launch of the Sustainable Health Financing Initiative, challenged African

countries to adopt and implement the programme, which was launched on the final day of this year's ECA Conference of Ministers of Finance and Economic Planning in Morocco.

Diaw reminded delegates that governments in Africa currently fund less than 41% of health expenditure, with the rest borne by individuals and donors.

“Out-of-pocket payments are not just a health statistic; they are one of the continent’s largest poverty multipliers,” he said, noting that millions remain excluded from health systems altogether.

Diaw said only a handful of countries are on track to meet the Abuja target of allocating 15% of national budgets to health, 25 years after it was first set. This is despite the fact that investments into health yield significant economic benefits.

“But even if every single African government met its Abuja commitment today, the continent would still face a financing gap of \$60bn per year.”

< 41%

of health expenditure financed by African governments

40M+

displaced persons excluded from national health plans

15%

Abuja Declaration target unmet by most countries

Mobilising resources

Built around eight core commitments, the initiative seeks to make health financing in Africa more coordinated, and investment ready.

It prioritises strengthening domestic resource mobilisation while improving coordination between ministries of health, finance, and planning to embed it in national economic strategies.

The initiative will also leverage regional integration under the African Continental Free Trade Area to enable domestic pharmaceutical manufacturing at scale.

Diaw argued that with an estimated \$150–200 trillion in global institutional funds that could be mobilised if the right structures are in place, the challenge is not capital itself, but “the governance architecture that makes health bankable”.

The continent’s policy makers need to see health not as a cost but as sovereign risk insurance, he said and encouraged countries to join the list of early adopters committing to a 90-day plan of action to institutionalise the initiative.

“The architecture is built. The partners are present. The declaration has been adopted. The only variable left is the political will, and that is your power,” he stressed.

UNDER-FUNDING HEALTH IS EXPENSIVE

Speakers at the launch of the Sustainable Health Financing Initiative at the ECA Ministerial event noted that under-investing costs more than properly funding health.

In a panel discussion following the launch, Samuel Kobina Anim, Director of the ECA’s African Centre for Statistics, argued that weak data systems are undermining both financing and policy effectiveness.

The core issue, he said, is not the absence of data, but the failure to integrate and apply it effectively.

Anim outlined ECA’s push to develop an integrated, end-to-end data platform, which he said would function as a governance tool, rather than a mere dashboard.

“It won’t just look at the amount we are investing but it will give us a sense of the returns we are going to get.” This, he said, would encourage private sector investment.

Ngone Diop, Director of the ECA Sub-Regional Office for West Africa said the organisation is engaging ministers of finance to align health financing to fiscal and development strategies.



In West Africa, this approach is already being operationalised through country platforms in The Gambia, Senegal and Ghana, where governments, creditors, and development partners discuss health funding.

Mactar Seck, head of emerging and frontier technologies, innovation and digital transformation at the ECA’s Technology, Innovation, Connectivity and Infrastructure Division, called for stronger investment in digital infrastructure through collaboration between finance ministries, the ICT and private players.

African finance and planning ministers need to pursue continental renewal and self-reliance amid an increase in the frequency and severity of global shocks, says former South African finance minister Trevor Manuel.

Delivering the Adebayo Adedeji lecture in Tangier this week at the Conference of African Ministers of Finance, Planning and Economic Development, Manuel warned that the surge in oil prices triggered by conflict in the Middle East poses a serious threat to African economies.

Manuel, who was also the Lead Adviser and Chairperson of the Africa Expert Panel, established in 2025 to support South Africa's G20 Presidency, said, "There is nothing in the historical datasets that could have predicted these swings."

"What we are dealing with is the consequence of very wild unilateral decisions, the consequences of which are largely unknown."

He warned that the resulting energy and agricultural shocks would hit the poorest hardest.

African priorities

Manuel reflected on progress

Adedeji Lecture: Trevor Manuel calls for African renewal in volatile times



made during South Africa's 2025 G20 presidency, where the Africa Expert Panel helped to elevate African priorities.

The panel's report, *Growth, Debt and Development: Opportunities for a New African Partnership*, advocates for: Tackling debt, mobilising domestic resources, reforming global finance, and strengthening Pan-African partnerships.

He noted that the panel's recommendations received support at the G20 and African Union levels, but implementation now rests with African institutions, particularly the ECA.

The former minister pointed to recent statements by leaders in the US as evidence

of a changing order. The global order, he argued, is no longer based on rules, but the misguided doctrine of might is right.

Breaking the cycle

"What is very important is that we understand that the global order should be based on rules. We need rules," he said.

He urged African leaders to negotiate fairer terms with global investors to break the

cycle of exporting raw materials. Local value addition holds the key to more equitable sharing of Africa's wealth.

"Africa has to count for much more than merely being a piece of land in which foreigners can come and dig holes, remove the wealth and take it from pit to the nearest port," he declared.

He urged ministers to be "disobedient to the norms that oppress us and that exploit our people and resources".

He called for greater scrutiny of credit rating agencies, which he criticised for errors and historical failures. "We know that credit rating agencies hold considerable power to shape borrowing costs, and we need to hold them accountable.

"Just recently, we saw that Standard and Poor's had made a major mistake in their recent analysis of Africa. They got the map wrong. They got the countries wrong. And so, everything that followed was incorrect," he noted.

The ECA launched the Adebayo Adedeji Lecture in 2014 to honour the late Adebayo Adedeji for his intellectual and policy contributions to African development. Adedeji served as Executive Secretary of ECA from 1975 to 1991.



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The Kingdom of Morocco has made tremendous strides in digitalisation and is already seeing benefits in increased transparency and efficiency in its public finances.

Mohamed Tarek Bchir, Director of the Treasury and External Finance Division of the kingdom's Ministry of Finance, said technology is no longer a

separate sector but an integral part of modern economies.

Speaking at a panel discussion on how technology can be leveraged for economic transformation, Bchir argued that "talking about technology is no longer talking about a single sector, but talking about economic sovereignty, competitiveness and sustainable transformation."

He stressed that the pace of change has accelerated dramatically, with artificial intelligence, data, and green technologies reshaping economies "not in 20 years, but in a couple of years".

Morocco's response, Bchir explained, has been to mainstream digitalisation in its economic policy making. "We are moving from a production

rationale to a rationale of production and innovation."

This approach is supported by an ecosystem of institutions including the Mohammed VI Polytechnic University, which he said is "training a new generation of African talent in applied technologies and applied science connected to the technological needs and working and building with leading industrial groups like OCP".

Morocco's digital transformation, Bchir reported, is already yielding tangible governance gains. Reforms, particularly in tax administration, have improved efficiency, reduced delays, and strengthened trust between citizens and the state.

He emphasised that digitalisation is not merely about automation but about fundamentally reconfiguring governance, explaining that "our objective is not only to digitalise, but also to change the way in which the state is functioning".

Noting that "innovation does need critical size," Bchir challenged African countries to collectively mobilise the skills, data and investment required to drive technology-led transformation across the continent.

"Technology is no longer a promise but a reality. The only question is whether we are going fast enough."

AFCFTA OFFERS A FISCAL BUFFER

Africa must respond to disruptions in the Middle East and its impact on trade by deepening regional integration and trade. Deputy Executive Secretary and Chief Economist of the ECA made the call in a presentation on developments in the global economy on the first day of the ministerial segment of this year's Conference of Ministers of Finance and Economy.

Morsy warned that the conflict in the Middle East is already transmitting significant shocks to African economies through trade, prices and financing channels. "As a result of the conflict in the Middle East, we have seen increases in oil prices of about 30%. We have seen an increase in the price of fertilizers by 35%. We've seen an increase in container freight rates of almost 17%."

These increases are leading to higher prices of goods on the continent, further tightening fiscal conditions and weakening currencies. However, Morsy noted, the impact will vary depending on whether countries are net importers or exporters, their exposure to the region, and the strength of their fiscal buffers.

Another point of distinction, Morsy observed, is the uneven impact on trade in goods versus



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services. While trade in goods has been heavily disrupted by supply chain constraints, tariffs and rising insurance costs, services have proven more resilient. "We've seen that [the conflict is] affecting goods, but the impact on services have not been that much," she pointed out.

Against this backdrop, Morsy emphasised the importance of regional integration as a stabilising force, pointing to the African Continental Free Trade Area as a key policy response. She argued that the AfCFTA should be viewed "not just as a trade agreement, but as a strategic economic buffer for such shocks," capable of strengthening intra-African trade and reducing dependence on volatile global markets. By boosting regional trade flows and addressing structural barriers, she concluded, "regional integration can be an insurance policy against such shocks."

Morocco's digital model is building trust with the state



Across Africa, digital transformation is rapidly reshaping economies. However, much of this momentum has thus far been driven by external capital and technology, raising critical questions over who controls Africa's digital future.

At a high-level roundtable held during the ECA Conference of Ministers, African leaders,

experts, and industry executives issued a clear call to action: digital transformation must be rooted in African agency.

Africa's digital future must be built in Africa, designed for Africans and governed in a way that serves Africa's development priorities, they argued.

Inclusion at the centre
Ndaba Gaolathe, Vice-

President and Minister of Finance, Botswana, raised the issue of inclusion. "We must never forget that digital transformation is about the inclusion of our people," he said.

Gaolathe noted that, amid general fiscal strain, Botswana's government had found innovative ways to fund the development of digital

public infrastructure.

"We have in Botswana what we call 'the universal access and service fund', which is basically a 1% levy on all our mobile service providers. This is what has provided most of the funding for the rollout of infrastructure to the villages and schools."

Américo Muchanga, Minister of Communications and Digital Transformation, Mozambique, emphasised the need for an approach to digital transformation that safeguards the continent's sovereignty and ensures control over its data.

He clarified that sovereignty does not imply isolation, but rather strategic partnerships aligned with Africa's development priorities.

Seizing the AI opportunity

Adil El Youssefi, CEO of Africa Data Centres at Cassava Technologies, noted that AI is "driving significant improvements in productivity and will be the driver of economic growth in the foreseeable future."

He argued that investing in data centres – from storage to processing.

"Currently Africa generates and processes less than 1% of the world's data, while we actually represent almost 20% of the global population. For us to bridge this gap we need to

increase the current data centre capacity on the continent by 10 times," he said.

Pointing to Cassava's soon-to-be-launched AI factory in South Africa, he noted that a single AI small-scale factory can cost up to \$250m to \$400m to set up, underscoring both the scale of the challenge and opportunity.

Energy costs are also an issue. "AI factories run 24/7.

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These machines consume large amounts of electricity, each one about 10-20MW. If we look at the current prices of energy, that runs into millions of dollars per month. The economics will not work if we do not bring down the cost of energy."

Africa must be free to shape its own digital future



We talk about data sovereignty and yet we do not finance our national statistical offices. That is where you need to start. They coordinate the national statistical system. If you do not fund those entities, you are already outsourcing your data capability.

Ambassador Phillip Thigo,
Special Envoy for
Technology, Kenya

Despite widespread 4G coverage, nearly 30% of our population remains offline. Close to a billion people have never accessed the internet.

Angela Wamola,
Head of Sub-Saharan Africa,
GSM Association

By 2030, half of all new entrants into the global labour force will come from Africa, with the youth population set to double by 2063, says Zuzuana Schwidrowski, Director of the ECA's Socio-Economic Development Division. In her report of the Committee on Social Policy, Poverty and Gender at the ECA Committee of Experts meeting, she said



Job creation must be Africa's priority

the youth bulge is a particular concern, with a significant 60% of the population being under 25, giving the continent a median age of 19.

Each age cohort (15-35) includes tens of millions of people but only three million formal jobs are created each year, which puts massive pressure on the labour market.

In addition to limited job creation currently for young people, other key challenges include:

- Weak social protection system - Africa has the lowest social

protection rates in the world, which are less than half those of the next region, Asia & Pacific.

- Multidimensional poverty remains, with among the worst hit being Chad, Central African Republic, Niger, Ethiopia and Madagascar.
- Gender gaps in jobs, particularly in the digital economy and financial services
- Pressures of urbanisation and the large informality of African economies
- Climate change and conflict, which is entrenching poverty

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- Weak data systems.

Schwidrowski said the prevalence of poverty, identified at \$3 per person a day, was about 40% of the population in Africa in 2022.

She said key messages from the World Summit for Social Development in November last year were a global shift from commitments to implementation, a focus on equity inclusion and decent work, jobs and human capital and social inclusion.

UNLOCKING THE POTENTIAL OF FRONTIER TECHNOLOGIES

To unlock the full potential of data and frontier technologies, the Economic Report on Africa 2026 puts forward eight strategic recommendations for governments.

First, strengthen governance. Countries must build responsive legal and regulatory frameworks, bolster institutions, and address cybersecurity gaps to manage risks and maximise benefits.

Second, foster partnerships. National, regional, and international collaboration can expand funding, talent, and

infrastructure while reducing the cost and risk of adopting new technologies.

Third, promote R&D, innovation, and entrepreneurship. Africa must increase public and private investment, establish centres of excellence, and create a supportive policy environment for startups and commercialisation.

Fourth, formulate inclusive, evidence-based policies and roadmaps. These should link directly to industrialisation, job creation, and economic diversification, while remaining flexible and responsive to emerging trends.

Fifth, develop human capital. With low literacy and

enrolment rates, countries must reform curricula, train teachers, and align education, especially in STEM, with industry needs.

Sixth, invest in infrastructure – from data centres and 5G networks to energy systems and EV charging stations.

Seventh, reform global financing systems. Fixing debt resolution, credit ratings, and tax architecture can reduce reliance on costly external borrowing.

Finally, de-risk investment. Tax incentives and loan guarantees can encourage private sector engagement in high-risk frontier technology ventures.



HARNESSING TECH TO DRIVE REVENUE GAINS

Across Africa, tax administrations are deploying machine learning and artificial intelligence to strengthen revenue mobilisation, improve compliance, and modernise taxpayer services.

Kenya, Rwanda, and South Africa have embedded artificial intelligence in their systems to curb fraud and enhance tax compliance, says the Economic Report on Africa 2026.

In 2013, the Kenya Revenue Authority launched iTax and rolled out eTIMS with AI-based features to detect anomalies in filing patterns, automate VAT refund verification, and flag suspicious transactions.

This helped in the recovery of billions of Kenya shillings in previously undeclared taxes in 2021/2022 through targeted audits and fraud prevention.

AI-enabled chatbots cut taxpayer-query response



times by more than 50%, and integration of mobile money data with AI-driven detection reduced VAT refund fraud by nearly 30% between 2019 and 2021.

However, gaps remain for micro and small businesses, underscoring the need to complement AI with simplified regimes.



Experts from subregions echo call to boost self-reliance

The Intergovernmental Committees of Senior Officials and Experts (ICSOE) meetings serve as a platform for strategic engagement among ECA member States on policy and programmatic issues of priority to each of the five subregions.

“All of us have a thematic focus, based on the critical development issues in that subregion,” said Eunice Kamwendo, Director, ECA Subregional Office for Southern Africa.

Recommendations from each ICSOE are transmitted to the ECA Conference of Ministers for consideration.

At last year’s sessions, delegates identified key issues hampering Africa’s development, chief among them infrastructure and energy deficits, climate shocks, insecurity, and geopolitical tensions.

The ICSOEs issued a set of strategic recommendations aimed at addressing these issues and accelerating Africa’s

development. These include fast-tracking industrialisation, value chain development, and AfCFTA implementation.

They also called for investing in critical infrastructure, especially transport and connectivity, to boost trade competitiveness and regional integration.

Strengthening macroeconomic stability, debt sustainability, and public finance management to support growth and attract investment were also outlined as key measures for policymakers to consider.

Amid shrinking external financing, Africa must prioritise domestic resource mobilisation, argued Andrew Mold, Director of the Subregional Office for Eastern Africa.

African governments must

prioritise digital transformation of tax administrations with automated customs systems to streamline revenue collection and facilitate trade, he argued.

They must also formalise the informal sector and broaden the domestic tax base to include additional sources of revenue like digital services, which Mold noted could grow to become an “important source” of tax revenue if well harnessed.

Reflecting on the theme for the ECA Conference of Ministers, Mold argued that far more investment was needed to unlock opportunities presented by frontier technologies.

Digital infrastructure deficit, limited internet penetration, high connectivity costs, and unreliable broadband networks are a major constraint, he stressed.



IDEP ADOPTS NEW STRATEGIC APPROACH

The ECA’s African Institute for Economic Development and Planning has adopted a 2026–2030 strategic framework, aligned with the UN Sustainable Development Goals, says the institute’s director, Karima Bounemra Ben Soltane.

In her report on the institute’s activities at the experts segment of the Conference of Ministers, she said the framework is structured around six priority pillars, namely development planning, financing and macroeconomic management, regional integration, social inclusion, natural resource management, and digital

transformation alongside climate infrastructure.

“These are the main key sectors where we need to intervene and where we put in place a plethora of programmes in terms of the interaction we have with our member states,” Ben Soltane explained.

She said the framework marks a departure from a traditional, catalogue-based training model toward an “integrated capacity development approach” directly linked to countries’ own transformation plans”.

“Increasingly, we are working within the framework of co-creation with member states,” she said of the institute’s new approach.

Ben Soltane said applications for the institute’s training programmes have increased five-fold, while annual training capacity has grown tenfold compared to pre-pandemic levels. In total, 34 training activities have been delivered, reaching more than 5,000 beneficiaries across 52 countries.



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