



**African  
Economic  
Platform**

MAURITIUS, 20-22 MARCH 2017

# **INAUGURAL AFRICAN ECONOMIC PLATFORM**

**20<sup>th</sup> to 22<sup>nd</sup> March, 2017**

**Port Louis, Mauritius**

## **CONCLUSIONS**

## **ABBREVIATIONS**

AEP – African Economic Platform

AIDA – Strategy for Accelerated Industrial Development of Africa

AU – African Union

AUC - African Union Commission

AUF – African Union Foundation

CFTA - Continental Free Trade Area

FDI – Foreign Direct Investment

ICT – Information, Communication Technology

PMPA – Pharmaceutical Manufacturing Plan for Africa

RECs – Regional Economic Communities

SMEs- Small and Medium sized Enterprises

STEM – Science, Technology, Engineering and Mathematic

TVET – Technical Vocational Education and Training

Pursuant to the Executive Council Decision EX.CL Dec/994 of the African Union, in Kigali, Rwanda, the Inaugural African Economic Platform (AEP) was held at the Westin Turtle Bay Resort and Spa, in Balaclava, Mauritius from 20 to 22 March, 2017.

The Platform was organized jointly by the African Union Commission (AUC) and the African Union Foundation (AUF), with the support of the Government of the Republic of Mauritius. The AEP, the first of its kind on the continent, is one of the flagship projects of Agenda 2063, aimed at creating an avenue for dialogue among African leaders, the private sector, academia, young entrepreneurs and the civil society towards the integration and development of the continent. It was decided to convene African Heads of State and Government, Business Leaders, and Academia in a retreat setting in order to have a frank discussion on the economic transformation and future of the continent including the mainstreaming of Youth in the discussions based on the theme of the AU Summit of 2017.

The African Economic Platform had, in attendance, nine (9) distinguished Heads of State and Government, ten (10) Member State representatives at the Ministerial and Ambassadorial levels, three (3) representatives from the RECs, fifty five (55) from the Private Sector and Academia, and five (5) young entrepreneurs and members of the Civil Society, as well as officials of both the AUC and the AUF. The list of participants is attached (Annex 1).

### **Opening Session**

#### **WELCOME BY HON. PRAVIND KUMAR JUGNAUTH, PRIME MINISTER, MINISTER OF HOME AFFAIRS, EXTERNAL COMMUNICATIONS AND NATIONAL DEVELOPMENT UNIT, MINISTER OF FINANCE AND ECONOMIC DEVELOPMENT**

1. In his welcome remarks, Hon. Pravind Kumar Jugnauth, extended a warm welcome to all participants at the platform. He explained that the Platform constitutes a laudable initiative that cuts across Government, Business and the Academia, and that its launch was a defining moment in the history of the continent as well as a step in the right direction in the implementation of Agenda 2063, the African Continental Development Agenda. He paid tribute to the neighbours of the

Republic of The Gambia for their solidarity in bringing stability to the country following a post electoral crisis. He appreciated the role and support of the African Union on the claim of sovereignty by Mauritius over the Chagos Archipelago. He described Africa as a land of immense resources and opportunities and that the “Made in Africa” label should inspire the creation of the Continental Free Trade Area (CFTA) and an African Common Market.

2. He regretted that women and youth were often overlooked, despite their rich potential and urged that they should be accorded prominence. He underscored the vital role played by the private sector as a catalyst for socio-economic development. He called on Governments to create a conducive climate for business, marked inter-alia by transparency, accountability and strong institutions, both at national and regional levels. He paid tribute to Dr. Nkosazana Dlamini Zuma, former Chairperson of the African Union Commission, for her support in the launch of the Inaugural African Economic Platform. He expressed the hope to see the participants again during the second AEP that would coincide with the celebrations to mark the 50<sup>th</sup> Anniversary of the independence of Mauritius and on this note concluded by wishing the participants successful and fruitful deliberations.

## **REMARKS BY MS. LUISA DIOGO, DEPUTY CHAIRPERSON OF THE AFRICAN UNION FOUNDATION**

3. In her remarks, Ms. Luisa Diogo pointed out that Africa’s transformation starts with the community, with emphasis on the youth’s potential to advance science, technology and agriculture in Africa. The Platform was hailed as building upon the experience of the successful Ebola crisis response from the leadership of the African Union, with resources mobilized by the African private sector in order to demonstrate how collective action can overcome challenges faced by the continent. She commended the former Chairperson of the African Union Commission, Dr. Nkosazana Dlamini-Zuma for her foresight to establish a mechanism to fund Pan African priority programmes. As Africa moves forward, she

called upon African governments to ensure that Africa's narrative is built on data citing the Charter on Civil Registration and Statistics as a critical instrument.

#### **REMARKS BY MR. TONY ELUMELU, FOUNDER OF TONY ELUMELU FOUNDATION**

4. Additionally, Mr. Tony Elumelu shared his perspective on how Africa must industrialise whilst creating inclusive growth and shared prosperity through long term investments in strategic sectors such as infrastructure and agriculture, inter alia. He identified the need for Governments to create a conducive environment for domestic and foreign investors as a top priority, which includes a legal and regulatory framework that promotes transparency and private sector development. His philanthropic work with young adults under the auspices of the Tony Elumelu Foundation was a further example of impact investing and how africapitalism can be harnessed to create jobs and hope for Africa's future. He invited similar minded individuals to join forces in order to provide opportunities to more than 1,000 young entrepreneurs per year, thus multiplying the impact of the Foundation's contribution.

#### **OPENING REMARKS BY H.E. MR. BARNABAS SIBUSISO DLAMINI, PRIME MINISTER OF THE KINGDOM OF SWAZILAND**

5. H.E. Mr. Barnabas Sibusiso Dlamini, made the opening remarks on behalf of the Chairperson and members of the Bureau of the African Union. In opening the session, he challenged the AEP to find practical ways to address the deficit in specific skills required by industry as well as how to integrate in order to foster the movement of people, goods and the cross-fertilization of ideas. He reminded the meeting that Agenda 2063 has ambitious goals for the continent, hence the need for policymakers, business and academia to engage in dialogue on Africa's future. He called upon all African governments with support from academia to urgently redefine education curricula and to play their crucial role of balancing the social needs of their communities with commercial interest.

## **KEYNOTE ADDRESS BY H.E. MR. MOUSSA FAKI MAHAMAT, CHAIRPERSON OF THE AFRICAN UNION COMMISSION**

6. In his keynote address, H.E. Mr. Moussa Faki Mahamat, Chairperson of the African Union Commission (AUC), expressed profound appreciation to the Prime Minister, Government and people of the Republic of Mauritius for the warm reception extended to his delegation and himself, and for the excellent facilities provided for the success of the inaugural African Economic Platform, which is one of the flagship programmes of Agenda 2063. The Chairperson emphasized that the AEP is a multi-stakeholder forum that brings together African leaders, private sector, academia, young entrepreneurs and the civil society, to dialogue towards the realization of the vision of the African Union.
7. While encouraging the participants to engage in frank discussion and networking, the Chairperson assured that the conclusions of the platform will be submitted to the Policy Organs of the African Union, for consideration and that a monitoring and evaluation mechanism shall be put in place.

## **PLENARY PANEL 1: MADE IN AFRICA, THROUGH REGIONAL VALUE CHAINS**

8. This Plenary Panel was moderated by Prof. Mabel Imbuga, Vice Chancellor, Jomo Kenyatta University of Agriculture and Technology (JKUAT), and RUFORUM Board Chair, with Dr. Kelvin Kemm – Chairperson South African Nuclear Energy Corporation (Necsa) Group Board of Directors; and H.E. Mr. Anastase Murekezi, Prime Minister of the Republic of Rwanda, as panellists. The discussion highlighted the following:
  - i. Investment in energy, including nuclear energy would accelerate industrialization;
  - ii. Africa needs to change the structure of its economies through national and regional value chains. A change of economic structure should result in economic diversification, value addition and resilience. Cutting down cost

- of production can be achieved among others through investing in skills development, with emphasis on technical education and vocational training;
- iii. Adoption of national strategies aimed at placing emphasis on value addition, beneficiation on agro-processing and manufacturing, particularly in areas such as textile, pharmaceuticals, wood industry, and minerals;
  - iv. Improvement of product quality and availability;
  - v. There is lack of knowledge on availability of African products in various countries, for example on pharmaceuticals where African countries could come together to boost production and trade;
  - vi. Improvement of business climate so as to attract domestic and Foreign Direct Investments (FDIs) through the establishment of Duty-Free Zones and facilitation of investors through one-stop shop; and,
  - vii. Establishment of common markets, economic zones, industrial parks and incubators.

## **9. Key Recommendations - Session Panel 1**

African governments should among others:

- a. Increase investment in energy (solar, wind, geo thermal, bio gas, electricity etc.) and explore investment in nuclear energy as it is a prerequisite for accelerated industrialization;
- b. Focus attention on regional value chains as main drivers for industrialization and integration;
- c. Adopt and implement policies at national, regional and continental levels aimed at the reduction of cost of production of goods and services;
- d. Ensure that African products are patented with copyrights protection;
- e. Explore the cloning of cells of plants and introduce tissue culture in agriculture;
- f. Make agriculture attractive to young people in order to enhance their involvement; and,

- g. Increase budgets to address the needs of the agriculture sector at the national level.

The African Private Sector should among others:

- a. Ensure high quality “Made in Africa” products through adherence to quality standards; and,
- b. Working in Partnership with Governments, increase investment in energy (solar, wind, geo thermal, bio gas, electricity etc.) and explore investment in nuclear energy as it is a prerequisite for accelerated industrialization.

Academia should among others:

- a. Improve the quality of education, with emphasis on skills acquisition through technical and vocational training supported by ICT in order to boost Africa’s industrial development.

The African Union Commission should among others:

- a. Encourage political commitment on the continent to develop a strategic approach towards transformative growth , in particular a change in the structure of countries’ economies so as to lay emphasis on diversification, value addition and beneficiation of agro products and minerals;
- b. Share information with Governments, Private Sector and Academia on the continental programme on pharmaceuticals (PMPA) which needs to be implemented; and,
- c. The AU Commission should finalize the development of a draft Commodity strategy for the continent by mid-2017.

## **PLENARY PANEL 2: CONTINENTAL FREE TRADE AREA: EXPANDING OPPORTUNITIES FOR INTRA AFRICAN TRADE AND INVESTMENTS**

10. This Plenary Panel was moderated by Dr. Armany Asfour, Council Member of the African Union Foundation Mr. Albert Muchanga, Commissioner of Industry and



Trade made the Lead Presentation, with Mr. Vuyani Jarana, Chief Officer of Vodacom, Dr. Chris Kirubi, CEO of Centum Investments, and, as panellists. The discussion highlighted the following:

- i. In order to realise the vision of AU Member States as encapsulated in Agenda 2063, of an integrated, prosperous and peaceful Africa driven by its citizens, Africa needs to do away with the currently small and fragmented markets;
- ii. Raising levels of intra African trade provides an opportunity to leverage different African countries' comparative advantages resulting in the diversification of the products made in Africa;
- iii. More export of goods and services should be encouraged among African countries, namely in financial services, education, health inter alia within the CFTA whilst harnessing the potential of the digital economy;
- iv. The issue of standards and quality should be given more importance in intra-African trade;
- v. The financial payment systems should be improved in Africa, following the example of some RECs and countries which operate on a real time payment system;
- vi. The process of advocacy needs to be given a new impetus in order to sensitize all stakeholders about the CFTA;
- vii. The programme on African Passport that started with some Government Leaders will be extended to business people by AU member states once the criteria have been defined;
- viii. The process of the AU Reform should be accelerated;
- ix. The number of One Stop border posts on the continent is increasing with a view to facilitate trade;
- x. Domestic policies need to focus on the seven clusters of Action Plan for Boosting Intra-African Trade (BIAT) in order to increase production and trade and the Strategy and Action Plan for "Accelerated Industrial

Development of Africa” (AIDA) needs to be implemented to promote industrialization;

- xi. There is need to accelerate South-South cooperation within Africa in order to promote African enterprises of continental importance;
- xii. Pan Africanism and the importance of regional and continental integration should be taught to children from an early age;
- xiii. Increased investment in transport infrastructure, particularly roads and railway connectivity in order to boost intra-African trade and encourage the free movement of persons; and,
- xiv. Removal of trade barriers to intra-Africa trade through the establishment of the Continental Free Trade Area (CFTA).

## **11. Recommendations –Session Panel 2**

African governments should among other things:

- a. Accelerate regional integration to increase market size;
- b. Increase emphasis on rural infrastructure in national and regional strategies;
- c. invest in the productive sector in both the public and private sectors;
- d. Fast track the implementation of market integration, and to start implementing the Accelerated Industrialization for Africa (AIDA) to promote industrialization;
- e. Accelerate South-South Cooperation within Africa to promote African enterprises of continental importance;
- f. Increase the export of goods and services in financial services, education, accounting, communication and health among others should be encouraged within the CFTA; and,
- g. Accelerate the negotiations of the Continental Free Trade Area (CFTA) to enable its establishment by the end of 2017, so as to remove trade barriers and bolster integration.

The African Private Sector should:

- a. Advocate for the quick ratification of the CFTA Agreement by the private sector and all stakeholders; and,
- b. Support Governments' efforts to open up markets, create jobs for youth and women, train and educate them, produce goods that are of high quality through capacity building and science and technology.

The African Union Commission should;

- a. Establish a database on available products in Africa; and,
- b. Strengthen advocacy to sensitize stakeholders about the CFTA

### **PLENARY PANEL 3: COMPETITIVENESS OF THE AFRICAN PRIVATE SECTOR: BUILDING PAN AFRICAN ENTERPRISES**

12. Plenary Panel 3 was moderated by H.E. Dr. Anthony Mothae Maruping, Commissioner of Economic Affairs, African Union Commission. The Lead Presenter, H.E. Rt. Hon. Barnabas Sibusiso Dlamini, Prime Minister of the Kingdom of Swaziland, set the scene. The Prime Minister explained that in order to build African competitiveness the government should play a facilitating role in the business environment and provide infrastructure, a sound legal and regulatory environment and ensure macro-economic stability.

13. The panellists – Professor Fulbert Amoussouga Gero of the University of Benin, Mr. Patrick Dlamini, CEO of Development Bank of South Africa (DBSA), and H.E. Rt. Hon. Saara Kuugongelwa-Amadhila, Prime Minister of Namibia – highlighted the following challenges:

- i. Restrictive policies, cumbersome regulatory, judicial and tax regimes/systems;
- ii. Poor infrastructure, particularly energy, roads, rails and ports connectivity;

- iii. Mis-match and skills shortages that meets the requirement of private sector operators;
- iv. High levels of unemployment and inequality on the continent;
- v. Tariff and non-tariff barriers to African exports and imports; and,
- vi. Difficulties in obtaining medium and long term finance on affordable terms.

14. The following potential solutions were mentioned in the dialogue which ensued:

- i. Governments and private sector should build a cooperative relationship and coherence in ensuring effective win-win situations;
- ii. Public-private sector collaboration as well as partners to identify challenges and opportunities in the business environment;
- iii. Fostering a conducive investment climate in order to create sustainable wealth and job creation;
- iv. Support for SMEs as engine of job creation, inclusive growth and development;
- v. Effective resource mobilization – both domestic and foreign;
- vi. Importance of ICT as a game changer, citing the role of smart phones as an example;
- vii. Development of social and economic infrastructure – hard infrastructure including road, rail, ports and soft infrastructure which are policies and regulatory frameworks;
- viii. In order to grow continental trade there is need for convergence of policies in order to reduce tariff and non-tariff barriers including the simplification of procedures;
- ix. In order to improve intra-African trade there is need for regional economic partnerships that foster high performance value chains;
- x. Affirmative action is required for start-ups and SMEs in order to enhance scale ups. This could include preferential procurement particularly for youth and women as well as building the capacities of African private

sector to thrive in regional markets. By having regional and continental free trade areas, there is access to larger markets, achievement of scale and competitiveness;

- xi. There is need to improve communication between the African Union and the private sector; and,
- xii. Government procurement should favour local small entrepreneurs over big corporates provided they meet the necessary requirements such as quality and availability.

### **15. Recommendations – Session Panel 3**

African governments should among others:

- a. Initiate and maintain contact with private sector operators in order to discuss challenges and opportunities in the business environment;
- b. Implement meaningful structural reforms to drive export competitiveness;
- c. Promote intra-African investment to support regional trade and development of infrastructure;
- d. In collaboration with the Private Sector, Implement measures to boost the competitiveness of Trade corridors across the continent;
- e. Strengthen Trade facilitation especially at the border post in order to increase efficiency;
- f. Government should invest significantly in SMEs development in order to create jobs and inclusive growth including through affirmative action provisions in Government Procurement legislation;
- g. Improve the business climate and ease of doing business across the continent including the facilitation of business registration and providing requisite business development services.

The African Union Commission should:

- a. Work with Member States to advance the ease of doing business across the continent and to establish an appropriate monitoring mechanism; and,
- b. AU Commission (Department of Economic Affairs) should engage the private sector to identify and disseminate different models for creating shared value and prosperity.

Government, Private Sector and Academia should:

- a. Promote enterprise development with particular focus on financing and training of business start-ups;
- b. Implement appropriate strategies such as technology acquisition, investments in education and research, and encouraging intellectual property rights boost research;
- c. Focus on qualified human resources and performance contracts in the public and private sectors; and,
- d. Harness their potentials based on their natural resource endowment.

#### **PLENARY PANEL 4: AFRICAN SKILLS REVOLUTION. EMPOWERING YOUTH FOR EMPLOYMENT, INNOVATION AND ENTREPRENEURSHIP**

15. The session was moderated by H.E. Ameenah GURIB-FAKIM, GCSK, CSK, PhD, DSc, president of the Republic of Mauritius with Dr. Emmanuel Nnadozie, Executive Secretary, African Capacity Building Foundation (ACBF) as lead presenter and Professor Emmanuel Tanyi Dean of the School of Engineering, university of Buea and Mr. Rakesh Wahi, Co-Founder, CNBC Africa and Chairman, CMA Invest Holdings as panellists.

16. The discussion highlighted the following:

- i. Africa as a continent is on the rise in large measure due to appropriate macroeconomic policies. One of the key challenges is how to attain inclusive growth in the face of falling commodity prices;

- ii. Africa has the youngest population in the world yet 75% hold vulnerable jobs. The situation could be redressed through rapid job creation hinged on technology and innovations;
- iii. By harnessing the demographic dividend, Africa could achieve an 11-15% increase in its GDP by 2030, as the demographic Dividend is both a blessing and a time bomb depending on how it is managed;
- iv. There is an urgent need for a tripartite summit on education (Government, Private Sector, and Academia) to help revamp education systems in the continent with emphasis on Science Technology Engineering and Mathematics (STEM), Technical and Vocational Education and Training (TVET) tailored to the needs of Africa;
- v. An early introduction of ICT in all the education programmes at all levels including the creation of ICT laboratories and the introduction of a “one student one computer” policy;
- vi. To put in place policies aimed at quality training of teachers, as well as appropriate training infrastructure, research and innovation. Private sector should to be encouraged to increase investment in education.
- vii. An urgent adoption of soft capacities including visionary leadership, change of mind-set/attitude and the use of expertise collaboratively so as to fill the capacity gaps. Africa must become producer rather than consumer of knowledge; and,
- viii. Human capabilities and intellect should be developed in order to trigger growth and development at both regional and continental levels.

## **17. Key recommendations – Session Panel 4**

Academia, Governments and the African Union Commission should:

- a. Create and strengthen centres of excellence with emphasis on skills acquisition across the continent;
- b. Enhance harmonization of competencies across national borders to promote labour and skills mobility;

- c. Urgently convene a Tripartite Summit on Education, Science Technology and Innovation comprising the Government, Private Sector and Academia to revamp education in the continent; and,
- d. Implementation of the recommendations deriving from the study on capacity needs for the execution of the first 10 years implementation plan of Agenda 2063.

## **CONCLUDING REMARKS**

18. In his concluding Remarks the Chairperson of the African Union Commission and the Prime Minister of the Republic of Mauritius mentioned the following four key messages that resonated throughout the dialogue:

- i. Africa is capable of conceptualizing and implementing home-grown solutions to overcome its development challenges;
- ii. Africa's collective leadership from Government, Business and Academia is ready to engage differently to move the African development agenda forward. Between now and the next Platform there should be tangible results on the recommendations contained in this conclusions report;
- iii. A practical approach to rhetoric to action requires that all stakeholders move from plans, policy, programmes, projects and implementation strategies and accountability; and,
- iv. Finally, all Stakeholders are urged to implement the AU Theme of 2017 and to continue doing so in perpetuity because Africa is a youthful continent. Mainstreaming youth in all that we do, will yield the best dividends for the continent.

19. The Platform thanked the Government of Mauritius for their warm hospitality and took note of their kind offer to host the second edition of the AEP in 2018.