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DAVOS 2025 SPECIAL EDITION

## African solutions to navigating change



### INTERVIEWS

**Wale Edun** - Minister of Finance of Nigeria

**Jeremy Awori** - Group CEO, Ecobank

**Admassu Tadesse** - Group President, Trade and Development Bank Group

**Akinwumi Adesina** - President, African Development Bank Group



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A BETTER AFRICA**

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## Contents



A virtual reality dome at the World Economic Forum

# African solutions to navigating change

## Overview

- 4 Africa's positive energy lights up a darkening globe

## Cover story

- 8 AI: the African opportunity to transform life on the continent for the better

## Features

- 6 Africa House: a place for honest conversation about tomorrow
- 14 **Opinion:** Women in Africa are better off but far from equality
- 16 **Opinion:** South Africa's G20 presidency: a chance to tackle the emerging market debt crisis
- 18 **Opinion:** How Africa can attract tech investment beyond the 'Big Four'
- 20 **Opinion:** Why Africa's leaders need to prioritise AI
- 22 **Opinion:** The case for an African centric sustainability index
- 24 **Opinion:** A dream deferred: buy Africa or perish
- 32 **Interview:** the African Development Bank you see today is different, says outgoing president **Akinwumi Adesina**
- 36 **Interview:** finance minister **Wale Edun** on shaping Nigeria's future
- 40 **Communiqué:** Inside Nigeria's plan to overhaul the country's healthcare sector
- 56 **Interview:** Ecobank's \$400m fundraising offers platform for growth, says CEO **Jeremy Awori**

- 60 **Interview:** 'African leaders must recognise the limitations of international capital' says **Admassu Tadesse** of the Trade and Development Bank
- 64 The Africa Collective in 2025: from regional consolidation to driving the Global Africa agenda
- 74 **Interview:** 'People who don't use AI will be replaced with people who do' – consultant **Zain Verjee**
- 78 **Interview:** African AI pioneer InstaDeep is ready for the future after €500m takeover, says **Karim Beguir**, CEO and co-founder
- 82 **Interview:** This is Africa's digital decade, says Google's **Alex Okosi**
- 84 Africa looks to muscle in on the semiconductor value chain
- 86 Africa Improved Foods targets shift to commercial production
- 92 UM6P: a futuristic centre of African university educational excellence

## Special report with Afreximbank: fostering investment and trade

- 66 Taking Africa to the world
- 69 From extraction to value addition
- 70 Creating a multi-billion dollar creative industry
- 71 Unlocking the constraints of trade finance

## Last word

- 98 Davos, Africa and the 'intelligent age'

Africa can buck global trends and is bucking them by entering into collaborations that can recast growth and deliver a fairer, more just dispensation in line with the themes of Davos 2025, argues Anver Versi.

# Africa's positive energy lights up a darkening globe

The annual World Economic Forum at Davos comes when the developed world is teetering towards the far-right and protectionism is threatening global economic growth. But in this maelstrom Africa is bucking the trend and perhaps showing what can be achieved through positive energy. For the past few years the annual World Economic Forum (WEF) at Davos in Switzerland had taken place with the world gripped by a series of concentric and overlapping crises – the term polycrisis is an understated but apt description.

It was considered by those who are deep thinkers in these matters that polycrisis was something of a “black swan” event. But it now seems that polycrisis is here to stay and that it is taking more sinister, weirder shapes.

This is a very disquieting feeling. If you can identify what it is that is causing you alarm, then no matter how hideous it may be, it can be dealt with using intelligence, knowledge, strength and resolve. After all, virtually all our heroic stories are based on overcoming just such terrifying monsters.

But when you cannot tell exactly what the danger is or where it is coming from or what shape it will take or what effect it will have, you become unhinged from all your cast-iron realities. You don't know what or who to trust anymore. Centuries old values on which we have erected massive personal and collective edifices seem to crumble into dust before our eyes. This is a very dangerous time. It's the sort of



Anver Versi is the editor of *New African* and *African Banker* magazines.

time that leads to the type of madness we have seen in the World Wars and some revolutionary movements – the indiscriminate slaughter of millions and wholesale destruction of civilisations.

## Reading the signs

History tells us that such armageddons are always preceded by tell-tale signs that warn of impending catastrophe – if only we can read them and find ways to prevent the deluge. Alas, history also tell us that we are in the habit of ignoring such harbingers until it is too late.

But perhaps, this time, we can pay heed to the various signs of danger and in the unique forum presented by the gathering in Davos, put aside our petty preoccupations and look at the whole – our wonderful planet and all those fortunate enough to live on it.

The theme of this year's World Economic Forum is “Collaboration for the Intelligent Age”. This is a positive and hopeful aspiration in a world that seems determined to tear itself into myriad pieces.

Discussing WEF's theme last year, which was “Restoring Trust”, I wrote: “This endeavour [of restoring trust] could not have come at a more apposite time. Rarely has the world experienced such a fragmentation, such bitterly opposed viewpoints, such adamant refusal to yield any ground and such complete lack of trust in the motives of any party not supporting one's perception, as we see today.”

One year later, alas, the fragmentation, the closing in, the exclusion and the hostility within and outside national borders is, if anything, worse. In Europe, the cordon sanitaire erected by centre-right parties to keep out the extremists is collapsing by the day as far-right wing parties such as Austria's Freedom Party, Germany's AfD, Hungary's Fidesz, Italy's Fratelli d'Italia and others are sweeping all before them.

Donald Trump's US is unrecognisable from Barack Obama's beacon of hope which, despite all its faux pas, represented a measure of positive influence in the world. With the threat of protectionist policies, Trump seems determined to plunge the world into a tit-for-tat downward cycle that will slash growth and therefore incomes across the globe.

Economics aside, American power projection, which may have kept the peace in several instances, is unlikely ever to recover from the public humiliation dealt to Joe Biden by Israel's Benjamin Netanyahu over the slaughter of the innocents in Gaza.

Indeed the indifference from Western champions of human rights over the plight of Palestinians and the scale and impunity of the killing is chilling. As Nigeria's Udo Jude Ilo says: “We are now in a situation where the identity of the aggressor or the identity of the victim determines how the world responds, and you cannot maintain an international framework of protection if it is available à la carte.”

This appalling situation is not only a direct contravention of human rights, but also of the value system enshrined in all the world's religions. If we are not to be shocked and mourn the death of an innocent Palestinian child, what is there left to mourn or be shocked about?

## The underlying decency of human nature

In this admittedly hellish scenario, WEF's determination to find ways of collaborating is not, as many have

suggested, naïve, but a bold statement of confidence in the underlying decency of human nature. The sub-themes are: rebuilding trust; reimagining growth; investing in people; safeguarding the planet; and industries in the intelligent age.

The return to the all-important need to “rebuild trust” is welcome because, as we have seen, trust has become a very scarce commodity.

The results of trust have brought more prosperity to more people in more ways than ever before – but it could disintegrate.

WEF clearly believes that the “intelligent age” is one in which AI can deliver, even when flawed human agency is failing.

WEF president Klaus Schwab believes that converging technologies are rapidly reshaping the world, pushing us to an inflection point, “an era far beyond technology alone. This is a societal revolution, one that has the power to elevate humanity – or indeed to fracture it,” he says.

What does seem likely is that the predominance of AI is likely to produce an international generation of tech wizards who will collaborate to knit the disintegrating world even as it frays, thanks to the machinations of short-sighted and divisive political considerations.

### Africa makes moves on AI

What is very interesting is that Africa, so often regarded as the very junior partner on the international deal table, is actually moving ahead very rapidly to control, tame and direct AI. The annual Most Influential Africans list published by *New African* magazine has a preponderance of AI experts within its science

and academia section. These tech geniuses are working largely at the very edge of international discovery in the field.

Africa is also working to “reimagine growth” since the ancient dispensation has dealt it very poor cards. Given the shifting sands of the old order, Africa can buck the trend and enter into collaborations that can recast growth and deliver a fairer, more just dispensation. It already is doing that.

While many of the nations of the West are drawing in on themselves, Africa is opening up. In addition to its 55 countries, Africa is reaching out to embrace its long-severed links with the diaspora populations in the Caribbean, South America and the US.

### Life-affirming energy

Still bucking the trend, Africa is also drawing its diverse components closer through its multinational development banks; the biggest and most diverse single market in the world (the African Continental Free Trade Area); an African-designed payment settlement system that bypasses international banks; a unified and sophisticated approach towards climate change and the transition to clean energy.

But perhaps its greatest contribution is the positive, life-affirming energy that Africans exude in such vast volumes.

Therefore, while the sense of impending but undefinable dread – that expressed by the poet WB Yates as “things fall apart; the centre cannot hold” – pervades the mostly Western established world, Africa is finding itself on increasingly solid ground. Perhaps Africa is the pivot point the world desperately needs in this intelligent age. ■

Below: Inkwell Beach panel featuring conversations with Kweku Mandela and Adrienne Smith during the World Economic Forum 2024 in Davos.



Africa House provides a dedicated space for Africa-focussed discourse and actions at international fora such as the World Economic Forum, writes Kwame Ofori Appiah.

# Africa House: a place for honest conversation about tomorrow

When business and political leaders from around the world gather for their annual retreat in Davos for the World Economic Forum (WEF) annual meeting, they will have the option to participate in discussions and deal-making on an African continent that many analysts regard as the one that holds the most promise. Despite a chequered past, Africa's human and natural resources have placed the continent firmly in the sights of global investors who recognise that the path to solutions for many global challenges – from climate change to the energy transition and demographic collapse – may run through the continent.

That is the central animating principle of Africa House, which will be on its fifth outing at the WEF in January 2025. Mamadou Kwidjim Touré, founder of Africa 2.0 and co-founder of Africa House with Kojo Annan, its chairman, says they took on the task to correct a situation in which Africa, in spite of its vast potential, was something of an afterthought at such global fora.

"We thought the continent didn't have the space it deserved in international discussions and global decision-making. So we felt that it was our responsibility. It is really a civil society initiative," he explains, noting that while other countries had



similar installations at Davos for many years, Africa had until then been silent.

Africa House offers a dedicated space for Africa-focused discourse and actions. "It's a space where we can have not just open conversation, but constructive discussions about the direction that the continent wants to take, as well as the way in which it wants to engage with the rest of the world," Touré says. And there is much to discuss, as he points out. "For instance, the African Continental Free Trade Area is the largest single market in the world today. This is not something to be ignored. By 2050, seven out of ten kids born on the planet will be Africans, and the population of the continent is going to be 2bn people. As we looked to the future, the question is: how do we start the conversations that can be linked to actual actions and deliverables?"

What Africa House intends to be is a place where plain and honest conversations are had about Africa, and where state and private sector players can co-create the Africa of tomorrow.

### Leapfrogging technological stages

Touré is extremely optimistic about the continent's potential, pointing to its history of leapfrogging in technology and even regional integration to show what Africa can achieve with concerted action and the right investment. So as technological expansionism takes hold globally, Touré is concerned that Africa is being left out of the conversation, when it has shown what technology can do for it.

"We know how Africa leapfrogged fixed lines to go to GSM [Global System for Mobile Communications]. We know how it transformed the continent. You can literally find a direct correlation between the introduction of GSM mobile telecommunications and Africa's GDP growth," he argues.

Similarly, Africa could skip a few generations of energy technology to build new systems that work better for it. "Do we have to reproduce the same model from before? Maybe Africa is much stronger with a decentralised approach with smart mini grids where people can get their own energy without relying necessarily on that one central entity," he reflects.

Africa House, he insists, wants to be the platform where these conversations are had and the resulting initiatives get off the ground.

This year, Africa House is partnering with the Pax Technologica initiative and will host the hip-hop star will.i.am, who moonlights as an investor in technology, a key theme of this year's WEF meetings, which suggests that technology will be key to the discussions.

Touré says the big lesson from the last few years of global disruption is that Africans have to take their destiny into their own hands. In a more fragile world where powers are being realigned, Africa must realise that it can no longer rely on the old systems and the regular approaches. For example, he says, Africans abroad send back close to \$100bn a year, dwarfing government and multilateral assistance from the developed world. Africa must thus find

new ways to leverage its various assets to build prosperity, rather than rely on others. "Somebody has to ask those questions and we want to be that platform where those questions are asked. That's what we will be doing to highlight those alternative opportunities."

### Reconsidering the continent

One of those questions will be on the adverse narratives around Africa, which dampen investor appetites and manifest in a risk premium for African borrowers. Touré is very exercised by this and reveals that there will be a dedicated session to discuss this issue. "We are inviting media leaders from the continent and beyond to have this conversation. Unfortunately, perception is reality and risk is a matter of perception." While Africa defaults at rates lower than other continents, it struggles to attract funding for its infrastructure. A way out, Touré suggests, is to source local currency financing which, he says, would "reduce exposure to currency fluctuations".

Africa House prides itself in being more than a think tank putting out papers and promoting policies; it seeks to actually make its ideas happen, and Africa House fits into that agenda. Touré points out that previous editions have brought together leaders from the continent and leaders from the world of business to forge important partnerships, many of which are leading to tangible outcomes.

He concedes, however, that a lot depends on the parties, rather than Africa House, which merely facilitates the interactions. "We convene, we facilitate, we encourage and we drive in a particular direction. We make sure that Africa's voice and perspective resonates globally around those platforms. But we let the stakeholders be sovereign in driving Africa's future. Because we've learned one thing: when things are too centralised, things get stuck."

### Natural wealth

In at least one area, however, Touré is a direct actor. "Africa's natural wealth exceeds \$100 trillion. You have new models based on Web3, blockchain technology and artificial intelligence that allow you to tokenise those resources," he points out.

Touré believes technologies like tokens can help to monetise and increase the value of Africa's resources. He is also CEO of Ubuntu Tribe, a company that aims to "use advanced technology to shift the current economic model from scarcity to abundance, enabled by responsible extraction of mineral resources" and to "democratise access to gold" including use of the Gold International Fungible Token (GIFT) using blockchain technology.

Breaking with the past is a feature that Touré constantly comes back to. Whether it is in funding the continent, creating jobs or leveraging its resources, Touré argues passionately for new approaches and the idea that Africa House can incubate some of those ideas. The 2025 edition, he says, will be a harbinger for some of these new approaches.

There are going to be a few announcements at Africa House. Some are going to be pretty groundbreaking technology and investment partnerships, Touré suggests. "That's also where Africa House wants to differentiate from many other platforms," he says. ■

**TOURE ARGUES PASSIONATELY FOR NEW APPROACHES AND THE IDEA THAT AFRICA HOUSE CAN INCUBATE SOME OF THOSE IDEAS. THE 2025 EDITION, HE SAYS, WILL BE A HARBINGER FOR SOME OF THESE**

## Artificial intelligence

From healthcare to agriculture, AI has the potential to transform life in Africa for the better. But with limited funding and talent on the continent, Africans still need to be persuaded that it is in their interests to pursue an uncertain future defined by new technologies, writes Harry Clynh.

# AI: the African opportunity

In 2021 the London-based Lloyd's Register Foundation ran a survey that sought to assess how optimistic people around the world are about the potential of artificial intelligence (AI) to improve their lives. The foundation polled 125,000 individuals across 121 countries and asked whether respondents believed AI would “mostly help” or “mostly harm” people over the next two decades. Arguably the biggest takeaway from the exercise was how starkly the responses varied by region.

In Eastern Asia, just 13% of people thought that AI was mainly a bad idea. Almost 60% of those surveyed answered that the technology would “mostly help”. To different extents, the consensus was the same across Europe, Oceania, and Central Asia. The four regions most sceptical of AI? Central and Western Africa, Southern Africa, Northern Africa, and Eastern Africa, in that order.

Indeed, Eastern Africa was the only region anywhere in the world in which more than half of people surveyed thought that AI technology is likely to be a source of danger and harm. Clear majorities in Tanzania, Kenya, and Uganda were all worried that AI will prove dangerous.

The report cited relatively low levels of internet access and less exposure to technological developments as one potential reason that Africans appear to be less positive about the potential of AI.

But there may be another reason – that people are understandably fearful of an emerging technology whose own proponents accept could be a revolutionary force. AI, which has many different applications but essentially works by using complex algorithms to analyse large datasets and make instant decisions, is seen by some as awesome in its potential power.

## Promoting fears of a dystopian future

Given this, AI critics often express fears that the technology could ultimately become uncontrollable and far surpass human capacities – heralding a dystopian future of mass job losses and societal collapse.

Sam Altman, the CEO of US pioneer OpenAI, whose technology powers the ChatGPT “chatbot”, hardly helped dispel such concerns when he said – albeit jokingly – that “AI will probably, most likely, lead to the end of the world, but in the meantime, there’ll be great companies.”

Mehdi Sayegh, co-founder of AI Connect Africa, a technology hub in Abidjan, tells *African Business* that “there remains this idea in some places that AI is evil... people still do not know if AI is secure and if their data is safe.”

“There is also the issue of digital literacy – we lack people who are trained in AI or even understand it,” he adds.

This is true as much for businesses as individuals, according to Kennedy Chengeta, an AI entrepreneur in Pretoria. He says that many African business leaders “are still not sure what value the technology offers their business and how they can make profits from using it”.

While Chengeta notes that the continent’s banks are a notable exception to this trend – First National Bank (FNB) in South Africa has already implemented AI solutions to enhance fraud detection, for example – he is concerned that, more broadly, there is a lack of understanding.

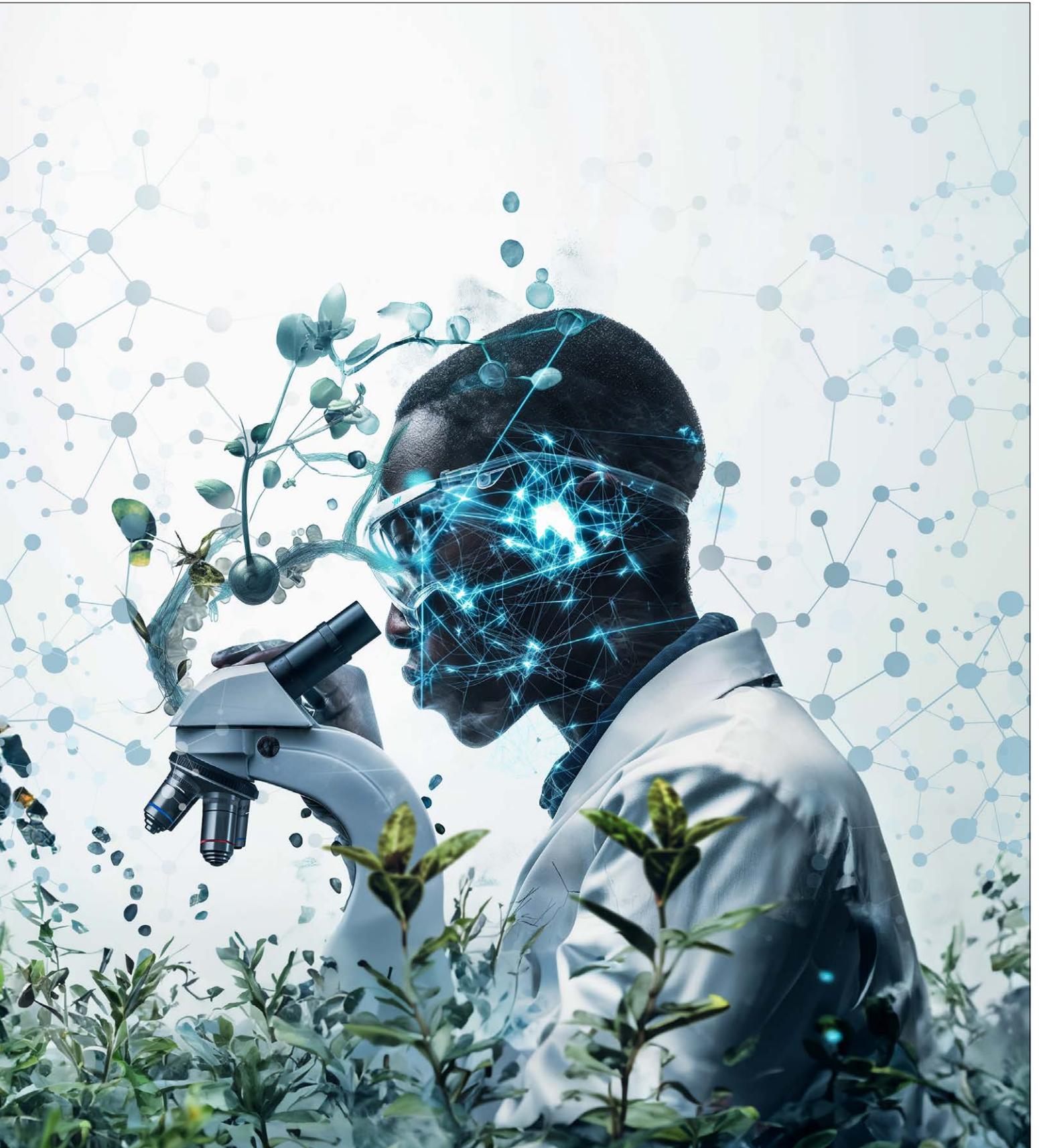
“There is a gap between businesses and technology companies,” he says. “We need greater interaction between the industries so businesspeople can better realise the potential of AI.”

## A transformative impact

Amal El Fallah Seghrouchni, executive president of the International Centre of Artificial Intelligence of Morocco in Rabat, agrees that AI has an image problem in Africa. She is leading an “AI Movement” that seeks to deliver a more positive message about AI – to emphasise how the technology can be transformative for Africa and for standards of living across the continent.

“We need to show that we can really solve funda-





## Artificial intelligence

mental problems,” she says. Seghrouchni notes that Africa has already had a taste of how the technology can drive up standards in critical industries. In agriculture, AI-powered tools have been used in Africa to analyse farm conditions such as rainfall and soil health and deliver actionable insights in real-time, allowing farmers to make the appropriate changes and drive up crop yields.

Venkataramani Srivathsan, managing director for Africa and the Middle East at global agri-business Olam, previously told *African Business* that “with AI’s help, applying the right inputs, pesticides, or treatments at the right time can determine the success or failure of a harvest ... this technology can transform not just individual farms, but also the sector on a previously unimaginable scale.”

In healthcare, AI has been used to help clinicians and policymakers track the spread of infectious diseases. A recent project in Mozambique saw healthcare workers use portable X-ray machines that were connected to an AI program to analyse the outbreak of tuberculosis in a high-security prison. Affected prisoners were identified and diagnosed within minutes.

**Hope for healthcare help**

Alexander Tsado, co-founder of the Johannesburg-based activist group Alliance4ai, notes that prescriptive AI tools – which use algorithms and data to recommend specific actions in any given situation – could prove particularly valuable in healthcare settings. “Prescriptive AI can help increase access to basic healthcare in villages,” he says. “Today, the public [especially in remote rural areas] tend to have little access to doctors as none are close by. People have to use their life savings to travel further or to go to cities for answers to very simple questions – questions that you should be able to receive an answer to by sending a text message to an AI model.”

Such technological solutions could prove vital to a continent with a chronic lack of doctors and medical professionals. Nigeria, for example, has one doctor for every 5,000 patients, while the average in developed markets is one doctor for every 254 people – with Africa often struggling to retain professionals who are lured by the higher salaries available overseas.

AI tools could help plug this gap by offering individuals much quicker and cheaper ways to access basic medical information. “We still have a lot of people die in Africa from diseases that are not that complicated,” Seghrouchni says.

She believes that AI tools providing essential facts and advice could drastically reduce the number of fatalities caused by conditions such as malaria, tuberculosis, and diarrheal diseases – illnesses that are major killers in Africa but are usually manageable with even rudimentary healthcare provisions.

Tsado thinks that banking is another crucial sector that is ripe for AI-related innovation in Africa. In particular, he believes that the technology could prove vital in allowing small businesses to access the capital required to grow their operations – capital which, at the moment, they are often denied owing to a lack of collateral.

A study conducted by the investment group Investisseurs et Partenaires found that 40% of small and medium enterprises (SMEs) in Africa identified “accessing finance” as the main obstacle to higher growth. The current funding gap is estimated to be more than \$14.0bn. However, AI solutions might provide an answer.

“Most businesses do not have access to loans from banks – and that is because a lot of loans are based on collateral, and most people do not have a big house to collateralise,” Tsado tells *African Business*. “But with AI, you can understand a person’s spending partners and use that information to provide loans that will be transformational for the economy.”

“Africa needs to spend about \$100bn every year on infrastructure to reach its goals. AI could be the way to get there.”

**MANY AFRICAN BUSINESS LEADERS ‘ARE STILL NOT SURE WHAT VALUE ARTIFICIAL INTELLIGENCE TECHNOLOGY OFFERS THEIR BUSINESS AND HOW THEY CAN MAKE PROFITS FROM USING IT’**

**A dearth of funding and talent**

While the potential of AI solutions on the continent certainly appears to be significant, there is a major issue that could prove an obstacle to the industry’s growth – funding. In 2023 total venture capital funding in Africa stood at \$3.5bn, representing a 46% drop from 2022.

While this largely mirrored global trends, with funding drying up amid a more challenging macroeconomic environment, Africa has a tougher task in attracting investment in its AI space given the extent to which resources are concentrated in more developed markets. 60%

of top-tier AI researchers are in the US alone, which has seen almost \$250bn in private funding. How can Africa attract some of this cash?

Tsado thinks that Africa offers “huge opportunities” to venture capital funds and foreign investors. In particular, he believes that AI solutions in Africa have the potential to be much more socially and economically “transformational” than in more developed markets, something which could encourage greater investment flows.

“I was talking to an investor recently, and the fellow was talking about Singapore, and how AI is trying to solve problems such as “how do I receive my food in 30 minutes rather than an hour?” That is the kind of problem that AI is being used for in these markets,” he says.

“But in Africa, AI is being deployed to identify diseases on crops and plants, which is transformational for farmers. We are seeing similarly important things in the health or financial space. AI in Africa can be transformational for hundreds of millions of people – that is a big thing to invest in.”

Seghrouchni agrees that Africa is home to “specific problems” whose importance could be an attraction to impact investors looking to help solve the big issues, as well as secure returns. However, she is also optimistic that “the AI solutions can then be generalised for export to other continents.”

“Africa can provide solutions that are very original and disruptive,” she says.

While more venture capital funding in Africa’s AI start-ups would certainly be welcome – and Tsado says that investors are starting to recognise the opportunities available in African markets – he also

Right: Controlling an unmanned aerial vehicle as it spreads fertiliser over a tea farm at the Kipkebe Tea Estate in Musereita, Kenya.



argues that it is important for the industry to work out how this cash can be used more efficiently.

Indeed, because African start-ups tend not to have their own AI-related infrastructure, Tsado says they mainly have to rely on cloud suppliers such as Amazon Web Services (AWS). These allow companies to access the required technology and build and scale AI applications without having the advanced in-house computing that would otherwise be needed.

While the costs are relatively low by US or European standards, Tsado notes that the costs are significantly higher in Africa. This means that the continent's start-ups, which are usually working on limited budgets in any case, are forced to spend a large proportion of their money just to access the technology – imposing a huge cost before they even start building their application, and reducing the amount of capital they can invest in human capital or growing their business.

“The cost of AWS, for example, continues to be extremely expensive. I was just talking to one of our experts in Kenya, and he said that even to play with a Gemini AI model [Google's AI service] in Kenya, it could cost you \$1,000 a month,” he explains. “To hire a pretty decent engineer would cost you about \$2,000 a month. So, it took him half the price of a full engineer just to do some R&D on one AI programme.”

“Start-ups are receiving VC funding, but then they're turning around and spending 50-80% of it on AWS because the cost structure does not make any sense. That is extremely bad. I think that we are only getting less than 10% of the innovation power of

**IN AFRICA, AI IS BEING DEPLOYED TO IDENTIFY DISEASES ON CROPS AND PLANTS, WHICH IS TRANSFORMATIONAL FOR FARMERS. WE ARE SEEING SIMILARLY IMPORTANT THINGS IN HEALTH**



## Artificial intelligence

Africa because of a lack of access [to such technologies],” Tsado tells *African Business*.

“We’re working with weak foundations. We need to get to a place where we have several computing clusters across Africa – that could dramatically reduce the costs for the start-ups so they can truly innovate.”

### Data deficit

Another area Africa will need to get right, if the continent is to unleash the full potential of AI, is data. This is particularly important because AI tools are “trained” to make decisions based on datasets. But information sourced from African countries and from individuals on the continent currently makes up a tiny proportion of the data being used by AI models. As a result, the systems are often not able to work properly or fairly in a specifically African context.

One domain in which this has become especially apparent is that of social media, where the world’s tech giants have started to use AI to filter out illegal or disturbing content.

But a lack of local language capabilities and other relevant data means that the tools are not as efficient in Africa as elsewhere. African citizens are therefore more at risk of harmful content than should be the case.

Similar trends have emerged in other fields of AI, too. Language models using AI have been found to be delivering potentially harmful medical information to black people, for example, while inaccuracies in facial recognition technology have also resulted in wrongful arrests. Both cases stem from a lack of data related to Africans or diaspora populations.

Vukosi Marivate, chair of data science at the University of Pretoria, believes that “this problem cannot be solved overnight” but thinks “that it might require some regulation to set minimum standards” that oblige tech firms to ensure their AI is working with the appropriate data.

“There was a request from the European Union to X [formerly Twitter] that forced the platform to disclose how their content moderation was working,” Marivate explains.

“It was very interesting to see that for some European languages – some of which were spoken by hundreds of thousands or millions of people – they had just one person familiar with the language working on content moderation. I have a feeling that, if you were to do the same thing in Latin America or Africa for more indigenous languages, the situation would be even worse.”

Tsado, who previously worked at Nvidia but left after raising concerns with its CEO about AI’s potentially harmful effects on minority groups, says that the answer to filling AI’s “blind spots” is to encourage more people in Africa to get involved with the technology – and thereby provide the data that would help create better outcomes for Africans.

“Engineers and scientists are not building AI tools and saying, ‘I’m going to use this to cause harm.’ They are thinking, ‘oh my goodness, it is going to be very expensive to find this data and build this model – so I am just going to do it as easily as I can, push it out, and try to reap the benefits.’

“They try to find the data for free online, or they get stuff together by themselves, meaning the data

ends up being only from groups similar to themselves,” Tsado says. “If AI has been built solely from the US, and solely from the most elite institutions in the US, there are going to be huge blind spots. The tools they make will not take into account people who are not in those environments,” he adds. “When it comes to Africa, my message has always been that if you are worrying about the dangers of AI, that does not mean you should run away from it – that is the exact reason you should jump right into it and become builders.”

“That is the way to have influence over the way AI is built – you can provide your inputs that would help reduce harm.”

### A catalyst for education and jobs

While there are plenty of reasons to be optimistic about AI and the potential benefits it could bring to Africa, even its strongest proponents recognise that its introduction is likely to cause significant social and economic change. After all, citizens’ fears about job losses are not entirely unfounded. The African Development Bank has projected that, partly because of technological advancements, 100m young people on the continent will be unable to find work by 2030.

Seghrouchni thinks that governments across Africa should be focusing on “upskilling” to ensure these concerns are addressed.

“The AI industry needs to be as inclusive as possible,” she says. “We have to invest in education to upskill the population.” Seghrouchni thinks that AI will be deployed through useful tools that complement human workers and improve outcomes, rather than eliminating the need for human labourers altogether.

Tsado is of a similar view and argues that, should the technology be managed properly, the AI age could be a job creator rather than destroyer. However, as Seghrouchni suggests, education is clearly required to ensure that workers are well-positioned to capitalise on the opportunities presented by AI.

“AI tools are going to create a lot more jobs. They are going to create a lot more access to spaces that were previously open only to experts,” Tsado says. “But people need to be open to change. In an ideal world, every employee would spend an hour every day learning about the new tools. I tell people, AI is not going to take your job, but someone who knows AI will take your job.”

Should Africa manage to address or minimise the risks associated with AI, the rewards could be great. The most optimistic vision for AI in Africa is one in which the continent uses digital technologies to “leapfrog” into an era of stronger and more inclusive economic growth.

That future is possible but far from inevitable. Africans’ legitimate fears about the onset of an AI revolution will only be addressed if governments and businesses succeed in demonstrating how the technology can be deployed in a positive way. Seghrouchni thinks this is critical if Africa is to unlock the potential AI offers.

“We are in a situation where people are very afraid of AI,” she says. “We have to deliver a very positive message about AI because, without the support of the African people, the industry will not be able to develop.” ■

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Africa has demonstrated incredible successes in gender equality but the journey remains long and progress has been slow, argues Claver Gatete of the United Nations Economic Commission for Africa.

# Women in Africa are better off but equality remains out of reach

**T**oday, women in Africa generally have better access to education, healthcare, and opportunities than ever before. Yet, as they step into the world, a gap between them and their male counterparts persists: a reminder that gender equality remains out of reach. The evidence is all around us. One in three women still experience physical or sexual violence. Nearly every woman spends twice as much time on unpaid household work as men. And not a single country offers women in Africa full legal protection.

For me, this reality stirs a mix of frustration and hope in recognising how far we have come and how far we have still to go.

## Halfway there in three decades

Nearly 30 years ago, on 15 September 1995, 189 world leaders left the Fourth World Conference on Women with renewed hope, committing their countries to the Beijing Platform for Action, an ambitious roadmap for ending gender inequality.

Yet today, as countries conduct their reviews, not a single country has achieved those commitments. The 2023 Africa Gender Index report, produced by the United Nations Economic Commission for Africa and the African Development Bank, reveals that we are only halfway there on the road to gender equality. The journey remains long, and progress has been agonisingly slow.

The stakes could not be higher. Failing to end gender inequality incurs a heavy price: economic



stagnation, weakened social systems, instability, and wasted human potential – all of which derail Africa's progress towards the Sustainable Development Goals. Without urgent action now, we risk sleepwalking into a future marred by spiralling inequality, injustice and instability – an outcome none of us can afford.

## Five critical areas

As we reflect on the promises made in Beijing, all of us must hold ourselves accountable and take bold political and financial steps to change our current trajectories. To support this, our analysis points to five critical areas, where concentrated efforts over the next five years could pave the way to achieving gender equality by 2030.

First, despite more women working full-time, they still shoulder most care-giving responsibilities; suffer discrimination; and deal with harmful stereotypes. Governments and businesses must dismantle barriers to women's career progression. Experience teaches us that providing women with equal opportunities is not just the right thing to do but also the smart approach, with the potential to boost the GDP of emerging markets and developing economies by an average of 23%.

Second, as digitalisation shapes the future of work, many women are being left behind. In 2023, only 32% of women in Africa had access to the internet. This divide translates into lost opportunities and costs African economies millions of dollars every year. We urgently need to make digital services affordable and promote digital literacy so that every woman has an equal opportunity to participate in the digital world.

Third, although maternal mortality rates have dropped, we cannot overlook the fact that healthcare is still out of reach for too many women. Governments must prioritise access to healthcare for every woman, regardless of where she lives or her income status. Focusing on women's health not only saves lives but also makes economic sense. Every dollar invested in women's health generates \$3 in economic growth.

Fourth, while women in Africa now have near-equal access to primary, secondary, and tertiary education, this has yet to translate into leadership roles or economic power. Women's parliamentary representation in Africa increased by only one percentage point, from 25% in 2021 to 26% in 2024. Without their voices in leadership, we risk perpetuating the very inequalities we seek to eradicate.

Lastly, we must confront the harmful cultural norms, gender-based violence and legal barriers that restrict women's access to resources and leadership positions. Tackling these deeply entrenched issues not just requires robust enforcement of laws and policies but also a societal shift, with responsibility shared by policymakers, board members, community elders, faith leaders and people like you and me.

## Some incredible successes

None of these issues is new. And while some may seem intractable, they are not insurmountable. Africa has demonstrated incredible successes, from Tunisia's increase in women science graduates to Rwanda's significant reduction in cervical cancer cases and Namibia's gender-equal parliament.

These instances remind us that change is possible when we invest in what we know works. In all of

this, data plays an inextricable role in targeting and tracking interventions based on evidence rather than opinion. However, when it comes to women and girls the data we need is too often missing, leaving too many of their challenges invisible and unaddressed. If we are serious about real progress, we must invest in gathering a fuller picture by bolstering our data capabilities.

In a world where pressing challenges dominate our attention, gender equality is often pushed to a back seat. We can no longer afford complacency or accept business as usual. If we stay on the current course, gender equality remains 300 years away. This is unacceptable.

We call on leaders across all sectors to recommit to the goals of Beijing and invest in real change to address the gender inequality that we know exists. Only then can we bring equality from a distant hope to a reality within our lifetimes. I am confident that this is possible, but only if we all act now. ■

*Claver Gatete is executive secretary of the United Nations Economic Commission for Africa (UNECA).*

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As the first African nation to lead the G20, South Africa has the moral authority and political leverage to push for solutions to the problem of the cost of capital, say David McNair and Vera Songwe.

# South Africa's G20 presidency: a chance to tackle the emerging market debt crisis

**S**outh Africa's 2025 presidency of the G20 comes at a moment of global instability. Volatility in financial markets, escalating geopolitical tensions, and challenges to multilateralism have heightened the stakes for international cooperation. For South Africa, the first African nation to lead the G20, the challenge is immense – but so is the opportunity. President Cyril Ramaphosa has pledged to use the

G20 to elevate the development priorities of Africa and all lower middle income countries. Central to these priorities is the urgent need to address the prohibitively high cost of capital.

This is not merely a technical issue; it is a structural challenge that limits the ability of governments and businesses to invest in people, build resilience to climate change, and compete in the global economy. By tackling this issue head-on, South Africa has the potential to redefine the global financial architecture in ways that benefit not only Africa but the entire developing world.

## **The cost of capital: a crisis rooted in inequity**

In the decade leading up to 2022, Africa's debt stocks more than doubled, rising from \$283bn to \$655bn. Private creditors and multilateral institutions accounted for the largest increases in 2023, accounting for 38% and 35% of Africa's debt stocks respectively. In the same year China accounted for 12.4%.

This debt accumulation was a logical response to historically low interest rates and the continent's massive infrastructure needs. For many African nations, borrowing was not reckless but necessary.

However, the Covid-19 pandemic changed everything. As revenues from tourism and remittances collapsed, and government expenditures rose to manage the health crisis, debt sustainability deteriorated.

Meanwhile, inflation, fuelled by excessive stimulus and global shocks such as the war in Ukraine, has further strained public finances. Central banks' rapid interest rate hikes – measures intended to stabilise inflation – have increased the cost of dollar-denominated debt, driving several nations to the brink of default.

Today, 23 out of 40 African nations assessed by the World Bank are at high risk of debt distress or are already in distress.

Half of the \$102bn in debt service paid by African countries in 2024 was paid to private creditors – and this debt has become expensive. African countries pay an average premium of 500% on private loans compared to the rates offered by institutions like



the World Bank. In 2021 for \$1bn in loans, Africa's lower middle income countries paid an average of 5.79% to private creditors and 1.16% to the World Bank, while upper middle income countries paid 5.92% to private creditors 0.5% to the World Bank. This disparity has devastating consequences. Between 2016 and 2021, the excess interest costs associated with these premiums amounted to \$56bn – funds that could have transformed health systems, improved infrastructure, or enhanced educational opportunities.

### Global implications

The high cost of capital in Africa is not just an African problem. It reflects structural challenges in global finance that limit the ability of developing countries to participate fully in the global economy.

For example, African leaders have long argued that African countries face unfavourable credit ratings from agencies like Moody's, S&P Global and Fitch – ratings that fail accurately to reflect the region's economic potential or the resilience of its governments. While the rating agencies are making their methodology more transparent, more is needed.

Prudential regulations introduced to protect the banking system after the 2008 financial crisis – embodied in the Basel III framework – play a role in inhibiting private investment in emerging markets by increasing the requirements on investors' capital liquidity ratios, despite the fact that these investments pose no structural risk to the banking system.

And finally, a paucity of data and domestic regulations can increase these costs. By bringing together these disparate agendas, the G20 can lay out a roadmap for addressing these challenges across the various regulatory and market-based agendas that need reform.

### South Africa's G20 leadership matters

As the premier forum for international economic cooperation, the G20 is uniquely positioned to address the structural factors driving the high cost of capital. Representing 85% of global GDP, 75% of international trade, and 64% of the world's population, the G20 yields significant influence over global financial norms and practices.

President Ramaphosa has already outlined an ambitious agenda, including proposing the establishment of a "Cost of Capital Commission". This commission would bring together experts from across the public and private sectors to address the root causes of high borrowing costs for developing countries. It would examine credit rating methodologies, prudential regulations, and the data gaps that exacerbate risk perceptions. This proposal builds on successful G20 finance initiatives, such as the Debt Service Suspension Initiative (DSSI) launched during the pandemic and an Independent Expert Group (IEG) that was commissioned by the Indian G20 presidency to address reform of the multilateral development banks. The Cost of Capital Commission could provide the technical expertise and political momentum needed to advance these solutions.



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Opposite:  
South African  
President Cyril  
Ramaphosa (C)  
is followed by  
Wang Huning,  
Chairman of  
the Chinese  
People's Political  
Consultative  
Conference, as  
they arrive at  
the Forum on  
China-Africa  
Cooperation  
(FOCAC).

### Building coalitions for change

South Africa is not alone in recognising the need for reform. Key G20 members, including Brazil, India and Indonesia, have emphasised similar priorities during their presidencies.

The African Union, which now holds a permanent seat at the G20 table, also provides a critical platform for advancing African interests.

Moreover, informal coalitions such as the Bridgetown Initiative and the Paris Pact for People and Planet have already laid the groundwork for multilateral cooperation on financial reform. By aligning its G20 agenda with these initiatives, South Africa can build a broad-based coalition of support, bridging divides between traditional powers like the G7 and emerging blocs such as BRICS.

This collaborative approach will be essential for managing the geopolitical tensions that often complicate G20 negotiations. At the same time, the legitimacy of the G20 framework – rooted in its diverse membership and economic clout – provides a powerful mandate for action.

### A global imperative

Addressing the high cost of capital is not just an African priority; it is a global imperative. Emerging economies face an estimated \$2.3 trillion to \$2.5 trillion in annual financing needs to meet climate goals and achieve sustainable development by 2030. Without access to affordable capital, these goals will remain out of reach, exacerbating inequalities and undermining global stability.

For advanced economies, the stakes are equally high. The economic health of emerging markets directly affects global trade, investment, and financial stability.

By addressing the cost of capital, the G20 can unlock new opportunities for growth and innovation, benefiting both developed and developing nations.

### Seizing the moment

South Africa's G20 presidency is a chance to turn the tide on one of the most pressing challenges of our time. By championing the establishment of a Cost of Capital Commission and building coalitions for change, South Africa can help create a fairer, more inclusive global financial system.

This is not just an opportunity for Africa – it is an opportunity for the world. By addressing the structural inequities in global finance, the G20 can lay the foundation for a more resilient, equitable, and sustainable global economy.

As the first African nation to lead the G20, South Africa has the moral authority and political leverage to push this agenda forward. The stakes are high, but so is the potential for transformative change. Now is the time to act. ■

*David McNair is executive director at The ONE Campaign, a member of the European Council on Foreign Relations, and author of Why Europe Needs Africa, published by the Carnegie Endowment for International Peace.*

*Vera Songwe is a nonresident senior fellow in the Africa Growth Initiative at the Brookings Institution. She is Chair of the Board of the Liquidity and Sustainability Facility and sits on South Africa's Presidential Economic Advisory Council (PEAC).*

Kenya, Egypt, South Africa and Nigeria continue to lead for venture capital investment, but there is a need for capital well beyond Africa's 'Big Four,' writes Morris Macharia Musyoka.

# How Africa can attract tech investment beyond the 'Big Four'

**A**frica's "big four" countries – Kenya, Egypt, South Africa, and Nigeria – continue to lead as markets that have long captured attention from global investors, securing around 90% of all start-up funding in Africa in 2023. However, there is a need for venture capitalists to redirect and explore untapped potential in other parts of Africa's techpreunerial landscape.

While Africa recorded a slight dip in funding and deal count in 2023, tech industry activity in Africa's venture capital ecosystem is still very strong and promising. In contrast to other developing nations, Africa's resilience is distinctive, and success doesn't necessarily hinge on capital-rich environments.

Amid the well-known challenges associated with the global macroeconomic environment, such as high interest rates, currency devaluation, inflation, and layoffs, the *Partech Africa Report* attributed the funding contraction to two key factors. Firstly, start-ups adopted conservative capital-raising strategies, prioritising cash efficiency over fundraising due to a significant decline in valuations and heightened economic requirements. Secondly, there was a notable withdrawal of investors from the market, with a 50% decrease in the number of investors participating in funding rounds in Africa in 2023 compared to the previous year. This decline was particularly pronounced among major institutional funds, which typically play a significant role in driving larger funding rounds.

Furthermore, the decline in global IPO volumes



Right: Kenya has one of the top tech environments on the continent. MarketForce, owner of the RejaReja retail marketplace app, has raised \$40m in Series A funding.

and proceeds is reported to have shifted the focus towards outright acquisitions as the primary avenue for investment.

Despite the ongoing challenges faced by global venture capital, a broader perspective quickly nullifies concerns of suboptimal growth. Africa remains one of the fastest-growing VC markets globally, proving bullish amid an unfavourable macroeconomic climate.

While West Africa continues to attract the highest volume of VC deals, North and East Africa follow closely in deal signings, overshadowing Southern, Central, and other multi-regional areas. The increased number of entrepreneurs and startups in Africa, coupled with the development of unique and innovative mass-market solutions by start-ups, con-

**THERE IS AN URGENT NEED FOR AN INCREASED NUMBER OF PROFICIENT DATA SCIENTISTS, SOFTWARE DEVELOPERS, DATA ENGINEERS AND ANALYSTS TO MEET THE GROWING DEMAND ON THE CONTINENT**

tributes to the growing interest from global investors in African startups. The expansion of players investing and operating in the industry is driven by a combination of factors, highlighting the dynamic and promising nature of the African venture capital landscape.

### **Foreign investors dominate**

On the other hand, foreign investors outnumbered local investors, with Africa-based investors accounting for slightly less than a quarter of the total number of investors active in Africa. However, in an industry-first accomplishment, the number of investors that took part in VC deals on the continent topped a thousand across both venture capital and venture debt deals. Despite these statistics, the emphasis on this reliance is diminishing in conversations, as attention pivots toward the benefits accrued by tech entrepreneurs and the broader economy.

It's an indisputable fact that investment revolves around calculated risk and the probability of returns. Meanwhile, Africa continues to exhibit the characteristics of a fertile ground for innovation. Unfortunately, non-“Big Four” countries continue to receive smaller percentages of funding.

This then calls for key stakeholders, such as investors, founders, incubators, accelerators, governments, and regulators, not solely within Africa but globally, to scrutinise vulnerabilities in the tech-funding sector. It is imperative to enable more investors to become exposed to remarkable start-ups across the continent. Unquestionably, providing fiscal and non-fiscal incentives for venture capitalists to invest in the financial and tech sectors will propel investments in the continent.

Essentially, there is an urgent need for an increased number of proficient data scientists, software developers, data engineers, analysts, and other data professionals to meet the growing demand on the continent. Africa needs to establish initiatives and revitalise the education system to align with this demand. While acknowledging that the realisation of this need may require time, governments must invest in benchmarking. By learning from developed countries, Africans can acquire valuable insights and skills, subsequently applying them to benefit the continent.

There is a need to transform non-“Big Four” countries into appealing destinations for startup investments. Countries can leverage the African Continental Free Trade Area (AfCFTA) as a tool to attract investments. Through the AfCFTA, African governments, including those in non-“Big Four” countries, can draw increased start-up funding by reducing investment barriers and enhancing investment governance within their respective countries.

However, before venture capitalists can venture into the space, it is essential to acknowledge that Africa is not a uniform market. African markets are unique, and the constraints also differ. Issues to do with infrastructure limitations, regulatory requirements, and socio-economic factors therefore necessitate a tailored approach for each region. The aim is to extend investments beyond the “Big Four”.

This in return calls on African governments to enhance their legal and institutional environments to foster a hospitable investment ecosystem for both investors and start-ups. ■

*Morris Macharia Musyoka is a software engineer and techpreneur.*

Only by taking a ‘whole of government’ approach can leaders ensure their countries won’t miss out on the benefits of AI, says Rishon Chimboza.

# Why Africa’s leaders need to prioritise AI

The emergence of Artificial Intelligence (AI) for societal improvement marks a transformative era, comparable to the Industrial Revolution in its scope and impact. With its ability to mimic – and occasionally surpass – human cognition, AI is transforming industries, economies and societies at an unprecedented pace. It is reshaping government operations and innovation, compelling leaders worldwide to harness its potential for the wellbeing and prosperity of their citizens.

Africa needs to contribute to this technological revolution, and African leaders must act decisively to seize the opportunities AI presents for transformative governance, economic prosperity, government efficiency, citizen engagement, and human development.

## Harnessing AI for Africa’s growth

There are already bright spots on the continent where governments’ innovative use of AI has yielded impressive results. For instance, Kenya and Mozambique have enhanced food security through AI-driven crop health monitoring. Rwanda and Ghana have used AI-enabled drones to deliver medical supplies to remote areas and Togo’s NOVISSI programme employed machine learning to efficiently distribute cash transfers during the Covid-19 pandemic. These examples have been successful because they speak to needs which these respective governments face.

Yet despite these successes, Africa hasn’t captured a big enough share of the global AI market to achieve the \$1.5 trillion opportunity for economic expansion forecasted by the United Nations for 2030. African governments face significant challenges in adopting AI, including the need for robust digital infrastructure, a skilled workforce, and an innovation-friendly policy and regulatory environment. Failure to bridge Africa’s AI adoption gap could result in slower tech-



nological advancement, undermining the continent’s reputation for leveraging emerging technologies to overcome challenges.

Africa’s tech landscape has fostered a tradition of leapfrogging, particularly in digital payments, showcasing its ingenuity in navigating technological hurdles.

Another significant risk is that private sector demand for AI will outpace governments’ understanding of the technology’s rapid evolution, and the natural response might be overregulation.

## Challenges to AI integration

Most African governments recognise AI’s potential to foster more inclusive societies and improve service delivery. But to leverage AI effectively, African leaders must scale beyond one-off successes and develop overarching strategies that drive sustainable innovation across healthcare, agriculture, education, and governance. This requires balancing policies that allow experimentation and innovation while ensuring data protection, ethical use of AI and equitable access.

Integrating emerging technology into national development plans and strategies remains a significant hurdle. While some governments, like Mauritius, Rwanda, Egypt and Senegal have released AI strategies, many African countries struggle to execute those plans due to limited infrastructural, financial, and human capital resources. They also face the challenge of applying more AI technologies to their specific contexts. These resource-constrained governments often face a “build or buy” dilemma: whether to invest in developing AI capabilities internally or to form sustainable partnerships for immediate access to AI technology while gradually building their own capacities.

What we do know is that the cost of inaction is likely to be steep.

## A strategic path forward

So, where to begin? Above all, African governments should adopt an “all-of-government” approach to AI policy, led by the executive political authority – the head of state – and anchored in the centre of government. Leaders must conduct comprehensive self-assessments of their countries’ current capabilities and future goals, including infrastructure, human capital, computational resources for AI, and an enabling environment to determine the choices that will swiftly and sustainably enhance AI capabilities.

To ensure timely access and deployment of AI capabilities, African leaders must take charge in steering strategic “build or buy” decisions, reform data sovereignty laws, prioritise sustainable private-sector partnerships, strengthen international cooperation on AI, and invest in a 21st-century talent pool.

There is no alternative and no more time to waste. African political leaders must urgently prioritise investing in AI capabilities today to ensure their nations remain competitive, innovative, and prepared to address the challenges of tomorrow by fostering the dynamic AI ecosystems that will design African solutions and drive progress on the continent. ■

*Rishon Chimboza is Special Advisor on African Investment and Global Engagement at The Tony Blair Institute for Global Change.*

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An African-centric sustainability index could reflect the continent's conditions by tailoring its metrics to the specific realities of African nations. Cedric Dackam and Isaac Kwaku Fokuo make the case.

# Reimagining sustainability: the case for an African-centric index

In the global discourse on sustainability, the African voice has long been underrepresented. As the continent grapples with unique environmental, social, and economic challenges, there's a growing recognition of the need for a sustainability metric that truly captures the African context, something that goes beyond conventional global indicators to reflect the continent's diverse ecosystems, rapidly growing young population, and the critical role of informal economies. Such a metric would not only measure progress more accurately but also guide policies and investments in a way that resonates with local realities.

## The African sustainability paradox

The African continent finds itself in a unique position in the global sustainability landscape. It contributes less than any other to global carbon emissions, while facing some of the most severe impacts of climate change. This paradox underscores the urgent need to reimagine how we approach sustainability in the African context.

The challenges are multifaceted and interconnected. Drought threatens food security in the Sahel; rising sea levels endanger coastal communities from Senegal to Mozambique; and changing weather patterns disrupt agricultural cycles across the continent. These environmental challenges are inextricably linked to social and economic issues, creating a complex web of sustainability concerns that are often overlooked in global sustainability metrics.

## Beyond one-size-fits-all metrics

The sustainability landscape is dotted with numerous indices and metrics, each striving to capture the state of our planet and our progress towards a more sustainable future. However, these traditional indices often fall short when applied to the African context. They struggle to account for the continent's unique blend of challenges and opportunities, from its diverse ecosystems and rich cultural heritage to



its rapidly growing youth population and dynamic informal economies.

An African-centric sustainability index could bridge this gap by tailoring its metrics to the specific realities of African nations. Such an index would not only measure conventional indicators but also incorporate factors that are particularly relevant to African contexts, such as: the role of traditional knowledge systems in environmental conservation; the impact of rapid urbanisation on sustainability efforts; the potential of Africa's young population in driving sustainable innovation; the intersection of poverty alleviation and environmental protection; and the unique challenges and opportunities presented by Africa's vast natural resources.

This approach would allow for a more comprehensive assessment of sustainability in Africa, one that recognises the continent's distinct developmental path and aspirations.

### A tool for informed decision-making

An African-centric sustainability index has the potential to be more than just another set of statistics. By providing a clear and contextual picture of sustainability progress and challenges, it could become a valuable resource for various stakeholders across the continent.

For governments, beyond just identifying priority areas, such an index could help governments model the potential impacts of different policy interventions. For instance, it could simulate how investments in renewable energy might affect both employment rates and carbon emissions, allowing for more nuanced policymaking.

For investors, the index could serve as a risk assessment tool for investors, highlighting not just areas of need but also potential returns on sustainable investments. It could, for example, map out regions where climate-resilient agriculture could yield both environmental and economic benefits.

For international aid organisations, the index could help these organisations identify "sustainability hotspots" where multiple challenges intersect. This could lead to more integrated aid programmes that address interconnected issues simultaneously, increasing the overall impact of aid efforts.

And for researchers and academics, the index could reveal patterns and correlations that might not be apparent in isolated data sets. This could spark new areas of research, potentially leading to innovative solutions tailored to African contexts.

### Unique challenges and opportunities

Perhaps most importantly, such an index could drive innovation in sustainability solutions that are tailored to local contexts. By highlighting the unique challenges and opportunities across the continent, it could spur the development of technologies and approaches that are specifically designed for African conditions, encouraging the integration of traditional African knowledge with modern sustainability practices, creating unique and effective approaches to environmental and social challenges.



## THE INDEX COULD DRIVE INNOVATION IN SUSTAINABILITY SOLUTIONS THAT ARE TAILORED TO LOCAL CONTEXTS



The development and implementation of such an index would require collaboration across various sectors. Governments would need to provide access to national data and integrate the index into policymaking processes. Businesses could contribute real-time data on resource use and sustainable practices, while also using the index to guide their sustainability strategies. Academic institutions could play an essential role in refining the methodology and conducting in-depth analyses of the data.

Such a multi-stakeholder approach would not only enhance the accuracy and relevance of the index but could also build a shared sense of ownership and responsibility for sustainability outcomes. It could create new channels of communication between sectors that often operate in silos, potentially leading to more integrated and effective sustainability initiatives.

### The ACE Africa Index

Recognising the need for such a tailored approach, the ACE Africa Index has been developed as a pioneering attempt to create an African-centric sustainability metric. This index goes beyond traditional measures to incorporate factors specifically relevant to the African context. It is a joint initiative developed by the Botho Emerging Markets Group, an investment consultant, and German filter manufacturer Mann+Hummel, combining local expertise with global sustainability knowledge to develop a unique tool for Africa.

What sets this index apart is its nuanced approach to the most pressing challenges facing the African continent. It considers factors such as the role of informal economies; the prevalence of education; the impact of rapid urbanisation; and the potential of Africa's youth bulge, to name just a few.

For instance, in assessing education, the index does not look just at enrolment rates, but also considers factors such as youth unemployment and ICT access, recognising the importance of preparing Africa's young population for a sustainable future.

By providing this Africa-specific lens, the ACE Africa Index has the potential to reshape how sustainability is understood and pursued on the continent. It could guide more targeted policies, attract investments to areas of greatest need and potential, and nurture innovative, contextually appropriate solutions to the continent's sustainability challenges.

### Looking ahead

As Africa continues on its development path, having the right tools to measure and guide sustainability efforts will be important. An African-centric sustainability index like the ACE Africa Index may prove to be just the tool for the job. Such an index could help shift the narrative from one of crisis to one of opportunity. It could highlight Africa's potential to lead in innovative, context-specific sustainability solutions, positioning the continent not just as a victim of global environmental challenges, but as a key player in solving them. ■

*Cedric Dackam is president and general manager of the Automotive Aftermarket Division of Mann+Hummel. Isaac Kwaku Fokuo is the curator and founder of Botho Emerging Markets Group.*

Boats lie idle at Chisi Island harbour in Zomba District, Malawi as Lake Chilwa dries out.

Brand Africa founder **Thebe Ikalafeng** argues that more effort needs to be made to change mindsets in order to encourage consumers to buy locally. This effort requires the attention of all, including policymakers, to help support local talent and industry and open a new era in African self-confidence on the global stage.

## A dream deferred: buy Africa or perish

**O**n 24 May 1963 Ghanaian president Kwame Nkrumah addressed his 32 fellow post-independence presidents in Addis Ababa, Ethiopia on the eve of the formation of the Organisation for African Unity (OAU), the forerunner to the African Union (AU). The agenda was simple: Africa must unite or perish. In his speech Nkrumah outlined a clear agenda for a peaceful, united and prosperous Africa: a common market for Africa; a common currency; a monetary zone; common citizenship; a common system of defence; and industrialisation.

What those leaders did not foresee was that 50 years later, in 2013, the presidents of the 54 countries of a now ostensibly independent Africa would once again gather in Addis Ababa, Ethiopia, to mark the moment by asking for another 50 years to advance the 1963 vision – under the guise of Agenda 2063. This is a vision for a “peaceful, united and prosperous” Africa, to rescue the continent from persistent instability, poverty, inequality, over 30% joblessness, more than \$1 trillion in development aid in the past 50 years and chronic external debt estimated at \$1.15 trillion as of the end of 2023. It is essentially the African forefathers’ dream deferred.

Notwithstanding the theory that a vision should be beyond one’s grasp, the AU’s Agenda 2063 is akin to “kicking the can into the future”. No-one around that 2013 table is likely to be held accountable in 2063.

According to a recent analysis by Development Reimagined, only Libya, Eritrea and Botswana have not gone cap-in-hand to the IMF. Kenya has gone to the IMF 23 times and seen the wrath of Generation Z,



who would have no part in their future being mortgaged by the West and East. Recently China, which has over-burdened Africa with debt in exchange for resources, threatened to take over the Zambian airport when the country defaulted on its debt.

Despite the continent’s vast arable land, sub-Saharan Africa has battled to feed its own, with a spiralling food import bill that reached \$43bn in 2019 for, among other things, agricultural commodities and products fit for human consumption, according to the Brookings Institution.

### ‘You must produce yourself into equality’

“Africa,” as Tanzanian-Kenyan academic Ali Mazrui aptly observed, “consumes what it doesn’t produce, and produces what it doesn’t consume”. As Amos Wilson put it, “you cannot consume yourself into equality. You must produce yourself into equality.”

The *Brand Africa 100: Africa’s Best Brands* study that I have undertaken over the past 14 years has established that less than 20% of the brands that Africans admire are made in Africa. Simply put, Africans reject most of what’s made in Africa.

For Africa to be truly independent, there is a need for a radical rethink of its economy and ecosystem.

The African Continental Free Trade Area (AfCFTA) was ratified in 2018 in Rwanda to leverage the advantage of our growing 1.4bn-plus population, that is largely youthful, and our collective \$3.5 trillion economy, to drive intra-Africa trade from 15% to 50% by 2030.

All this may become a pipe dream if we don’t rethink our economic ecosystem.

It is not by chance that Singapore, often cited as a 20th-century development success story, was able to transform its fortunes in a generation. Lee Kuan Yew, who founded modern-day Singapore after its independence in 1965, believed that Singapore’s growth was inspired by the shared values of its different ethnic and religious groups, higher standards of education, meritocracy at every level – and directing state funds to build and grow the anchor domestic sectors of shipbuilding, electronics and banking.

As Jay Naidoo, the former South African minister without portfolio in Nelson Mandela’s cabinet, once put it: “everyone has an agenda for Africa, but Africa has no agenda for Africa.”

### A sound domestic agenda drives prosperity

On his last day of office in 1933, US president Herbert Hoover signed the Buy American Act, requiring purchasers using federal funds, or of goods for public use, to prefer US-made products whenever possible. President Joe Biden in 2021 issued Executive Order designed to help US businesses in key industries become more competitive, and provide more job opportunities for American workers. A product is considered American-made if its components account for 60% or more of the product’s cost, growing to 75% by 2029. Imported goods and services now amount to less than 5% of US public sector procurement.

Threatened by what it sees as unfair competition from the likes of China, where it procures 95% of its solar panels and which controls 96% of global solar wafer production, the European Union is edging towards a “Buy European Act” to boost that continent’s market share, support its industries, reassert

its economic leadership and secure its technological future. There are several arguments over whether such Acts are good for competition or offer a better deal for consumers. For consumers, they arguably help to create domestic job opportunities and a market for locally-manufactured goods and services.

We have allowed Africa to be a dumping ground for western and eastern products and ideas. According to an analysis by the authors of the recent award-winning book *How Africa Trades*, Africa's exports as a share of world trade, mostly fuels and resources, have declined from a high of 5% in 1965 to just above 2% in 2020.

### **An urgency for an agenda 'for Africa by Africans'**

While obviously in a modern world economy Africa, like the rest of the world, cannot exclusively go alone and reject anything and anyone not African, there is an urgent need for re-balancing the terms of engagement, while ensuring our markets remain competitive, open and independent.

With the UN estimating that by 2100 Africa will account for more than 3.5bn of the world population and be 62% urbanised by 2050, and with its GDP outpacing the world, the opportunity is here and now – not in 2063. There is an urgency for a

**THERE IS AN URGENCY FOR A VISIONARY AND PROACTIVE AGENDA 'FOR AFRICA BY AFRICANS' TO TRANSFORM THIS OPPORTUNITY INTO A TRULY PROSPEROUS AND UNITED AFRICA**

visionary and proactive agenda "for Africa by Africans", to transform this opportunity into a truly prosperous and united Africa.

While Africa comprises 54 diverse nations at different levels of development, it is conceivable that it can go beyond the differences of languages, cultures, sizes and colonial era borders and unite under a common African citizenship and shared values of humanity, resilience, hospitality and resourcefulness to work toward a pro-Africa agenda.

### **Buy Africa Act**

If the AfCFTA is to succeed – and Africa is to become truly economically independent – then it is time for the AU to drive a pan-African Buy Africa Act. With the recent *Brand Africa 100: Africa's Best Brands* revealing that 64% of Africans believe in Africa, but only 14% buy Africa, it is time for African consumers not just to chant slogans about being African but to walk the talk and buy Africa. It is time for African governments to promulgate legislation to drive a pro-Africa procurement agenda and insist that at least 50% of all sourcing is local.

For the sake of our economic and political independence, we must industrialise and a starting point should be to enact a Buy Africa Act. Or we can choose to perish. ■

*Thebe Ikalafeng is founder and chairman of Brand Africa; author of *The Traveller – Crossing Borders. Connecting Africa and has been to every country in Africa and every continent in the world.**



In her speech at the opening ceremony of the 8th PIDA Week in Addis Ababa, **Nardos Bekele-Thomas**, CEO of AUDA-NEPAD, delivered a powerful message about Africa's ongoing journey toward infrastructure development and regional integration.

# Unlocking Africa's potential

As the continent grapples with challenges ranging from energy access to transportation inefficiencies, the Programme for Infrastructure Development in Africa (PIDA) has emerged as a beacon of hope, providing not only the blueprint for a sustainable future but also the momentum for transformative change.

PIDA highlights the importance of strategic investments in Africa's infrastructure as a driver of economic growth, regional cooperation, and sustainability. This agenda is endorsed by the African Union, the African Union Development Agency – New Partnership for Africa's Development (AUDA-NEPAD), and key international partners such as the African Development Bank and UNECA. It is positioned as a critical pathway to unlocking the continent's vast potential. However, while significant strides have been made, the road ahead is fraught with challenges that demand a renewed and collective commitment to overcome.

## The PIDA framework

Since its inception in 2015, PIDA has focused on creating and supporting infrastructure projects across four key sectors: transport, energy, water, and information and communications technology (ICT). The PIDA Priority Action Plan 2 (PAP 2) outlines 69 transformative projects that aim to reshape the continent's economic and social landscapes.

Among the most notable projects are the Grand Inga Hydropower Project, which, when completed, will be the world's largest electricity generation scheme, and the vision of a navigable Nile River that would connect Lake Victoria to the Mediterranean Sea. These initiatives echo Africa's long history of innovation and ambition, from the building of the pyramids to the modern-day infrastructure endeavours that could place Africa at the forefront of global development.

The results achieved over the past decade are compelling. Over 30m people have gained access to electricity, a critical foundation for economic growth. Roads and rail infrastructure have helped increase

intra-African trade, with trade between African nations now accounting for 16% of the continent's total trade. Additionally, significant progress in the water sector has enhanced agricultural production and trade, while ICT developments have accelerated Africa's digital transformation, reaching over 25% broadband penetration across the continent. Notably, these projects have created over 160,000 direct and indirect jobs, fostering local economies and creating opportunities for millions of Africans.

However, as Bekele-Thomas aptly pointed out, the journey is far from complete. While these achievements are laudable, they represent only a fraction of what is needed to meet the continent's infrastructure demands. With Africa requiring an estimated \$360bn in infrastructure investment by 2040, the current mobilised amount of just \$82bn underscores a substantial financing gap. This challenge, compounded by the difficulty of achieving project bankability due to perceived risks, requires a recalibrated approach to investment, risk mitigation, and financing.

## The role of partnerships

The financing gap is perhaps the most significant challenge facing PIDA's success. Infrastructure development requires massive upfront investment, and for many years Africa has struggled to attract sufficient private sector participation. Misconceptions about the risks involved in African infrastructure projects have deterred potential investors. However, as Bekele-Thomas emphasised, innovative financing mechanisms – such as blended finance, risk guarantees, and public-private partnerships – hold the key to bridging this gap. By combining public and private sector funding, these mechanisms can unlock substantial resources for transformative projects.

Regional cooperation is equally crucial. Effective coordination between African nations ensures that infrastructure projects align with both national and continental development goals. Initiatives such as the Trans-African Highway Network and the Lobito Corridor demonstrate how stra-

tegic regional investments in transport infrastructure can improve connectivity, reduce trade barriers, and foster economic integration across borders. The operationalisation of one-stop border posts in 32 locations has already facilitated smoother cross-border trade, reflecting how collaborative approaches can have immediate, positive impacts on Africa's economy.

One critical area where regional integration is pivotal is in the energy sector. Despite significant strides, over half of Africa's population still lacks access to reliable electricity. The Continental Power Systems Masterplan (CMP) aims to address this gap by providing electricity to 80% of the population by 2040, enabling intra-African electricity trade worth \$136bn annually. To achieve this, the integration of renewable energy sources and interconnected power grids across Africa is necessary. Countries like Morocco and South Africa have already demonstrated success in renewable energy generation, but further integration of these energy systems, and overcoming grid challenges, will be essential for realising Africa's energy potential.

## Risk mitigation

As Bekele-Thomas noted, the perception of risk has been a major deterrent to private sector investment in Africa's infrastructure. However, by utilising financial tools such as partial risk guarantees and blended finance, PIDA aims to create a safer environment for investors.

These tools reduce the perceived risks of projects and offer assurance that investments are protected, thus encouraging more participation from private investors. The challenge remains, however, in ensuring that these mechanisms are well-structured and effectively implemented to achieve long-term success.

## Integrated planning

Another critical element for PIDA's success is the need for integrated planning. As the CEO pointed out, infrastructure development cannot be siloed. It must take a holistic approach, considering energy, transport, water, and ICT as interconnected components of a broader development



*Nardos Bekele-Thomas, CEO of AUDA-NEPAD, during the The 8th Programme for Infrastructure Development in Africa (PIDA) Week in Addis Ababa.*

strategy. Effective infrastructure planning means that roads, railways, power plants, and communication networks must function as part of a larger system, supporting each other and ensuring maximum impact. Coordination across these sectors ensures that infrastructure investments contribute to long-term sustainability, resilience, and growth. Equally important is the principle of local ownership. Infrastructure projects should not be merely externally designed solutions imposed on African nations. Local communities must be at the centre of these efforts, ensuring that projects meet their needs and have local support. Public-private partnerships that empower local businesses and communities not only strengthen the sustainability of these projects but also promote inclusive development. When communities take ownership, infrastructure becomes not just a physical asset but a driver of social change and economic opportunity.

### **Transforming lives**

At its core, PIDA is not just about constructing roads, railways, or power grids. The true essence of PIDA lies in its ability to transform lives. Infrastructure development is a means to an end: it is about enabling opportunities, creating markets, and empowering people. When infrastructure projects are designed with the needs and aspirations of Africa's people in mind, they have the power to unlock untapped potential, fuel industrialisation, and promote prosperity across the continent.

As Bekele-Thomas emphasised, placing people at the centre of infrastructure development shifts the narrative from steel and concrete to hope and opportunity. Infrastructure is no longer just about physical structures – it becomes a catalyst for brighter futures and stronger economies. As PIDA continues its journey into the next decade, its focus must remain on people, communities, and long-term, inclusive development.

### **A collective path forward**

The 8th PIDA Week presents a critical opportunity for Africa's leaders, policymakers, and stakeholders to come together, reaffirm their commitment, and deliberate on actionable solutions for the future. While challenges remain, the achievements of the past decade provide a strong foundation for future progress. With the right mix of financing, partnerships, and regional integration, PIDA can help unlock Africa's full potential, paving the way for sustainable growth and regional cooperation.

Africa's future is inextricably linked to its infrastructure. By placing people at the heart of every project, PIDA will not only construct the physical infrastructure the continent needs but also lay the groundwork for a more prosperous, integrated, and resilient Africa. ■

Exploring the evolving dynamics of emerging markets, highlighting key opportunities for growth alongside the challenges posed by geopolitical tensions, inflationary pressures, and shifting trade patterns.

# Opportunities and challenges in a shifting global landscape

**T**he focus of PIDA is clear: to build resilient, inclusive infrastructure that will serve as a foundation for Africa's economic transformation. This means not only physical infrastructure such as roads, railways, and ports but also digital and energy systems that facilitate regional integration, trade, and sustainable development. At the heart of these discussions was the realisation that infrastructure is not just about connectivity – it's about creating opportunities for all Africans to participate in a shared economic future.

## A strategic framework

PIDA, the Programme for Infrastructure

Development in Africa, has long served as Africa's strategic blueprint for infrastructure development. The ambition of Goal 10 of Agenda 2063 – "World-Class Infrastructure criss-crosses Africa" – is nothing short of transformative. By establishing robust infrastructure networks that span borders and sectors, PIDA is designed to connect the continent in ways that will foster economic growth, reduce poverty, and enhance social integration. From the railways that will link countries in East and West Africa, to the energy grids that will power industries and homes across the continent, PIDA represents the future Africa is striving to build.

However, the road to achieving this vision is fraught with challenges. Africa's infrastructure deficit remains vast, with critical gaps in water, energy, transportation, and ICT. Addressing these gaps requires bold leadership, innovative financing mechanisms, and multi-stakeholder cooperation. The progress made through initiatives such as the NEPAD Infrastructure Project Preparation Facility (NEPAD-IPPF) and the PIDA service delivery mechanism (SDM) provides a glimmer of hope. These mechanisms have helped move PIDA projects closer to financial closure, ensuring that infrastructure projects are not just conceptual but are actively moving through the implementation pipeline.



*Below: Construction on the Lower Usuthu Smallholder Irrigation Project in Swaziland.*

*Right: Amine Idriss Adoum, director of infrastructure and energy, NEPAD.*

### The need for innovative financing

There is an urgent need to diversify and innovate Africa's financing approaches for infrastructure. Traditional financing mechanisms, such as government funding and international aid, are no longer sufficient to meet the continent's massive infrastructure needs. Great emphasis should be placed on public-private partnerships (PPPs), impact investments, and blended finance schemes as necessary vehicles for mobilising the capital required for these large-scale projects.

The private sector, particularly in emerging markets, has been slow to engage with Africa's infrastructure challenges due to perceived risks. However, innovative financing structures that combine public support with private investment can offer a solution. By using instruments like concessional finance, guarantees, and blended finance, stakeholders can de-risk projects and encourage private sector participation. Moreover, efforts must be made to streamline regulatory processes and create an environment where investor confidence can thrive.

One of the key challenges in financing infrastructure is the need to reduce the cost of capital. High financing costs remain a significant barrier to infrastructure development in Africa. This issue must be addressed by creating favourable conditions for investors, whether through regulatory reforms or financial instruments that help absorb risks and reduce costs.

### Building sustainable, resilient infrastructure

Resilient infrastructure is not just about physical durability – it's about ensuring that infrastructure projects can withstand the impacts of climate change, political instability, and economic fluctuations. There is a pressing need for climate-resilient infrastructure that can adapt to changing environmental conditions. From floods and droughts to rising temperatures and shifting weather patterns, climate change poses a significant threat to Africa's infrastructure investments. As the impacts of climate-related disasters become more severe, the importance of adaptive and mitigation measures grows.

Transboundary water resource management plays a critical role as a cornerstone of sustainable development. In many parts of Africa, water resources span multiple countries, making cooperation on management and investment vital. The call to increase investments in the water sector, particularly for transboundary water projects, reflects the broader understanding that infrastructure development must prioritise sustainability, equity, and environmental responsibility.

Moreover, infrastructure must be inclusive. Too often, the development of large-scale infrastructure projects neglects the needs of marginalised groups, including

women, youth, and people with disabilities. Ensuring that vulnerable groups have a stake in infrastructure development is not only a matter of equity but also a driver of economic growth. The involvement of local communities, particularly indigenous knowledge, should be central to the design and implementation of infrastructure projects. This will ensure that

### 'Resilient infrastructure is not just about physical durability – it's about ensuring that projects can withstand the impacts of climate change'

#### Second priority action plan

**Amine Idris Adoum, director of economy, infrastructure, industrialisation, trade and regional integration, has been a driving force behind the implementation of the second priority action plan of the PIDA programme – PIDA-PAP 2, which is currently under way. The PIDA-PAP 2 contains 69 large-scale projects expected to cost more than \$160 billion over its ten-year implementation plan. Despite the laudable achievements and the learning curves over the first ten-years implementation of PIDA faced challenges of projects financing and implementation. Out of over 430 projects in PIDA PAP 1, about 50% of the projects failed to reach the construction stage while 30% failed to go beyond the feasibility stage.**

**However, successes were recorded in the transport sector where 16,066 kilometers of roads and 4,077 kilometers of railways have been developed, strengthened by nearly 120 Single Border Posts. In the energy sector, 3,506 kilometers of transmission lines were installed, lighting the way for 232 GW of electricity and connecting African electrical networks. On Transboundary Water Management several achievements were realised including the Lesotho Highlands project which has transferred approximately 17,990 million cubic meters of water to South Africa. On ICT, the digital infrastructure has seen an increase with a capacity of 9 Terabits, and 17 nations are now digitally interconnected. Given the paramount importance of cybersecurity, the AU Convention on Cybersecurity has been established and ratified by 15 states.**

infrastructure meets the diverse needs of African societies while fostering a sense of ownership and inclusion.

### Digital transformation

In the digital age, infrastructure is no longer limited to physical structures alone. Digital infrastructure – comprising data centres, digital IDs, and ICT connectivity – is integral to Africa's future growth. The African Continental Free Trade Area (AfCFTA), which seeks to create a single market for goods and services across Africa, will rely heavily on robust digital infrastructure to facilitate trade, communication, and the movement of people and goods.

In addition, digital solutions offer a powerful tool for improving the efficiency and effectiveness of transport infrastructure, allowing for better management of logistics, reducing congestion, and enhancing the safety and reliability of transportation networks. With increasing investments in digital solutions, particularly through initiatives like the African Union's Digital Transformation Strategy, the continent stands to make significant strides in its quest for interconnectedness and growth.

### The role of youth and SMEs

The continent's youth, representing a significant portion of the population, are key drivers of innovation, entrepreneurship, and job creation. By creating opportunities for youth to participate in infrastructure development through training, funding, and mentorship, African countries can unlock immense potential. Similarly, micro, small, and medium-sized enterprises (M-SMEs), which form the backbone of many African economies, must be better supported to participate in the infrastructure sector.

### A roadmap for Africa's future

Africa's future is inextricably linked to the development of its infrastructure.

From financing and climate resilience to digital transformation and inclusivity, the continent faces a complex array of challenges that require bold, coordinated action.

Through the continued commitment of governments, development partners, the private sector, and civil society, Africa can build the resilient, inclusive, and sustainable infrastructure necessary for its growth and integration. The future of Africa is indeed one that is interconnected – both physically and digitally – laying the groundwork for a prosperous and sustainable future for all. ■



Infrastructure is the key to unlocking Africa's economic potential and achieving the ambitious goals of Agenda 2063. From innovative financing models to cross-border partnerships and a focus on sustainability, stakeholders must unite to accelerate development and ensure that Africa's infrastructure drives inclusive prosperity for all.

# Closing the infrastructure gap

Infrastructure is the backbone of any thriving economy, but for Africa, it's much more than that: it's a cornerstone of the continent's dreams of regional integration, sustainable growth, and socio-economic transformation. As the world shifts toward sustainable development and green economies, Africa must embrace a bold vision to close its infrastructure gaps while ensuring that progress benefits all its people.

Africa must accelerate the pace of its infrastructure development while being mindful of the need to ensure resilience, sustainability, and inclusivity. Stakeholders need to embrace innovative financing, foster deeper partnerships, and work collectively to achieve the ambitious goals outlined in Agenda 2063, the African Union's strategic framework for the continent's transformation.

Infrastructure is more than roads, bridges, and power lines. It is the catalyst for economic development, trade, social well-being, and poverty reduction. In Africa, where infrastructure deficits have long been an impediment to progress, addressing these gaps is not only a matter of economic growth but of social justice. Every infrastructure project completed, every power grid extended, every highway that connects regions is a step toward a more integrated and prosperous Africa.

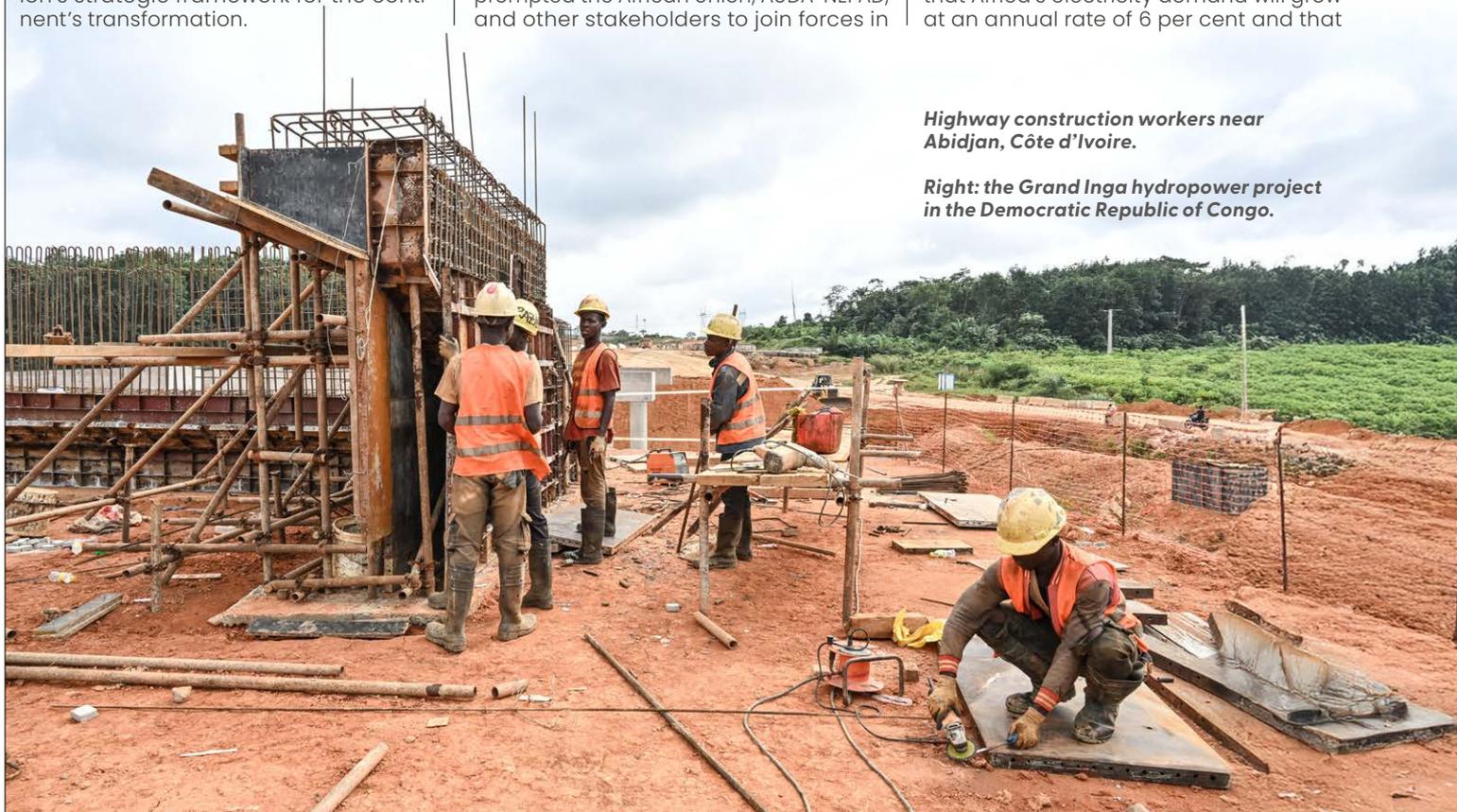
However, Africa's infrastructure needs are enormous. According to the African Development Bank, the continent needs about \$170bn annually to close its infrastructure gap, yet it currently receives only around \$40bn per year in investments. This significant shortfall in financing has prompted the African Union, AUDA-NEPAD, and other stakeholders to join forces in

launching the Programme for Infrastructure Development in Africa (PIDA), which serves as a strategic roadmap for the continent's infrastructure development.

## The power of partnerships

With AUDA-NEPAD, under the leadership of CEO Nardos Bekele-Thomas, leading the coordination of the success of the PIDA initiative, the continent is positioned to convert challenges into opportunities, forming the bedrock for a future characterised by resilience, connectivity, and shared prosperit

PIDA is not just a collection of projects; it is a continent-wide blueprint for connectivity, movement of goods, services, entrepreneurs and growth. The master plan is predicated on key assumptions — that Africa's electricity demand will grow at an annual rate of 6 per cent and that



*Highway construction workers near Abidjan, Côte d'Ivoire.*

*Right: the Grand Inga hydropower project in the Democratic Republic of Congo.*

transport volumes could increase up to fourteen-fold in key sectors by 2040. With the African Continental Free Trade Area poised to create the world's largest free trade zone, infrastructure is not merely desirable; it is essential.

Another key initiative is the Lobito Corridor, which connects Angola, Zambia, and the Democratic Republic of Congo. "The Lobito Corridor is more than a transport link; it serves as an artery of commerce and opportunity, unlocking the mineral wealth of Southern Africa and facilitating unprecedented trade flows.

Partnerships are critical in achieving PIDA's objectives. The success of infrastructure projects depends not only on financial resources but also on cooperation between governments, regional organisations, the private sector, and international development partners.

This approach to partnership is crucial. Historically, Africa's infrastructure projects have been hindered by insufficient collaboration across borders, fragmented planning, and a lack of coordinated effort between different stakeholders.

For example, a road or railway line that cuts across several countries requires seamless coordination between those nations to ensure smooth execution. Similarly, a large-scale power project often requires input and funding from multiple partners, each with different timelines, expectations, and regulatory frameworks.

The solution to these challenges lies in strengthening regional coordination and fostering joint planning. By working together, countries can optimise resource-sharing, streamline regulatory processes, and avoid costly delays. Platforms which bring together governments, financiers, and technical experts, are essential for breaking down silos and creating a shared vision for Africa's infrastructure future.

One of the most ambitious projects under PIDA is the Grand Inga Hydropower Project in the Democratic Republic of Congo. Once completed, it will be the world's largest electricity generation facility, potentially providing power to over 250m people across the continent. Such projects highlight the need for cross-border cooperation – energy infrastructure in one country can significantly benefit its neighbours, underscoring the importance of regional integration.

### Financing Africa's infrastructure dreams

While partnerships are key, financing remains one of the greatest challenges to Africa's infrastructure development. The financing model for PIDA must evolve to address the continent's unique needs. To close the infrastructure gap, Africa must embrace innovative financing mechanisms that go beyond traditional sources like government budgets and foreign aid.

One possible solution lies in public-

private partnerships (PPPs), which allow governments to leverage private sector expertise and capital while minimising the burden on public resources.

The private sector is crucial not just for funding, but also for bringing in technical expertise and management skills that can enhance the quality and efficiency of infrastructure projects. Through PPPs, Africa can tap into a global pool of investment that would otherwise be inaccessible. Moreover, the African Continental Free Trade Area (AfCFTA), which aims to create a single market for goods and services across the continent, offers exciting pros-



### In a world increasingly concerned about climate change, Africa cannot afford economic growth at the cost of environmental degradation

pects for financing infrastructure projects.

By increasing intra-Africa trade, AfCFTA can stimulate demand for infrastructure investments, creating a virtuous cycle that drives growth and investment in sectors like transport, energy, and telecommunications.

At the same time, diversifying funding sources is also essential. African governments, with support from international donors and development banks like the African Development Bank (AfDB), need to explore alternative financing mechanisms such as green bonds, climate financing, and diaspora bonds. These innovative funding models could open new channels of investment, particularly for projects that prioritise sustainability and environmental resilience.

### The Need for Green and Sustainable Infrastructure

Sustainability must be at the core of Africa's infrastructure agenda. In a world increasingly concerned about climate change, Africa cannot afford to pursue economic growth at the cost of environmental degradation. Rather than repeating the mistakes of industrialised nations, the continent can leapfrog into a future where infrastructure not only drives growth but also protects the environment.

The African Union's Agenda 2063 envisions a continent where infrastructure development contributes to environmental sustainability. This includes the construction of renewable energy infrastructure, such as wind and solar power, as well as energy-efficient transport systems. The integration of green infrastructure solutions should not be seen as an optional add-on but as a central tenet of Africa's infrastructure agenda. By prioritising green projects, Africa can build a more sustainable and resilient future, create jobs, and mitigate the impact of climate change.

### Achievements and Challenges

Over the past decade, PIDA has made significant strides in addressing Africa's infrastructure needs. According to the PIDA Ten-Year Implementation Report, the program has facilitated access to electricity for nearly 30m people, improved roads and railways, and contributed to the growth of intra-African trade. In the ICT sector, Africa has exceeded expectations, with broadband penetration rising above 25%, surpassing the initial target of 10%.

These achievements are impressive, but there is still much work to be done.

Despite progress, the continent continues to face significant infrastructure challenges, particularly in rural areas and conflict-prone regions. Furthermore, many PIDA projects are complex and costly, requiring sustained investment and political will.

Nevertheless, the momentum generated by PIDA and the continued focus on regional integration and economic growth are cause for optimism. With the right investments, policies, and partnerships, the dream of a connected, prosperous Africa is within reach.

### A Shared Responsibility

Africa's infrastructure future depends on the collective efforts of governments, businesses, and international partners. The path forward requires a renewed commitment to policies, partnerships, and financing that prioritise resilience, sustainability, and inclusivity. This is not just an investment in physical assets, but in Africa's people and its future.

It is crucial that stakeholders move beyond rhetoric and commit to concrete actions. Africa's infrastructure development is not just about closing gaps in roads, power lines, and railways; it's about building a future where economic opportunity is within reach for all, where regions are interconnected, and where Africa rises as a global leader in sustainable growth. The time to act is now, let us seize this opportunity to turn Africa's infrastructure dreams into reality. ■

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## AKINWUMI ADESINA, President of the African Development Bank

In a wide-ranging interview with Omar Ben Yedder, the president of the African Development Bank looks back at his two terms in office and says the world, and the Bank, are very different to when he took over.

# Akinwumi Adesina: the African Development Bank you see today is different

When Akinwumi Adesina began his tenure as president of the continent's pre-eminent multilateral development bank in 2015, the African Development Bank had a capital base of \$93bn. Nine years later, with its capital base now at \$318bn, Adesina can say with confidence that "the Bank you see today is different." Arguably Adesina's biggest achievement as president has been to bolster the Bank's firepower by convincing regional and non-regional shareholders to strengthen its capital base, leaving it in good stead for years to come.

But in an exclusive, wide-ranging interview on the sidelines of COP29 in Baku, Azerbaijan, he argues there is much more to achieve – and many more challenges to meet.

## Climate leadership

The most existential of these challenges is the climate emergency, on which the Bank has become a leader in the continent and beyond. "I think that for Africa, it will be perhaps one of the greatest challenges that we have, because we lose \$7bn to \$15bn a year to climate change. And our estimation is that that will rise to roughly \$50bn a year by 2030."

Under Adesina, the Bank has stepped up its response to the emergency, in particular by boosting lending to climate projects. "When I came in as president in 2016," he says, "the Bank was devoting 9% of its total lending to climate. I knew that climate finance would need to play a much bigger role, especially given Africa's need for adaptation. By 2022, 45% of all of our financing was going toward climate. Now, at about 50–55%, we have exceeded 50–50 parity."

These efforts have caught the attention of the United Nations and in 2021, secretary-general António Guterres singled out the Bank for its exemplary action on the climate agenda.

"The African Development Bank set the bar in 2019 by allocating half of its climate finance to adaptation. Some donor countries have followed their lead. All must do so," Guterres said.

Adesina's approach to climate efforts, he says, has

been reflective of his general ethos – "every time that I see a problem, my approach is not to just complain that people aren't giving you enough; you have to figure out some innovation that will allow you to address the problem. That is what we have done for climate change."

One of the innovations is the Climate Action Window, a point of contact for funding to "climate-proof" smaller countries. Introduced as part of the African Development Fund's 16th replenishment with an initial funding of \$4.29m, it has since attracted over \$4bn in subscriptions. Focused on climate adaptation (75%), mitigation (15%), and technical assistance, the initiative aims to benefit millions, providing climate data to 20m farmers, restoring a million hectares of degraded land, and improving access to renewable energy for 12m people and water sanitation for 9.5m.

Now, he says, the World Bank's International Development Agency is thinking of creating similar funds; the International Fund for Agricultural Development has already done so.

In collaboration with the Global Centre on Adaptation, the Bank has also launched the African Adaptation Acceleration Program, the largest climate adaptation initiative globally, with a \$25bn budget. The programme focuses on scaling climate resilience across the continent through investments in critical areas such as green hydrogen, green ammonia, and energy efficiency. Additionally, the Bank has initiated the Alliance for Green Infrastructure, aiming to raise \$10bn to fund sustainable projects. Adesina says he personally lobbied all the leaders of the G7, bringing them on board to support the initiative with a \$175bn project preparation facility.

## Supporting agriculture

Agriculture on the continent is already suffering the consequences of climate change, with crop yields falling as a result of changing weather patterns. The Bank's Technologies for African Agricultural Transformation initiative, Adesina says, is "the biggest thing we have done for global agriculture".

At the outset of his tenure Adesina was, he says, determined to boost food production. "I said, we're



■ WHEN I CAME IN AS PRESIDENT IN 2016, THE BANK WAS DEVOTING 9% OF ITS TOTAL LENDING TO CLIMATE... NOW, IT'S ABOUT 50-55%

## AKINWUMI ADESINA, President of the African Development Bank

going to invest \$25bn in agriculture. I was mindful of the fact that for us to succeed and feed ourselves and also feed the world, we needed to more than double the productivity of African agriculture.”

The programme was a direct consequence of this determination, bringing together the global research and development network of the Consultative Group on International Agricultural Research, national agricultural systems and the private sector to deliver cutting-edge agricultural technologies to farmers across Africa. Over the past four years the programme has benefited more than 22m farmers by deploying climate-resilient solutions, bolstering food security and introducing sustainable practices.

“In 2018–19, there was a massive drought in East Africa. Again, through TAAT [the Bank’s Technologies for African Agricultural Transformation programme] we supported them with water-efficient maize, reaching 5.8m households and 30m people, who were able to escape drought because of that,” he says.

The project has also yielded drought-tolerant rice, supplied to 3.2m households in West Africa.

These concrete actions are a salve for the continuing pain of broken climate promises, notably the \$100bn promised annually for adaptation by richer nations which for the most part was not delivered. At this year’s COP29, the failed target was replaced by the more ambitious goal of \$300bn annually by 2035 – can it be met?

Adesina’s view is that while the developed world does need to step up and make good on its promises, Africa cannot merely wait on that. “I think we all have a collective responsibility and accountability to the climate and saving our world. It’s not the words we say that matter. It’s the things we do that matter. And hope is fine, but a hope delayed brings misery.”

### Working with the MDBs

So multilateral development banks (MDBs), his included, are making funding available, and working together, he says, as never before. “We are simplifying procedures, we’re holding ourselves accountable in terms of how we report, we’re communicating, and we are also playing our part in the global commitments that have been made,” he insists.

“If you take, for example, the annual \$100bn that the developed countries committed to, MDBs actually helped to make that happen. In 2022 we did \$125bn of collective lending, exceeding the \$100bn that was promised,” he points out.

The Bank, Adesina says, will continue to play its part. “Right here at COP29 we have put forward our commitment to climate finance as an MDB. By 2030 we [as MDBs] will support \$170bn annually, and out of that \$120bn will be for low-income and middle-income countries. In addition, we will leverage \$65bn for private climate finance, and about \$45bn for climate adaptation.”

But other stakeholders need to step up for the collective good. “All I’m saying is that the new collective quantified goal that’s been set requires everybody to play their part. We must not forget the principle of collective but differentiated responsibility. Those developed countries which are actually responsible for most of the emissions need to do what they have to do. They are the ones that have to pay,” Adesina says.

“First, there’s only so much you can get out of an

over-squeezed orange. Then you have to get more oranges and squeeze some more. The multilateral development banks will play their role, but they need to have significantly increased capital. They need more paid-in capital to be able to take on more risk for the private sector. And third, you cannot deal with climate issues by just doing more loans. A lot of what is being done today is more loans. Countries need more grants.”

The other big challenge, in Adesina’s estimation, is debt. As many as 22 countries on the continent are at high or moderate risk of debt distress.

“I think we have to figure out how to solve this. This year, debt service repayments will amount to about \$74bn. In 2010, the figure was \$17bn.”

Part of the challenge stems from the fact that African countries have to pay what many on the continent regard as an unjust risk premium when borrowing. This is why Adesina is backing the creation of an African credit rating agency. Such an agency would have superior data on and insight into the continent to enable it to make better assessments of countries’ fiscal positions.

“Some people think that it’s just the African Union going to set up some agency for itself. Actually, it would be an independently-run, top-notch professional agency that provides the counterfactuals,” he explains. “When you go to the doctor and run tests, you have the right to ask for a second opinion, don’t



you? Yes, so it's time to do that." The Bank is also moving to consolidate its investment guarantee instruments into a single entity, the Africa Investment Guarantee Agency, which will also help to further de-risk investment in the continent.

### Drawing on Africa's rights

One prospect that Adesina regards with hope is the reallocation of the International Monetary Fund (IMF) Special Drawing Rights (SDRs), supplementary foreign exchange reserve assets defined and maintained by the Fund, which he describes as potentially a "magic bullet to tackle global financing issues". SDRs were allocated during the 2008 financial crisis and in the Covid-19 pandemic, with Africa receiving \$33bn (4.5%) of the global total of \$650bn.

Adesina is not alone in his conviction that unused resources from the Fund can and must be allocated to needy countries, but has adopted it as something of a personal mission. "I have always felt that the

## I HAVE HIGH AMBITIONS FOR AFRICA BECAUSE I BELIEVE IN AFRICA'S CAPACITY, POTENTIAL AND THE IMPERATIVENESS OF AFRICA TO DEFINE ITSELF GLOBALLY AND TO UNLOCK ITS OWN ASSETS



Left: Below: President Adesina (L) greets President Paul Kagame of Rwanda at COP29 in Baku, Azerbaijan, in November 2025.

SDRs can be stretched because in a world in which you have declining concessional financing, the name of the game is leverage. You have to be able to leverage at low or no cost to the taxpayers."

To maximise their impact, the Bank has developed a framework that will enable SDRs to be re-channelled to multilateral development banks, complementing existing IMF mechanisms such as the Poverty Reduction and Growth Trust and the Resilience and Sustainability Trust.

"Now the beauty of this arrangement is that it can be leveraged up to four times, but because it is hybrid capital and with the co-financing that we would get as a triple-A rated financial institution, the actual leverage would be up to eight times."

The framework designed by the Bank also ensures that the SDRs retain their reserve asset status and provides a mechanism for retrieving funds should beneficiaries have liquidity problems. These solutions, Adesina says, have received both staff and board level approvals. "We are working on this very actively and I'm very delighted with that... we need to be flexible with instruments and use them to the maximum benefit of the world," he argues.

### Optimist-in-chief fears insecurity

Africa's "optimist-in-chief," as he describes himself, says the Bank will use its position to continue advancing the continent's interests.

"I have high ambitions for Africa because I believe in Africa's capacity, potential and the imperativeness of Africa to define itself globally and to unlock its own assets. The key is to continue to accelerate and deliver more," he says.

However, Adesina admits that he is concerned about threats to peace and security. In recent years, there has been rising instability in parts of the continent with devastating wars in Ethiopia and Sudan and coups and instability in the Sahel.

Some of the underlying political tensions can be attributed to the lack of jobs and opportunities for Africa's growing population of young people. While committing resources to address some of the effects and immediate causes, the Bank is also looking at longer-term and sustainable solutions to the issue of youth unemployment.

"We cannot have 477m young people between the ages of 15 and 35 and not put financial power behind them. And that is why we are rolling out what we call Youth Entrepreneurship Investment Banks."

These banks are to provide financial backing, technical assistance, and incubation services for youth-led businesses, offering equity, debt, and other financial instruments while supporting them throughout their business lifecycles. Initial funding of \$16m for Liberia and \$100m for Nigeria has been approved by the Bank's board of directors, and there are plans to expand to Côte d'Ivoire, Togo, Kenya, and Tunisia.

Sixty years after its formation, the Bank is finding new and innovative ways to pursue its founding mandate, even as global and local economic conditions continue to evolve. Adesina remains confident that the Bank will continue to play its part in Africa's revival.

"I would just say that the African Development Bank will need to continue to build its capacity in all these areas. We've done that so far, but I think going into the future we need to do even more," he vows. ■

**Wale Edun**, Minister of Finance and Coordinating Minister of the Economy

As Nigeria implements critical reforms, the government remains optimistic about economic growth, aiming for stability, reduced inflation and increased investments, as finance minister Wale Edun tells Omar Ben Yedder.

# Shaping Nigeria's future: economic optimism, reforms, and strategic investments in 2025

**After a challenging year, you are tasked with stabilising and revitalising the economy. Following the reforms your administration has introduced, are you optimistic about Nigeria's economic trajectory in 2025?**

Without any doubt, I am very optimistic about our nation's economic trajectory, not only in 2025 but beyond. In the year ahead we expect to see an acceleration of economic growth coupled with a reduction in the rate of increase of prices. These expectations are reflected in the Medium Term Expenditure Framework and the Fiscal Strategy Paper approved by the legislature. It is noteworthy that we are not the only ones who have this expectation. Projections provided by the International Monetary Fund (IMF), the World Bank and other forecasters agree that growth will improve and inflation will slow. In 2025, the issues around economic stability will be largely resolved.

Perhaps the biggest issue with stabilising our economy is to reduce inflation and keep it low. We are clear that very significant progress will be achieved in this regard in the months ahead. If nothing else, we expect the downward path of fuel prices, a major element in stoking higher prices, to continue. The current downward trend results from the combination of enhanced domestic refining capacity provided by the Dangote refinery, stable exchange rate, and our policy to sell crude oil to domestic refiners in naira. These have all contributed to the turnaround in fuel prices. We expect to see further reductions in the year ahead as the combination of factors above is further strengthened by additional refining capacity from government-owned refineries and the BUA Group becoming effective. We also expect a significantly slower increase in food prices to contribute to lower inflation.

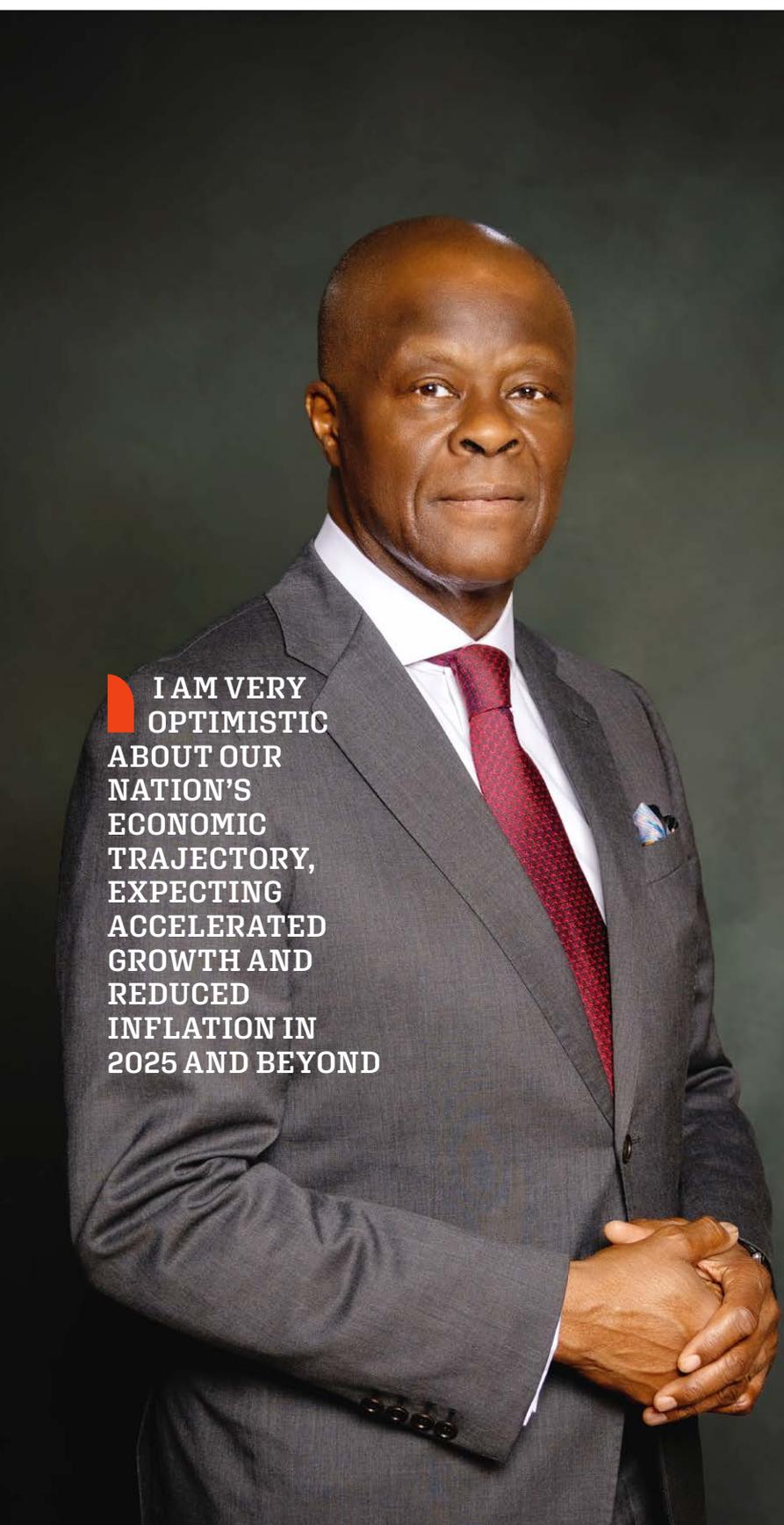
The reforms, as we have always contended, were inevitable if we are to unlock the potentials of this country and make the growth and development progress we need. The challenge with reforms of this

nature is that the costs must be borne before the benefits manifest. Our biggest and ongoing challenge in this regard lies in ensuring adequate protection for vulnerable fellow Nigerians. Though now improving, this has been an uphill task – made more onerous by the absence of a universally acceptable database. We are however now finding resolution to the various issues that have dogged the acceptance of the database of vulnerable Nigerians. Our direct benefit transfers have now reached approximately 20m Nigerians. We expect to make even more rapid progress in these disbursements in Q1 2025. Based on these, I am confident not only about maintaining our trajectory but that we are working to improve the outcomes and ensure the quality of life of every Nigerian is seen to improve noticeably.

**Investors remain focused on transparency and predictability. There has been some debate regarding Nigeria's foreign exchange reserves, reported to be around \$40bn – levels last seen in the late 2010s. Could you shed more light on this?**

Building trust capital is fundamental to restoring the confidence of all stakeholders – domestic or foreign. Before dealing with the issue of foreign exchange reserves, it is important to draw attention to some of the measures taken to ensure transparency and predictability: deploying technology towards eliminating leakages and opaqueness in government financial transactions. We have seen a significant reduction in leakages.

Beyond the fiscal arrangements, the Central Bank of Nigeria (CBN) has sharply improved on its regulatory work to enable confidence in all facets of our financial architecture. Recently it introduced the Bloomberg Electronic Foreign Exchange Matching System to ensure efficient price discovery. This system enables a credible and transparent process in that market that will help anchor stakeholder expectations



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and thus enhance market predictability. This follows a long line of other financial market reforms which commenced with the unification of various existing exchange rate windows in June last year.

Foreign reserves stood at \$4.2bn on 14 December. While this is an area for CBN commentary, I am happy to see the steady improvement in our reserves. This is perhaps not surprising given that the surplus on our current account balance has continued to improve with portfolio investor inflows and remittances. It is noteworthy that the reserves have continued to grow in a year when, until recently, payment of fuel subsidies meant that the CBN was not a direct beneficiary of proceeds from crude oil exports. It is important to state that our expectation of improvements in crude oil production will improve the availability of foreign exchange to the economy. It is also important to draw attention to the emerging oil refining sector of our economy and its potential for improving both domestic value addition and also generating export income for our nation.

***Your administration has implemented long-awaited reforms, including the removal of fuel subsidies. While these measures were tough, are you now beginning to see tangible benefits for the economy?***

Without doubt the benefits are beginning to manifest. We are seeing green shoots that give us hope for further and significant movements along our chosen direction of travel. My responses to earlier questions already provide a sense of some of the improvements.

To be clear, notwithstanding the reform measures, the economy in Nigeria did not at any time stop growing. I have seen some comments which characterised the economy as being in recession. This is totally incorrect. The latest data for output growth show the economy grew by just under 3.5% between July and September 2024. Between January and September it grew at an average 3.23%. Furthermore, since the Tinubu administration took office at the end of May 2023 the economy has consistently grown and this growth is broad-based. Data published by the Nigeria Bureau of Statistics for Q3 2024 shows that 97% of our economy continues to grow.

An area that has been of concern is our financial system – especially the market for foreign exchange. The new team at the CBN led by the Governor, Yemi Cardoso, has instituted a wide range of reform measures which have reversed the adverse impression about the safety and reliability of our financial system. Ensuring payment of “trapped” monies and settling outstanding debts, and various reforms of the foreign exchange market and its requirement for capital enhancement by banks, have resulted in greater confidence in our financial system. With the government staying strictly within the legal bounds in its use of borrowing from the Central Bank, the growth in liquidity has been curtailed. All of these have resulted in a more stable exchange rate.

In the energy sector, we continue to work towards improving availability and access to electricity and the production of oil and gas. We are seeing new investments which will go a long way towards enabling improved production. In December Shell Nigeria announced investment in the Bonga North Field. With other investments in the onshore segment by indigenous companies such as Renaissance Africa

## Wale Edun, Minister of Finance and Coordinating Minister of the Economy

Energy, OANDO and SEPLAT, we are confident that our reform programme continues to make progress.

The legislature is presently considering a set of bills that will be transformational in their impact on the finances of government. What we have done thus far has resulted in government revenue as a share of national output rising to 13% in Q2 2024 compared to the average of 8% in previous years, reducing the government deficit and thus the proportion of resources devoted to debt service.

### **What is next on the government's reform agenda, and what key lessons have you learned from the past 18 months?**

In the immediate term we will concentrate on addressing our pain points around enabling protection for vulnerable citizens, sharply improving food supply, reducing costs, and supporting key sectors to grow even faster than they are presently doing.

As I have noted, we still have a way to go in reaching the most vulnerable in our society. The cash transfer programme has reached approximately one-third of the intended recipients. This is far from satisfactory. We have identified the issues and are working to ensure that all intended recipients are covered as soon as possible. Of course access to food is a major component of quality of life for our citizens. Even though the agricultural output is improving, with 1.1% growth between July and September 2024, this is too slow to enable us feed our citizens and our sub-regional compatriots. We are working to stimulate growth in the agriculture sector to increase beyond the rate of population increase.

It is also very important for us that output in the energy sector – oil and gas, and electricity – improves considerably. Nigeria has industrial ambitions and these cannot be realised without energy input. In my view, we need to consider various options for stimulating investment in the energy sector. Without an efficient and cost-competitive energy sector, we will be unable to get our manufacturing and processing sector into a position where it can take advantage of the opportunities inherent in the African Continental Free Trade Agreement (AfCFTA). Work is under way on tax reforms: the Presidential Committee on Fiscal and Tax Reforms has already yielded a set of bills which are before the legislature. These tax reforms and the fiscal space they create will also enable more room for the effectiveness of monetary policy and thus improve the outcomes of fiscal-monetary policy coordination.

At the heart of our thinking around the next steps is to drive rapid, sustained, inclusive and sustainable growth in our economy. As a government, our aim as we begin to reflect on the successor to the current National Development Plan is to get output growth of 7% by 2027 while keeping inflation down, exchange rates stable and interest rates within limits that enable funding of organisations needing external capital. To do all these, we need to stimulate investment by domestic wealth holders in our economy.

The pain of reform, especially in the context of the significant trust deficit that we inherited, makes it difficult to implement. Trust, once lost, is difficult to

**WE ARE SEEING GREEN SHOOTS THAT GIVE US HOPE FOR FURTHER AND SIGNIFICANT MOVEMENTS ALONG OUR CHOSEN DIRECTION OF TRAVEL**

regain. Obvious as this may be, it is even more difficult in the setting where politics makes consensus building very difficult.

### **With international banks scaling back operations in Africa and foreign direct investment slowing, how concerned are you about these trends? What steps is your administration taking to attract both domestic and foreign investments?**

Any development that narrows access to capital, be it for government or non-government operators, is a source of concern. It is important to note that notwithstanding your comment about slowing foreign direct investment (FDI), data indicates that FDI growth exceeds export growth, with the gap projected to widen. This speaks eloquently to an important strategic option for capital-constrained economies.

One of the key outcomes of Covid-19 is the trend towards increasing regionalisation of supply chains. Producer nations are realising the importance of being situated closer to markets and thus investing in the creation of hubs to serve a collection of markets. For me, the importance of this is that Nigeria must in some respects improve its attractiveness to investment. I deliberately speak of investment, as opposed to foreign investment. It is important that the economic environment becomes such that domestic wealth holders find the home arena more attractive. Failure in this regard will lead to capital flight, pressures on the exchange rate and further disruption to the economy. We must ensure that we keep inflation down. Without this, our ability to effectively hold our domestic markets and compete in foreign markets is imperilled. Furthermore, a high rate of increase in prices undermines domestic investor willingness to hold assets – especially financial assets – in our currency. The resulting adoption of other currencies (in our case, the US dollar) makes the management of domestic monetary policy more difficult.

To be attractive to investment, the quality and quantity of our labour force must be such as to enable cost-effective production. In this regard, the ongoing work around the curriculum in the education sector is very important. The issues around the need for regulatory certainty cannot be overlooked. The making and enforcement of rules and regulations cannot be arbitrary without damaging our national interest. I do not underestimate the importance of security – both at our borders and in domestic law and order.

The issues I have referred to are all being worked on, in initiatives spread across the government. Our insistence on executing the reform measures we have is the first example of our recognition that without reforms, the status quo would leave our economy unattractive and in danger. Secondly, working to ensure that yields on assets, net of inflation, are positive represents a clear understanding that we cannot endanger the resources of indigenous wealth holders without further damage to the economy. Thirdly, we have restructured the Ministry of Finance Incorporated (MoFI) as part of an effort to better manage the national balance sheet by identifying assets and enabling these to be more aggressively managed in the national interest.

In this vein, work is ongoing to streamline the public agencies responsible for managing public assets, namely the Infrastructure Concession and Regulatory Commission (ICRC), the Bureau of Public Enterprises (BPE) and MoFI.

**How critical is it to support national champions like the Dangote Group to drive Nigeria's industrial transformation and reduce import dependency?**

We are clear about the importance of being able to produce for the domestic and international markets. We will be unable to benefit from the opportunities inherent in the AfCFTA if we cannot produce competitively. Indeed, one of the trends in the Nigerian economy that we must work to improve is the almost stagnant contribution of our processing sectors to our national output. We need the processing sectors – manufacturing, construction, utilities – to raise their contribution to the national economy, perhaps at a minimum to double the current levels.

I do sometimes wonder whether we are import dependent. What is the benchmark for classifying a nation as import dependent? With imports at less than 20% of national output, we compare favourably with sub-regional and continental peers. Some African countries have import levels as high as half their national output. I concede that we are not transforming our imports into exports. This underscores the importance of national champions; but the appropriate agencies must ensure that dominance of domestic markets is not to our national disadvantage.

**How significantly is the Dangote refinery contributing to improve Nigeria's current account balance and overall balance of payments?**

The Dangote Group plays in major sectors of the economy, among other leading manufacturers. Im-

proving the manufacturing sector is a major focus of this administration, to moderate manufactured goods imports and improve the current account balance for reserves accretion. Dangote Group has commenced petroleum motor spirit production, with 650,000 barrels capacity. This will be complemented by the BUA Group refinery with 250,000 barrels capacity that will come on stream soon. These developments take a major demand pressure off foreign exchange. Thus, the increased domestic refining capacity, coupled with other manufacturing activities, will help to moderate importation, improving our current account balance and the balance of payments.

**During your recent Eurobond roadshow what feedback did you receive from investors regarding Nigeria's economic direction and investment opportunities?**

The oversubscription of our latest Eurobond at \$9.1bn (instead of \$2.2bn) indicates our successful return to the global market and showcases Nigeria as a profitable investment destination. Note that the Russia-Ukraine war occasioned global contractionary monetary policy to combat global inflation, and this moderated the attractiveness of developing economies' Eurobonds in the global market.

It further signals improved confidence in the President's economic strategy; improved confidence in the economy generally; confidence in the debt repayment capacity of the economy; and that the presidential investment targets directive to ministries, departments and agencies, with the expected improvement in the growth trajectory of the economy, will help investment opportunities and reduce risks.

**Looking ahead, what are your key priorities, and why should investors remain confident in Nigeria?**

My priorities remain bringing down inflation while significantly growing the economy, with a strong social protection regime in place. The US fought inflation with high interest rates, yet grew the economy with investment funded by savings not debt. We aim to do likewise.

Investors have already signalled confidence by subscribing to our debt instruments. Both the recent Eurobond issue and the earlier domestic issuance of US dollar denominated bonds were over-subscribed. Going forward, our agenda is to enable a stable, rapidly growing, inclusive and sustainable economy. This will most certainly enable investors, especially long-term investors, to realise their aspirations. All Nigerians and those resident in Nigeria will experience an uplift in quality of life.

**Nigeria has ambitious infrastructure plans, including major gas pipeline projects to Europe via Morocco and Algeria. What are the government's broader plans?**

The infrastructure stock as a share of GDP is currently 35%; the ambitious investment plan is to move toward 75%, as this is necessary to unlock our potential for sustained productivity.

Thus, the administration is committed to the completion of these ambitious projects and to renew momentum for them to move forward in 2025.

Plans for infrastructure investment are guided by the Revised National Integrated Infrastructure Master Plan (NIIMP). The financing arrangement cuts across debt, equity and public-private partnerships. ■



President Bola Tinubu announced a renewed focus on healthcare, launching transformative initiatives to rebuild the country's health system. Muntaqa al-Sadiq gives his views on implementing this.

# Inside Nigeria's plan to overhaul healthcare

On 12 December 2023 Nigeria's President, Bola Ahmed Tinubu, declared that "health is back on the front burner of Nigeria's policy priorities." This declaration was a pivotal moment, signalling a renewed commitment to the well-being of Nigerians under the Renewed Hope Agenda. With this bold vision, the administration launched the National Health Sector Renewal Investment Initiative (NHSRII) and signed a compact with all 36 states and the Federal Capital Territory, setting in motion a transformative journey to rebuild Nigeria's health system into one that is equitable, resilient, and accessible to all.

At the heart of these reforms is the NHSRII, which provides a unified framework to eliminate inefficiencies, reduce fragmentation, and align efforts across all levels of government, the private sector, and development partners. Guided by the principle of "one vision – one conversation, one budget, one report," the NHSRII has mobilised over \$3bn in external funding, with significant domestic investments projected over four years. This sector-wide approach has established Nigeria as a leader in health systems accountability across Africa.

Nowhere is the impact of this framework more evident than in the revitalisation of primary healthcare centres (PHCs), the cornerstone of Nigeria's health system. More than 2,100 PHCs have been upgraded to full functionality, with another 3,000 in progress and on track to be fully functional by end of 2025, ensuring no Nigerian will need to travel more than five kilometres to access care.

Backed by a 46bn naira (\$30m) direct financing facility, disbursed this year through the revamped



Basic Health Care Provision Fund to more than 8,000 facilities, these PHCs now deliver essential services, from immunisations to maternal and child health-care. The Sector-Wide Approach has been critical to achieving these results, with tools like joint annual reviews, annual operational plans, and state dialogue mechanisms driving accountability, alignment, and efficient resource use. Real-time dashboards ensure resources are deployed efficiently and transparently.

### Life-changing impact

For women like Hadiza in Gombe, who no longer has to walk 10 kilometres while pregnant to reach a clinic, these improvements are more than just policy – they are life-changing.

The challenges of maternal and newborn health have long been a source of pain for families across Nigeria. The Maternal Mortality Reduction Innovation Initiative was launched to change this, initially targeting 172 highest-burden local government areas. As part of the expanded National Health Insurance Authority package, pre-qualified poor and vulnerable women now have access to free caesarean sections at accredited facilities, addressing obstetric complications that previously led to tragic outcomes. This initiative is supported by the National Emergency Medical Service and Ambulance System, which ensures emergency transport for those in critical need.

Amina, a young mother in Bauchi State, is one of thousands whose life – and that of her baby – was saved through this program. Her story reminds us why expanding access to quality, life-saving care remains essential.

In addition to saving mothers and children, Nigeria is intensifying its fight against infectious diseases. The government has made significant investments in malaria prevention, treatment, and vaccination, aiming to eradicate a disease that continues to claim lives, especially among children under five.

The recent receipt of over one million doses of the R21/Matrix-M malaria vaccine from Gavi the Vaccine Alliance, and its rollout in high-burden states such as Kebbi and Bayelsa, is a testament to this commitment. Furthermore, strategic collaborations with the World Health Organization (WHO), The Global Fund, the US Government and other partners have helped scale up efforts to end diseases such as tuberculosis and HIV/AIDS. These initiatives reflect the government's unwavering focus on improving health outcomes for all Nigerians.

### Robust financing

To make these reforms sustainable, robust financing has been a cornerstone of this administration's strategy. In 2023, the health sector budget increased by an unprecedented 41.5%, rising from 826.9bn naira (\$532m) in 2022 to 1.17 trillion naira (\$753m). This investment has revitalised PHCs, expanded health insurance coverage, and strengthened health security. Accounting tools ensure transparency in how these funds are deployed, bolstering public trust in our health system, which has risen from 37% to 54% between 2023 and 2024. Another landmark achievement under the NHSRII has been Nigeria's strengthened vaccination efforts, which have played a critical role in combating emerging and re-emerging diseases. Enhanced immunisation campaigns have led to sig-

nificant progress in stopping outbreaks of diseases such as diphtheria. These achievements exemplify the power of collaboration between government, development partners and communities to protect public health.

Financial protection for families remains, however, a pressing challenge. While the number of people enrolled for health insurance coverage under the National Health Insurance Authority has grown by over 2m in the past year – bringing the total to 19.2m Nigerians – out-of-pocket health expenditures still remain too high. The Medical Relief Program will provide targeted subsidies for essential services, ensuring that financial hardship is no longer a barrier to care.

### A trained workforce

Our health workforce is the foundation of all of these reforms. Over 53,000 frontline workers have been retrained in the past year, out of a target of 120,000 within three years. Community health workers, often the only connection between remote villages and the broader health system, are now better equipped to deliver immunisations, enlighten families and provide referrals. Through the Presidential Initiative for Unlocking the Healthcare Value Chain, over \$1bn in investments have been catalysed, with 42 business cases finalised for the local production of pharmaceuticals and medical devices. Partnerships with global firms are fostering innovation and technology transfer, making Nigeria a hub for healthcare manufacturing.

Health security has also been prioritised, with emergency operations centres now established in all geopolitical zones and enhanced genomic surveillance systems allowing for faster detection of diseases such as diphtheria and mpox. The launch of the Nigeria Climate Change and Health Vulnerability Assessment Report has positioned Nigeria as a leader in integrating climate resilience into health systems, ensuring that we are prepared for the challenges of a changing world.

Significant progress has also been made in tertiary care, with six state-of-the-art cancer treatment centres being developed in partnership with the Nigeria Sovereign Investment Authority. Two of these are set to open in May 2025, providing much-needed oncology services and reducing the financial and emotional toll of medical tourism for Nigerian families.

We must also acknowledge the challenges that remain. Geographic disparities in access to care, the growing burden of non-communicable diseases and the need to sustain financial reforms will require our focus. The progress we have made demonstrates that transformative change is not only possible but already underway. This progress is visible in the growing confidence of the public, the strengthened trust of our partners, and most importantly, in the lives that have been saved and transformed across our nation.

Health has been elevated from a sectoral concern to a national imperative. The president's pledge – that no Nigerian woman will lose her life when giving birth, no child will suffer needlessly for lack of care, and no family will face financial ruin from illness – has inspired this transformative journey.

Together, with this administration's enduring support and the collective resolve of all Nigerians, we will continue to strengthen our health system, ensuring it leaves no one behind. This is not just about health – it is about delivering hope, equity, and opportunity for generations to come. ■



*Muntaqa al-Sadiq is the national coordinator of the Nigeria Health Sector Renewal Investment Initiative Sector Wide Approach.*

*Opposite: A woman gives birth with medical assistance at the General Hospital in Jahun, Jigawa state.*

South Africa is well positioned to take advantage of a tide of goodwill generated by economic reforms, innovation-driven growth and the successful implementation of a government of national unity as it takes its place at the World Economic Forum meeting, Sithembile Ntombela, acting CEO of Brand South Africa, tells **Dianna Games**.

# South Africa showcases the success of public-private economic collaboration

Guided by President Cyril Ramaphosa's vision, South Africa's G20 agenda focuses on fostering equitable trade, reforming international financing frameworks, building resilient health systems, advancing food security, driving decarbonisation, and addressing climate risks," says the CEO (Acting) of Brand South Africa, Sithembile Ntombela.

"These priorities reflect South Africa's

commitment to inclusive sustainable development that leaves no one behind."

The annual Davos gathering also gives the country, Africa's most diversified and industrialised economy, a vital platform to highlight its priorities for the continent under the presidency of the G20, which it assumed on 1 December 2024.

South Africa aims to align its leadership with international efforts as it participates in shaping global, regional and industry

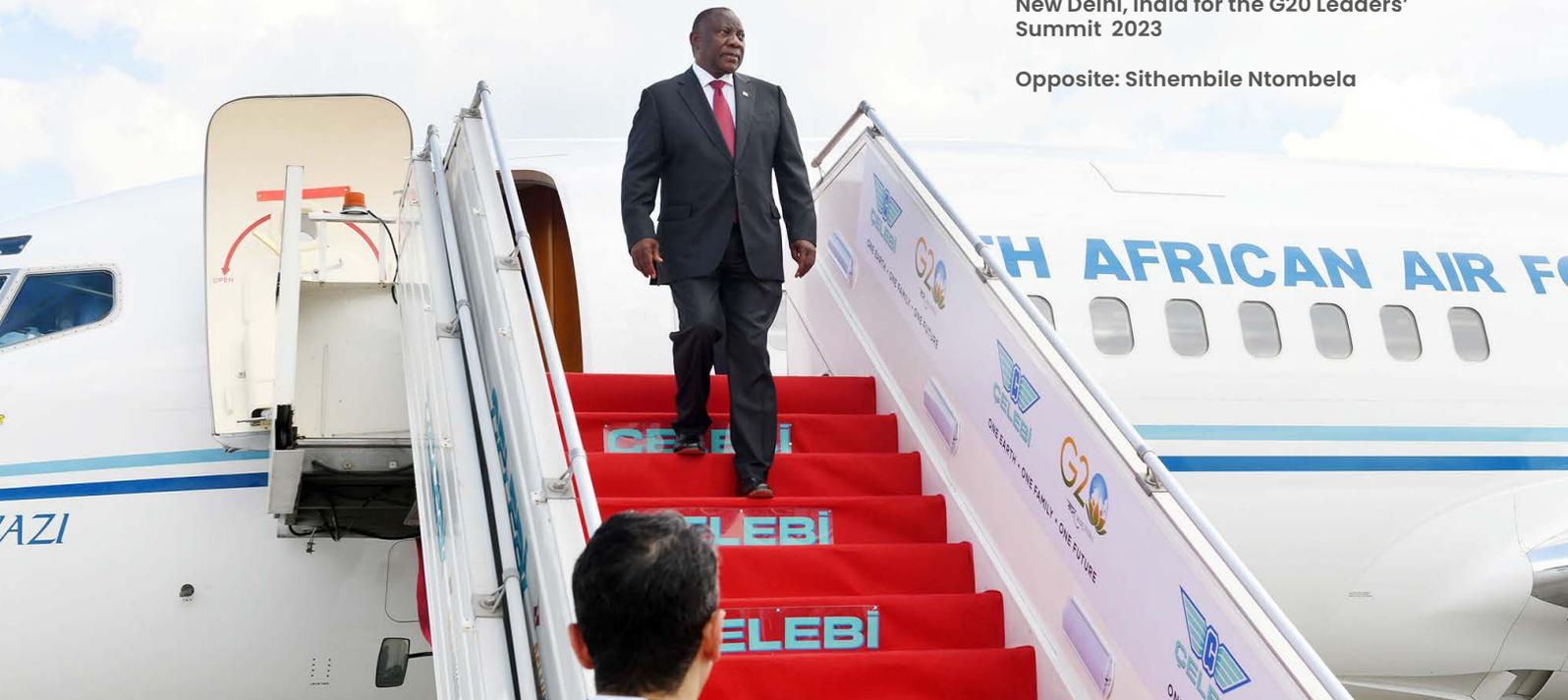
agendas through the G20 role, held under the theme Solidarity, Equality and Sustainability.

Ntombela says that the Team South Africa programme in Davos also aims to reaffirm the country's role as a bridge between developed and developing economies and showcase its unique position as a global hub that unlocks Africa's growth story.

The WEF 2024 theme "Collaboration for the Intelligent Age" aligns with South Af-

**President Cyril Ramaphosa arrives in New Delhi, India for the G20 Leaders' Summit 2023**

**Opposite: Sithembile Ntombela**



rica's focus on leveraging innovation and partnerships to drive progress in an era of rapid technological advancement and complexity.

### Transformative opportunities

"We hope to attract investment that can unlock transformative opportunities across key sectors such as energy, logistics, green industrialisation, exports in tourism, creative industries, digital services, education and healthcare," says Ntombela.

The platform will, she says, allow South Africa to position itself as a stable, investible destination for global trade and investment under the umbrella of the diversified new government, which has been embraced by investors.

The Davos team, comprising high-powered government officials and private sector executives, will showcase the progress that has been made in the past year through vital collaboration with business that actively sought to address challenges in the economy and roadblocks to investment.

These efforts have been carried out under the umbrella of Operation Vulindlela, a joint initiative of the Presidency and National Treasury to accelerate the implementation of structural reforms and support economic recovery in key sectors.

This has been a game-changer for the country. The energy sector, for example, has unlocked more than \$20bn in investments. The second phase of Operation Vulindlela, which kicks off in 2025, has even bigger ambitions.

"This collaboration has already, and will continue to, foster innovative solutions to critical issues such as energy security, infrastructure deficits, and job creation and it has helped us to mobilise substantial investments in different sectors," explains Ntombela. "By fostering trust, building alliances, and inspiring collaborative innovation, South Africa is committed to shaping an intelligent age defined by inclusive prosperity, resilience, and sustainable progress."

### Investor confidence

For the upcoming Forum, Brand South Africa, the government's official marketing agency, has partnered with a range of stakeholders in the private sector.

These include mining companies Exxaro, Anglo American and African Rainbow Minerals, global brewer AB InBev, insurance giant Old Mutual, global technology group Naspers, the Development Bank of Southern Africa, banking group ABSA and other large corporations active in the country.

Investor confidence has been boosted by the successful implementation of a Government of National Unity put in place after the national elections in 2024. This multiparty governance arrangement has boosted investor confidence, strengthened

### South Africa's unity government holds firm

**South Africa's Government of National Unity, formed after national elections in 2024, has boosted the economy and focused positive attention on the country, even amidst concerns about whether the diversity of its members would enable it to stay the course, writes Dianna Games.**

In a groundbreaking development ten parties from across the political spectrum came together to chart a new path for South Africa in response to the message from voters that a more diversified and broad-based government was needed to tackle the country's economic, social and political challenges.

The former majority ruling party, the ANC, was joined in government by the former official opposition, the Democratic Alliance, as well as the Patriotic Alliance, Inkatha Freedom Party, Good Party, Pan Africanist Congress of Azania, Freedom Front Plus, United Democratic Movement, Al Jama-ah and RISE Mzansi.

In an expanded government of 32 cabinet ministers and 43 deputies, several key ministries such as Home Affairs, Public Works and Basic Education went to GNU parties. Others assumed influential positions as deputy ministers and chairs of powerful parliamentary committees.

The majority of the 400 seats in the National Assembly are held by GNU members, with the ANC holding just over 40% of seats, followed by the DA. Eight of the 18 parties in the new South African government are not members of the unity government, including the third and fourth largest parties – uMkhonto weSizwe (MK) and the Economic Freedom Fighters (EFF).

Although there were concerns about how a disparate group of parties with different views on many issues would get along in the GNU, investors responded positively to what was regarded as a business-friendly coalition government led from the front by President Cyril Ramaphosa.

A number of significant new investments were announced in mining, aviation and industry within a few months of the GNU assuming power and the currency strengthened on the back of the announcement of the new government.

The coalition has withstood many tensions, including disagreements among ministers and others over legislation and policy, but the centre has held so far at the national level and compromises have been reached on some difficult issues within a broad evolving social compact.

the currency, lowered borrowing costs and cooled inflation.

S&P Global's revision of South Africa's credit rating outlook to positive during the past year reflects the growing optimism in the country's reform trajectory.

### Gains to celebrate

There are many gains to be showcased at the 2025 Forum, including the achievement of a reliable power supply after several years of grappling with a serious electricity crisis. A balanced fiscal outlook has created fertile ground for business and consumer growth.

Structural reforms are finally paying off, including in improving the logistics infrastructure and performance.

South Africa is leading the advancement of Africa's green mining value-chain and developing connectivity with the continent to drive economic growth and development on the back of the African Continental Free Trade Area.

In 2025, the priority for Brand South Africa, the government's official marketing agency, is to showcase how the country is actively shaping a collaborative, people-centred agenda for the technological era by leveraging innovation, fostering inclusive economic growth, and decisively leading climate action, says Ntombela.

"As Africa's most industrialised economy and a leader in multilateral institutions, South Africa is committed to unlocking the continent's potential, driving regional integration, and contributing to global solutions for growth, sustainability, and resilience."

### A nation determined to rise

Looking forward, South Africa is on a drive to demonstrate the sheer grit of a nation determined to rise.

"While private and public investment faced hurdles in 2024, we're turning the tide with more targeted efforts, particularly in energy and infrastructure. The country expects 4.2% average growth in gross fixed capital formation over the medium term. Our trade balance is also evolving, supported by favourable terms and disciplined import/export strategies."

South Africa also aims to increase its reach and relevance in terms of foreign policy as it vigorously pursues multilateralism and focuses on building unity, inclusive economic development and shared prosperity for the African continent and its people.

"South Africa is determined to use every means at its disposal, including our participation in global fora, to advance the African Union's Agenda 2063 and to consolidate regional integration," Ntombela concludes. ■





*Inspiring new ways*

Brand SA is pleased to present **“The Impact of Media Stereotypes on Africa’s Financial Health”** panel, taking place on the sidelines of World Economic Forum (WEF) Annual Meeting 2025. This insightful discussion will examine the tangible effects of media stereotypes on Africa, exploring the intricate links between media bias, investor perceptions, and financial flows. The panel will shed light on the broader economic repercussions and discuss the significant opportunity that hosting the G20 presents for Africa.

**“Africa could be losing up to \$4.2 billion annually in interest payments on its loans primarily due to stereotypical narratives that dominate global media coverage of the continent.”**

## The Panelists



**Yinka Adegoke**  
Editor,  
Semafor Africa



**Moky Makura**  
Executive Director,  
Africa No Filter



**Thoko Modise**  
General Manager of  
Communication,  
BrandSA



**Wendy Tlou**  
Chief Communications &  
Reputation Officer,  
Old Mutual



**Gina Din**  
Strategic communications  
and public relations  
specialist

**Location: South Africa House,  
62 Promenade, Davos**

**Date: 20 January 2024 | Time: 16:00 CET**

South Africa is leading the charge to drive the critical minerals boom out of Africa while building global and local value chains to support local development and its own green energy transition, writes **Dianna Games**.

# South Africa's bold green energy ambitions

**T**he country is awash with minerals that are vital to the global technology boom and renewable energy transition under way in developed economies and other regions. South Africa is the world's leading producer of platinum-group metals, accounting for about 70% of global platinum production and 40% of palladium: both are used for catalytic converters, hydrogen fuel cells, electronics and others.

It also has 70% of the world's reserves of chrome, used in stainless steel and chemical production and found mostly in its Bushveld Igneous Complex. The country is also one of the largest manganese producers globally, with about 40% of global reserves.

Other minerals include vanadium and nickel, both used in battery technology and energy storage, for example. Lithium and coltan, a source of niobium and tantalum, have recently been found.

Critical minerals are driving growth in a sector that has suffered many challenges in recent years. In August 2024, Stats SA said that despite global complexities, South Africa's mining production had risen by 0.3% c, driven by manganese, which surged by

16%, and chromium, which increased by nearly 25%.

But to realise greater benefits from its minerals, South Africa, along with other African countries, needs to deepen beneficiation efforts.

The benefits are clear. President Cyril Ramaphosa has told investors that strategically implementing value addition projects and capacity could increase the continent's GDP by 12% or more by 2050 and create millions of jobs.

Africa is home to sizeable reserves of the world's critical energy transition minerals: 55% of cobalt, 47.65% of manganese, 21.6% of natural graphite, 5.9% of copper, 5.6% of nickel, 1% of lithium, and 0.6% of iron ore globally, according to the UN Conference on Trade and Development (UNCTAD).

Still, a cohesive approach will be needed to dominate the critical minerals value chain, where China has a head start. With this in mind, significant projects are being initiated to overcome the high cost of energy, infrastructure limitations and to bring in

**Below: President Cyril Ramaphosa tours Anglo American Mogalakwena PGM mine**

clearer policy consistency. Significant skills and technology upgrades will be needed to close the gap, but it is happening.

With South Africa a leading car manufacturing hub in Africa, the production of electrical vehicles alongside a battery value chain may open even more doors to build on the country's natural wealth and comparative advantage.

## Moving away from age-old patterns

Despite the opportunity, most of Africa's minerals are exported as raw materials, replicating age-old trade patterns between Africa and other regions.

The government has recognised that progress needs to be underpinned by strong policies. South Africa has recognised this and is working on a strategic framework to develop its critical minerals sector and ensure it has impact on development efforts and its energy diversification, in particular.

The rich minerals base supports the country's Just Energy Transition Plan, which aims to reduce South Africa's dependence on coal by developing its already successful renewable energy industry.

The country is well advanced in developing a green hydrogen industry, guided by its Hydrogen Society Roadmap, which sets clear targets to reach by 2050. The plan to produce and export green hydrogen is catalysed by the country's extensive platinum group metals reserves.

The Green Hydrogen National Programme has attracted projects with a value of more than \$45bn, about 20% of which are at the bankable feasibility stage. The plan assumes that global hydrogen usage will more than double by 2030 and increase six-fold by 2050.

The private sector is actively working with government in developing the industry as mining companies and other seek to decarbonise their operations and work towards establishing Hydrogen Valley, a project that aims to develop an integrated ecosystem of green hydrogen hubs around the country. ■



“My message is simple,” Dean Macpherson, South Africa’s newly-appointed minister of public works and infrastructure, Tweeted shortly after his appointment to the cabinet in July. “I want to turn our country into a massive construction site that drives growth which creates jobs. We want to see building cranes in every town and city.”

While Macpherson’s enthusiasm for a nation resembling an enormous Lego set might not be to everyone’s tastes, there is little doubt that South Africa is poised to indulge the minister’s construction fetish.

From transport and logistics to ICT and water, the country has for decades put up with infrastructure that fails to match the

aspirations – and often the basic needs – of its people.

While great strides were initially made in the post-apartheid era in addressing racial imbalances via ambitious construction projects, progress has slowed in recent years as economic growth stalled and political crises chipped away at the delivery record of successive ANC administrations.

The gross value added of the construction sector declined from R150bn (\$8.5bn) in 2017 to just over R110bn (\$6.2bn) in 2023, due to what government agency Infrastructure South Africa said was “external shocks as well as internal challenges in the country” including “policy uncertainties, governance challenges and structural challenges

within the industry”. The construction industry, worth 4% of GDP in 2016, was worth just 2.6% in 2023.

Even before the unveiling of the coalition government – and the arrival of the Democratic Alliance’s Macpherson – investors say there was an acknowledgement that things had to change.

“Government has recently turned to the private sector to help with the pressing issues related to infrastructure,” an ESG expert at a South African infrastructure fund told African Business prior to the election.

“Most infrastructure in South Africa is very old and has been degrading over the years – government is realising they can’t possibly solve these problems by

The new infrastructure minister wants to turn the country into a building site and private investors say they are ready to step up, reports **David Thomas**.

# South Africa ready to unleash infrastructure boom



## Special Report – South Africa at Davos

themselves and so now are coming up with policies that are making it attractive for investors to come in. Asset owners are starting to realise that infrastructure is a good class to invest in.”

### Turning the page

The funding needs are immense. According to a World Bank study in January, South Africa needs to spend between R4.8 trillion and R6.2 trillion (\$272bn to \$352bn) on transport, water & sanitation, basic education, and technical and vocational education and training between the years 2022 and 2030 to achieve the UN Sustainable Development Goals. The figures for the infrastructure spending are equivalent to

spending between 8.7% and 11.2% of GDP per year on average.

To its credit, the previous ANC-only administration had already commenced efforts to make a dent in the figures.

In March, the government and Infrastructure South Africa launched the Construction Book 24/25, a showcase of infrastructure projects from the government and state-owned companies during the fiscal year. The document promises “great opportunities” for private sector players through 153 projects with a total capital expenditure of R158.54bn.

The projects cover everything from sustainable water supply for remote Limpopo communities, to expanding the arrivals

and departures areas of the airport in the affluent coastal town of George. Investors say the book is an open invitation from government to get involved.

“They (government) have come out and said they need the private sector because they can’t do it themselves. When you have a lot of these pressing matters it creates an environment between the government and private sector,” says an infrastructure transaction lawyer at an asset manager.

“In the last 18 months it’s just an accumulation of the urgency, the need and requirement to deploy capital in the South African market,” he says.

Such forward-thinking infrastructure planning, he says, gives pension funds and



Construction crew in Pretoria.

institutional investors the long-term horizons they need to invest.

**Transport and water see biggest needs**

Nowhere is the need for fresh capital more pressing than in transport infrastructure. Road projects amounting to R60.4bn account for 123 of the Construction Book's 153 projects, while rail (2 projects, R10.1bn), ports (3 projects, R9.82bn) and airports (4 projects, R7.8bn) also have substantial investment needs. Transnet, the largely mismanaged state-owned entity which runs the freight rail network and manages the nation's ports, has long been written off as unequal to the task of running an efficient nationwide logistics network.

According to the World Bank's January report, while there are certain areas of the transport system that operate well, "others are in severe decline or outright collapse".

The weakest performance is on access, both in rural and urban areas. According to 2020-21 data, only 57.5% of the rural population lives within 2 kilometres of an all-weather road. Less than 10% of the unpaved rural roads are in good or very good condition.

In urban areas, transit systems are similarly neglected and are "not at the level of mass rapid transport," according to the Bank, given the "poor interconnection of rail, bus rapid transits and minibus taxis". A minimum spending scenario to improve matters would cost R1000bn between 2022-30, or around 1.68% of GDP.

"132 projects in transport includes port, roads, airports and logistics – there's huge impetus on trying to solve transport issues," says the transaction lawyer, arguing that improvements would be felt well beyond the country's borders.

"South Africa is very key to the rest of the continent as a gateway to many countries inland... prioritising that sector is key to the continent," adds the ESG expert.

Water is similarly in need of investment – R1125bn, or 1.97% of GDP, needs to be spent between 2022 and 2030 to meet the World Bank's minimum spending scenario, which would provide universal access to the basic service level and would allow for investments in alternative technologies and conservation measures. Maintaining and upgrading existing water systems, rather than building new ones, must be the priority, the Bank says.

"Water is obviously a big one given water scarcity in parts of the country, including Johannesburg," says the ESG professional.

"There's lots of projects like the Lesotho Highlands which has been important for Gauteng. The opportunities are there."

The Highlands project, which has first-phase origins dating back to the late 1990s, involves the construction of an intricate network of tunnels and dams to divert

water from the mountains of Lesotho to South Africa.

In August 2023 the New Development Bank, commonly known as the BRICS Bank, loaned state-owned Trans-Caledon Tunnel Authority R3.2bn for Phase II of the Highlands project, which will be used to construct a dam and reservoir, a 38-kilometre-long water transfer tunnel, roads and bridges, and other infrastructure. Three other schemes highlighted by the Construction Book envisage more substantial private sector involvement.



**The role of the state**

Indeed, one of the key concerns infrastructure investors still have with major projects is discomfort over the role of the state and its often-dysfunctional entities. The Construction Book projects mostly envisage close cooperation with either the government or its SOEs – partners which private sector investors would sometimes prefer not to have to deal with.

"I don't think we're going to see full exit from the government on some of these assets, we're going to see a partnership with private players," says the transaction lawyer.

"There has to be an element of balancing government initiatives with private debt and that gives comfort, especially from our perspective, that these are state-owned companies, but the operational way they do it has to be balanced with the private sector. That's where the need is. We're not going to see Transnet being privatised, but we'll see unbundling like at Eskom, we'll see a lot of those things happening. But I don't think full privatisation is going to happen."

As a result, some of the areas that may prove most attractive to investors include those with a historically light government imprint. Investors say renewable energy – which was long neglected by the government and Eskom, its defective power utility, in favour of fossil fuels – offers a huge opportunity for private investors. Recent government legislation has made it much easier for private sector players to generate and sell their own power, reducing the national reliance on Eskom, which has a recent history of repeated power cuts.

Energy infrastructure investment has ticked up from R30bn in 2021 to around R38bn last year, according to Infrastructure SA, while the Renewable Energy Independent Power Producer Procurement Programme has galvanised private sector involvement in solar, wind and other renewables.

"The South African government has made a commitment to have about 49% of its energy generated from renewables by 2030. Obviously that's a hard commitment given load shedding, but as part of the Construction Book you can clearly see it's a priority area for the government with independent power producer (IPP) structures put in place for the renewable sector. It's an opportunity for investors and a priority for the government," says the ESG expert.

Similarly, digital technology is a sector in which infrastructure players might find a relatively open field for their operations.

"From an economic infrastructure perspective we've seen a lot of traffic in information communications technology, particularly around digitalisation and fibre rollouts," says a fund principle at another major investment firm.

"You're seeing a lot of traffic around fibre being deployed in peri-urban or township areas. We're also having a lot of conversations around data centres. With the arrival of AI there's a mad rush to support that kind of network demand, so a lot of financing propositions are coming to us."

**Making an impact**

As well as providing returns to shareholders, such projects can have a substantial social impact, claims a private equity professional at a firm active in the South African market.

"We see economic infrastructure as a catalyst, not only from an economic but a development perspective. Generally when capital goes to developing or building roads or airports, the social benefits are increased jobs, increased economic activities, and SMEs [small and medium enterprises] benefit from contracting. We look at economic infrastructure from a commercial perspective but also around the social and economic benefits that capital can have in those areas."

Such positivity is welcome to the new infrastructure minister and his schemes of erecting cranes across the nation. Visiting Infrastructure South Africa in Johannesburg, Dean Macpherson reiterated that his coalition government is ready for a new era and insisted he would be the industry's "biggest political champion".

"I really want infrastructure to become the pride and place of economic growth in South Africa... we cannot grow an economy without an infrastructure boom in this country." ■

South African National Roads Agency (SANRAL) contractors resurfacing the Sarnia Road Bridge in eThekweni municipality.

Opposite: Filling a municipal tank truck with water in Hammanskraal, South Africa.

**'I really want infrastructure to become the pride and place of economic growth in South Africa... we cannot grow an economy without an infrastructure boom'**



A stable environment at home and opportunities in other African regions are providing a solid backdrop for South African financial institutions, writes **Harry Clynych**.

# South Africa's banks post growth as economic climate improves



**S**outh African banks have posted strong revenue growth in 2024, as an improving macroeconomic climate and a stabilising political environment bolster the outlook for the country's banking giants. In the first half of the year Standard Bank reported headline earnings of 22bn rand (\$1.2bn) – a 4% rise compared to the same period the year before – and a return on equity of 18.5%. In the same period, Old Mutual's pre-tax profit rose by over 10% to 9.22bn rand (\$504m), while Capitec saw headline earnings growth of 36% to 6.4bn rand (\$350m).

Absa, and Nedbank also saw similarly strong revenue growth. Combined, South Africa's major banks saw a total headline earnings growth of 2.5% in the first half of 2024 compared to 2023 – despite South Africa's macroeconomic picture being complicated in the period owing to a fraught election campaign and considerable levels of political volatility.

What explains this strong performance across the board? Higher interest rates in South Africa and globally are part of the picture. With interest rates starting 2024 at 8.25% and still standing at 7.75% – compared to pandemic levels of around 3.5% – this has boosted the net interest income banks South African receive on their issues loans.

### South African firms expand across continent

Part of the growth is also coming from the fact that many major South African financial institutions are increasingly investing abroad in other African markets.

Furthermore, international banks with their headquarters in the UK or Europe, such as HSBC, Standard Chartered and BNP Paribas, are increasingly divesting from Africa in order to focus on their core operations and markets. This is opening the door for Africa's most prominent financial institutions – many of which are South African – to fill the gap that has been left by their departure.

Of course, pan-African expansion is not without its risks. While many African markets are seeing high levels of revenue growth in local currency terms, the ongoing strength of the US dollar and massive depreciation of African currencies has posed difficulties for international banks operating on the continent.

However, the upside is also considerable. For Standard Bank, 41% of the group's headline earnings now come from their franchises in its "Africa regions", with particularly strong growth from countries such as Angola, Ghana, Kenya, Mozambique, and Nigeria. Partly because of their pan-African expansion, Standard Bank's active client base grew by 5% in the first half of the year.

Other South African banks are now similarly seeking to enhance their presence

across Africa. Nedbank is aiming to reduce its dependence on South Africa by expanding into new African markets. The bank recently set the target of increasing the profit share from other African countries from the current level of 9.2% to almost 40% within the next decade.

### Making strides in fintech

Another reason for their strong performance is that South African banks have also been quick to embrace the potential offered by digitalisation. A recent report from PwC noted that "the migration of customers to digital banking platforms and channels... has moved from theme to certainty."

"South Africa's major banks have consistently grown their number of digitally active clients every reporting period since the second half of 2019 to approximately 20m," the report said. The move to digital has allowed South African banks not only to expand their client bases, but also to enhance and personalise the customer experience while making cost-cutting savings, boosting profitability.

These digitalisation trends have also contributed to the growth of South Africa's fintech industry, which has become another important player in the country's finance scene. In 2023, the country was home to 140 fintech start-ups – around 20% of the African total. South Africa's traditional financial institutions have often moved to support the growth of the country's new fintechs, recognising the growth potential of the fintech industry.

For example in March 2024 Standard Bank announced that it would be providing a 200m rand (\$11m) "growth facility" to the Johannesburg-based fintech Float, which offers "buy now pay later" services – allowing consumers to make purchases on credit cards and split their payments over 24 interest-free and fee-free monthly payments. The facility will allow Float to facilitate the mass rollout of its platform and accelerate its growth plans over the next four years.

Announcing the move, Standard Bank said, "Float aligns with Standard Bank's strategy of driving sustainable growth and supporting fintech businesses which promote financial inclusion and digital transformation across Africa... assisting innovative, high-growth businesses is a key component in achieving sustainable growth across the African technology, media, and telecom landscape."

The potential of South Africa's fintechs is perhaps best evidenced by some major investments that have taken place. In December the South African digital bank Tyme Group became Africa's latest unicorn, securing a \$250m investment from Brazilian firm Nubank in a Series D round valuing the company at \$1.5bn.

TymeBank already has 10m users in

South Africa and specialises in providing financial services to lower-income and financially excluded individuals. This approach has seen the digital bank secure strong growth even prior to the Nubank cash injection: its net operating income tripled year-on-year in 2024, despite its operational costs going up by 10%.

More growth is likely to be in store for TymeBank and other South African fintechs: consultancy Birguld has predicted that the number of South Africans using neobanks will total 19.5m by 2027, driven by continued and rising demand for mobile banking, and a focus on reaching underserved communities through digital solutions.

### Coalition government stability a boon

The outlook appears to be positive for South Africa and its banking sector. The establishment of a stable coalition government after a historic election in May has reassured investors and business, particularly given the government has embarked on an ambitious programme of structural reform in key areas such as energy and logistics.

Lingering challenges in, for example, the country's ports and railway network have hindered growth; but the new coalition government has made resolving these challenges a defining priority. South Africa's government of national unity (GNU) has also committed to boosting job creation, slashing public debt, and investing in infrastructure.

The Bureau for Economic Research at Stellenbosch University has predicted that these reforms will see South Africa achieve a stronger growth rate of 2.2% in 2025. With inflation on the way down, the South African rand stabilising and strengthening against the US dollar, and interest rates predicted to come down further, South Africa's growth prospects are looking bright. Similar trends are expected across the region in the key markets in which South African banks operate.

The global credit ratings agency S&P recently lifted the outlook for South African debt from "stable" to "positive", saying that the upgrade "reflects our view that increased political stability following the May general elections and impetus for reform could boost private investment and GDP growth". While South Africa's rating remains at BB-, below investment grade, a possible credit ratings upgrade would make it cheaper for the government to borrow from capital markets to fund its infrastructure plans.

South Africa's banks have proved their resilience in challenging macroeconomic circumstances, with ambitious expansion and digitalisation plans driving up their revenues and profitability. As economic pressures ease and, it is hoped, higher levels of growth return, South African banks are well poised to continue on this promising trajectory. ■

Old Mutual has made significant strides in strengthening its diversified offerings, from launching OM Bank to driving sustainable asset management and fostering innovation across Africa.

# Old Mutual Strengthens Offerings Across Africa

**Q: Old Mutual as a group is strengthening and diversifying its offering, be it in insurance, asset management and (digital) banking. Can you tell us a little about the Group's activities in the past year and where you see opportunities.**

**A:** A significant milestone for us this year was achieving Section 17 approval in April 2024, marking a key step in launching OM Bank. We successfully completed industry testing, integrating the bank into the National Payment System, which included a groundbreaking simultaneous testing process with four payment clearing houses—an industry first. With these technical capabilities validated, we are now focused on fulfilling the remaining regulatory conditions and establishing governance structures to prepare for the bank's formal launch by the end of 2025. This bank build is a cornerstone of our integrated financial services strategy, enabling us to better serve our customers across a broad range of financial needs.

**Q: What are some of the challenges and headwinds you have had to overcome?**

**A:** One of our biggest challenges has been the delay in securing regulatory approval, which has extended the timeline for launching the bank. Despite this, we remain focused on meeting the remaining requirements and are making steady progress toward public launch by the end of 2025.

**Q: The asset management business is interesting, and you are managing climate-related funds on the continent as well as working with multilateral institutions to manage their funds. How is the asset management business performing and how do you see it changing over the next few years?**

**A:** The asset management industry is closely linked to global investment markets, which have shown steady recovery over the past 12 to 18 months as central banks eased interest rates in response to declining inflation, particularly in developed markets.

As one of Africa's largest asset man-



**Above: Zureida Ebrahim, Chief Operating Officer; below: Iain Williamson, Chief Executive Officer.**

agers, Old Mutual remains dedicated to driving sustainable outcomes through its investment mandates. Our commitment is underscored by our role as signatories to the Net Zero Asset Managers Initiative and the Net Zero Asset Owners Alliance. Given South Africa's carbon-intensive listed market, supporting a just transition to decarbonising the economy is central to our responsible investment strategy.

**Q: You have a special interest in tech and innovation. How do you see developments transforming your industry, and in which areas do you see it having the biggest impact?**

**A:** Financial services companies need to be vigilant about the future, but also embrace new technologies and put them to the test. Now is the time to think big, implementing the changes that will have the most impact, benefitting the greatest number of stakeholders. While the scope of innovation can feel overwhelming, this is an exciting time to lead change, particularly with in Africa, the world's largest trading bloc.

We are passionate about the role we play in future-proofing Africa by getting behind "tech for good". By



partnering with innovative businesses that provide tangible solutions, we aim to address critical challenges like healthcare, education, and job creation. Harnessing the power of collaboration, we work with the right tech players to create meaningful impacts on the lives and livelihoods of Africa's people.

Exponential thinking is key—businesses and customers who fail to adapt to emerging technologies risk being left behind. As a future-focused financial partner, we leverage technology to enhance financial literacy and wellness across the continent.

**Q: Your Africa business outside of South Africa has been performing strongly in the past few years, showing some positive growth. What are the main areas of growth and opportunities you see?**

**A:** Old Mutual's strong presence across 11 countries in West, East, and Southern Africa reflects our commitment to driving financial inclusion and delivering tailored solutions to meet local needs. Strategic partnerships like our bancassurance collaborations with KCB Group in Kenya and Ecobank in Ghana have expanded access to financial products for underserved communities, serving over 30,000 customers in Kenya alone.

Our innovative digital solutions, such as the Phuka mobile savings wallet in Malawi and the O'mari mobile wallet in Zimbabwe, have also driven meaningful impact. These initiatives encourage a culture of saving and provide practical financial tools for everyday needs, collectively attracting over 1.5 million customers within their first year.

These initiatives reflect Old Mutual's commitment to delivering accessible, innovative financial solutions tailored to the unique needs of African markets. We continue to identify opportunities to expand our reach and contribute meaningfully to the continent's growth and prosperity. ■

South Africa is balancing its trade and investment interests in a dynamic global environment as it courts the Global South and its longstanding developed nation trading partners to get the best deal for the country, writes **Dianna Games**.

# Navigating trade priorities in a complex world

**N**ew Trade, Industry and Competition Minister Parks Tau took over the role in mid-2024 after South Africa's election and has had his work cut out for him as the country manages a complex set of international relationships and priorities.

Under BRICS+, South Africa hopes to leverage advantage for trade and investment with the original members of the bloc as well as its new members. China has been South Africa's leading trade partner for more than a decade – although the relationship is unbalanced, with mostly raw materials going out and manufactured goods coming in.

Tau has also spent time in his new portfolio ensuring that relations with the US run smoothly, highlighting the country's non-aligned position in global politics. This effort has gained momentum as the deadline for the renewal of the African Growth and Opportunity Act (AGOA) looms in 2025.

Since 2000 AGOA has provided duty-free access to the US market for the exports of eligible sub-Saharan African countries.

South Africa, the continent's most diversified economy, is a major beneficiary and is focused on ensuring the initiative is renewed and that ties with the new administration are strengthened.

## African agenda

The country is also focused on its African agenda, with the success of the African Continental Free Trade Area (AfCFTA) being at the centre of its policy agenda.

South Africa, says Tau, will use its international relationships, including its 2025 chairmanship of the G20, to drive a positive trade agenda not just for the Global South but specifically for Africa. The country is the only African state on the G20; the African Union now holds a seat too.

South Africa is not just balancing its international trade strategy but also its domestic and export-driven agendas. It is already trading under the AfCFTA, but hopes to increase the share of trade under the agreement, particularly given that it is the biggest African exporter of finished goods.

About a quarter of South Africa's total exports currently go to other African countries, particularly those in Southern Africa, which accounts for 90% of its exports.

South Africa's exports to Africa consisted of 64.3% manufactured products in 2022, in comparison to 43.9% of its global exports.

The country began trading under the AfCFTA in January 2024 under the Guided Trade Initiative, a pilot under the agree-

ment that seeks to test the operational, institutional, legal and trade policy environment by qualifying countries as the programme gains speed.

## High-growth sectors

Industrial policy is at the centre of South Africa's economic development strategy, says Tau, and the country is realigning its strategy to focus on high-growth sectors that promise significant returns: "these include the green economy, smart agriculture and agro-processing, automotives, iron and steel, organic chemicals, and the digital economy," Tau says. Policy will also continue to focus on local content as a means of building skills and demand for targeted manufactured products.

"By focusing on these sectors, we aim to stimulate growth, create jobs and position SA as a global leader in these industries," Tau says.

The government is working with the private sector to address serious infrastructure and logistics challenges as it gears up to increase exports.

"Our commitment," Tau says, "is to make SA a welcoming, dynamic hub for international investment, with a focus on modernising our workforce to meet the demands of the 21st century." ■

**Below: New Trade, Industry and Competition Minister Parks Tau.**



By bringing together unusual partners, Innovation City helps to spark exciting ideas, co-founder Kiemo Kammies tells David Thomas.

# Cape Town tech hub brings corporates and innovators together

**A**mid the bars and restaurants of Cape Town's vibey Kloof Street, a converted warehouse plays host to one of the city's most exciting business spots. Set over three brightly-lit, garishly-decorated floors, Innovation City Cape Town is an invitation-only community of startups, corporates, entrepreneurs and investors. A mix of closed- and open-plan offices, social areas and beanbag-cushioned presentation theatres, the workspace is

designed to spark unique and surprising collaborations and erode the traditional barriers between the startup community and the titans of corporate South Africa.

Co-founder Kiemo Kammies, a Cape-tonian businessman and well-known local radio personality, says the concept is designed to trigger unusual partnerships, unexpected meetings, new ways of thinking – and introductions to venture capital (VC) funders. “Over a two to three-year period I think we’ve built a brand that’s

quite well entrenched in the innovation sector. We’ve had Harvard visiting us, MIT rocked up to see what we’re doing – the first [hub] on the continent where we have corporations all the way through to VCs in the space.”

From telecoms group MTN to financial giant Old Mutual and retailer Shoprite, some of the country's biggest businesses have used Innovation City to forge new partnerships. “That is where the magic lies – taking people that offer great value



but who need to collaborate in order to accelerate the work they are doing and connect them with other people – connecting smaller businesses and scale-ups with access to markets. Connecting corporates to diversified partnerships which are nimble and enable them to work faster.”

A mixed picture for tech funding

South Africa's tech sector is one of the most vibrant on the continent and Cape Town sits at its heart. The city's lifestyle advantages have persuaded around 60% of the country's startup community to set up shop in the Cape.

The national picture is encouraging. In 2023, 60 South African startups raised funding of \$512m, an increase of around 55.4% on the previous year, according to Disrupt Africa's *African Tech Startups Funding Report*. The funding accounted for 14.8% of Africa's total for the year.

“One of the most mature ecosystems on the continent, South Africa has had a good year characterised by more later-stage activity than before, resulting in its biggest pot of funding yet despite the broader economic troubles at play,” the report says.

Fintech was the most popular sector, contributing 12 startups to the list; e-health came second with eight funded ventures; followed by the ed-tech space with five. The agri-tech, artificial intelligence and internet of things, and energy sectors each pitched in with four startups.

South Africa's encouraging performance took place against a tough global backdrop – total African tech startup funding was \$2.4bn in 2023, significantly less than the \$3.3bn registered in 2022.

“I've no doubt globally, because everything is so disjointed and everyone is knocking on every door, that this liquidity crisis is affecting a lot of people,” says Kammies.

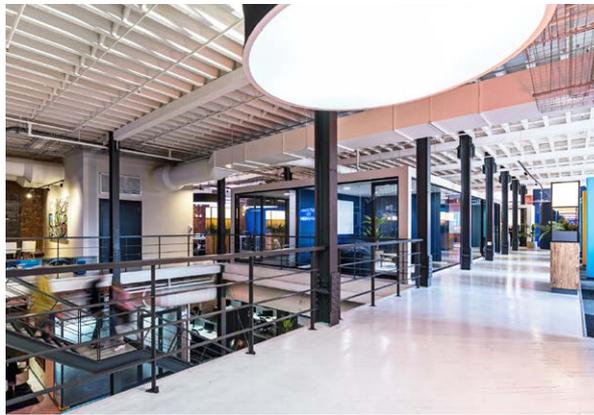
“We've seen businesses struggling to get to their second round of funding, because some of what these VCs are looking for is a little bit more stringent, and they're a bit more risk averse sometimes.

“But if you look at this hub, the VCs we have, there's the Norskenn22 impact fund for Africa, a \$208m fund; we've got Launch Africa VC. You've got companies like E4E Africa, which is a Dutch-South Africa VC, we've got a lot of funds here, like Endeavour, we've had great partnerships with Knife Capital.”

### Corporates seek startup spark

Bringing the nimble startup community into close contact with the deep-pocketed corporates that have long dominated South Africa's business scene could be one way to insulate them from global funding shortfalls. Kammies says Innovation City attracts corporates who have an “innovation mindset” and “don't want to do everything

**‘Over a two to three-year period I think we've built a brand that's quite well entrenched in the innovation sector. We've had Harvard visiting us, MIT rocked up to see what we're doing’**



**Above: Offices at Innovation City in Cape Town.**

**Opposite: Kieno Kammies speaking at the annual IDCEE gathering for internet entrepreneurs, VCs and angel investors in Central and Eastern Europe.**

internally”.

“The challenge with a lot of these corporates is when you sit inside the walls you are in an echo chamber. But when you take your growth and innovation teams outside the corporate and put them in a space with other creatives and innovators working in businesses that are complementary to what they want to achieve, that's where the magic happens.”

Some of South Africa's largest corporates have experimented with incubating in-house “startups” in a bid to harness the energy and ideas of the innovation scene, and some of these teams have made their way to Innovation City.

“We initially got hold of Iain Williamson, the CEO of Old Mutual Group... before we knew it Old Mutual's Next176 [which builds, invests in and partners with startups and corporates] became one of our first tenants. We also knew people at MTN, Ayoba. Now we had two multi-listed companies

in the building.”

MTN's Ayoba, a free instant-messaging “superapp”, joined Innovation City as a tenant in 2022. ShopriteX, the supermarket retailer's digital innovation hub, is a non-tenant member and hosts events and talks at the hub.

### Digital nomad visas encouraged

If attracting the support of corporate South Africa has been a major goal, so has gaining the support of government. Kammies says that the hub is fortunate to be based in the Western Cape – “by far the most business-friendly province around” – but he says the regional government could do more to adopt an innovative mindset itself. “I said to the premier [of the Western Cape, Alan Winde] – if you take your innovation people, and spend time in spaces like this, it could feed a lot of your decision-making.”

The national government – rarely spoken of in good terms by businesses in the Western Cape – also stepped up with valuable assistance, Kammies says.

“People knock it all time, but when we needed a resource to unlock challenges with visas and ID, they gave us a resource... There are people we know who understand what we do and our needs and value and will work with us, and there are other departments that won't even answer the phone.”

A key objective for the startup community is to convince the government to introduce “digital nomad visas” which would allow startup entrepreneurs from around the world to live and work in South Africa with a minimum of red tape. Kammies says the government is making encouraging strides towards enabling the visas.

“It's an ongoing process: there are good people that want to get this over the line, but there is some pushback from the media. I don't see it as an existential threat to any creative or anyone. As a matter of fact, if we can bring some of those skills in our country and make relationships where they can pass those skills on to South Africans, man it's a win-win.”

Such mobility will also help South Africa's tech firms to better integrate with the rest of the continent and the world beyond, Kammies believes.

“It's not about South Africa as number one, Kenya two, Nigeria three – it's about how do we work collectively as Africans to accelerate skills development on the continent. How do we become part of a digital citizenry globally where we build and export our solutions to Europe? We've got lots of challenges, but those represent opportunities which if acted upon will see us leapfrogging the world when it comes to payments, healthcare, education.” ■

## JEREMY AWORI, CEO OF ECOBANK TRANSNATIONAL INCORPORATED

Ecobank's recent Eurobond launch was heavily oversubscribed. A day before it, CEO Jeremy Awori discussed the bank's future with Omar Ben Yedder.

# Ecobank's \$400m fundraising offers platform for growth, says CEO

**O**n the eve of its 40th birthday, Ecobank Transnational Incorporated (ETI), the banking group with the largest presence in West and Central Africa, finds itself playing in a very different environment from when it first opened its doors to customers in Lomé, Togo, back in 1985. The banking sector, overrun by technology and catering to a very different type of customer, requires something very different from its service providers. And that's before the global and public upheavals of the last decade, which have tested financial institutions as much as any other economic players.

Despite this challenging environment, the bank's recent bond issue was well oversubscribed, indicating that the markets consider the bank to be a healthy proposition. "We went to the market looking for \$350m," CEO Jeremy Awori says of the bond issue, the first from the bank since 2021. Even though there were some doubts about the timing, Awori says the bank was sure about its prospects. "We felt confident and we were clear about our strategy and the story we had to tell. Our backs were not against the wall so we were comfortable with the transaction."

In the end, the markets returned an enthusiastic vote of confidence, offering \$900m, from which the bank took \$400m at 10.125% with a due date of 15 October 2029. Awori says the bank was happy with the rates.

"We had a Eurobond a few years ago and the spreads over SOFR [secured overnight financing rate, a broad measure of the cost of borrowing cash] for this were almost 100 points less, which I think is positive because at the end of the day,

it's really about your spread over SOFR... I think the general message that came out of the roadshow was that they like the strategy. They see the opportunities for us and also, assessing the management – right from me to the chief financial officer and the governance, risk and compliance officer – gave them confidence," he says.

## Growth opportunities

Given the current unpredictable environment, it's understandable why Awori would take pride in the fundraising. In the wake of the pandemic, the supply chain shocks and the wars in Ukraine and the Middle East, capital fled from emerging markets to safer berths in the developed world, especially as central banks in those markets hiked rates to tame runaway inflation. In Africa, debt distress, currency shocks and pockets of instability reinforced negative perceptions about the continent and its economic prospects.

With inflation easing and rates returning to pre-2021 levels, investment instruments in frontier markets may get another look-in. Attracting capital, as ever, will depend on having the right strategy with assurances of growth. Awori argues that Ecobank is in that position. The bank's focus, he says, is to maximise returns by deploying capital strategically, with an approach centred on growth, returns and transformation. And while capital was traditionally parked in one area to generate consistent returns, the market – and Ecobank along with it – now favours a more dynamic and flexible strategy where capital is reallocated between businesses to capitalise on opportunities that promise stronger returns.

"It's showing in our results. When we look at our return on tangible equity, it's almost 33%, which I think is a very strong performance by any stretch of

**I'M EXCITED  
WE'RE GETTING  
MORE CUSTOMERS  
ON BOARD AND  
DOING MORE  
BUSINESS WITH  
THEM'**



## JEREMY AWORI, CEO OF ECOBANK TRANSNATIONAL INCORPORATED

the imagination. We're seeing growth even in difficult times," he asserts.

As part of its strategy for growth, Awori says the bank is also moving into new areas, particularly in the consumer and small and medium enterprise (SME) sectors, where it currently has a smaller market share and sees potential.

"We've still got big opportunities in the corporate investment banking segment, whether it's cash management, payments, trade finance, syndications, advisory or treasury services," he confirms. However, with a changing consumer base that will become more and more dominated by young and digitally savvy people who want their service providers to adjust to and work around their lifestyle choices, Ecobank could do worse than meet them where they are.

"We've got young customers and they want to be able to bank on the go. They need card products and they need savings products. They need investment products and credit products such as mortgages and unsecured loans. And some of them are entrepreneurs," he points out.

A cornerstone of this approach is the bank's central IT system. Customers of the bank, in effect, can get the same service they would get at their local branch at any of the over 1,600 other branches spread across 35 African countries.

"Increasingly, we're seeing our customers moving around. For a lot of banks, what happens is that when you move from one country to the other, there's no connectivity; they only know you as a customer. We, on the other hand, have the capacity to have staff serve you irrespective of where your original branch is," he says.

The bank is also confident that growth can come from its payments business, where it is once again leveraging its vast IT systems and the advantage of its reach.

"We can do real-time payments today on our network from people's phones. You can send money from [Kenyan] shillings to [Zambian] kwacha or kwacha to [Ghanaian] cedi if you need it. And that's a unique capability" of the bank's systems, Awori explains.

And the bet on growth is paying off, he says. "We're putting capital in there and we are optimising the returns from it. We're driving our fee income, not just interest income, up. I'm excited we're getting more customers on board and doing more business with those customers. That's where it counts. You want to be chosen by your customers as the banking partner of choice."

In November 2024, ETI signed an agreement with Nium, operators of one of the leading global systems for real-time cross-border payments.

Under the deal, ETI will integrate Nium's real-time payments infrastructure into its own operations, enabling it to offer faster and more efficient international payment services to its customers. The bank said this will result in reduced waiting times and seamless access to payments in over 220 markets, including more than 100 countries. For Nium, partnering with Ecobank means plugging into and playing in 35 new markets in one fell swoop.

### Technology focus

Ecobank had also, in June 2023, become one of the first banks to sign on to the Pan African Payment and Settlement System, a collaboration between the African Export-Import Bank and the African Continental Free Trade Area to facilitate cross-border payments across the continent as a fillip to intra-African trade. Awori says these agreements are evidence of how seriously the bank takes digital payments.

"As Ecobank, we want to be one of the leading payments players on the continent," he declares.

The focus on technology is an indication of the future that Awori envisages for the banking sector and how he intends to steer the bank into it. It is a future in which technology is integral to the delivery of financial services, not just as a tool, but even for determining the nature of the services themselves.

"Customer service and the customer experience is going to be a big differentiator. Understanding your customers is going to be paramount because everyone can offer you an app or a card.

"The question is, does it work the way you want when you want it to work? Does it serve your needs at that particular point in time?"

That means using data and analytics to better understand the customer and even predicting their needs, thus offering a much more intuitive service. The pace of change, he adds, is only going to get quicker. "It is astounding how quickly businesses are evolving and you really see the acceleration. You can see a company grow substantially and also just disappear equally as quickly... The rate of change that you would see happen in eight years is now happening in four months. So now the question is as a leader, whereas [previously] you had years to learn, change is happening in months. So leading and dealing with change is a completely new ball game."

Another way that Awori sees banking changing is in the nature of competition that players will have to contend with. Whereas banks have for much of their existence had to compete with other banks and financial institutions, the explosion in financial technologies means that plucky startups can take food from off the table of well-established institutions. The result, Awori thinks, will be highly specialised providers catering to different ends of the market. "There could be players who are just focused around delivering bancassurance [selling insurance to bank customers]. You might find that telcos are specifically focusing on mobile wallets. There will be firms that are going to deal with credit to just SMEs. When you look at each of these verticals, you don't just have the regular banks, but you have specific players doing specific things," he predicts.

For banks, this will be a call to arms as they find ways to remain relevant and protect their bottom lines. Awori believes that there is more than enough room for banks to keep playing. "We have to look at where we can do partnerships," he suggests, pointing to big-ticket deals as one of the areas where banks can maintain an edge if they work together.

"There are lots of opportunities to syndicate with other players especially when you're talking about really big projects, because no one bank may be able to do a deal running into billions of dollars."

In climate finance, sustainability and agriculture, Awori thinks there will be points of opportunity where banks can work together.

**UNDERSTANDING YOUR CUSTOMERS IS GOING TO BE PARAMOUNT BECAUSE EVERYONE CAN OFFER YOU AN APP OR A CARD. THE QUESTION IS, DOES IT WORK THE WAY YOU WANT WHEN YOU WANT IT TO WORK?**



### Economic headwinds

Of course, the best laid plans can be waylaid by exogenous variables and in the current climate there could be more than a few. Across the continent, fiscal fragility and policy uncertainty remain worries in some areas.

Awori says Ecobank's diverse footprint means that it can retain its commitment even in the face of some of these challenges. "We are a long-term player and we don't pull out if things get hard. We're quite strategically focused around the places we want to play and on how we go about that."

Overseas, the incoming Trump administration in the US hints at a brutal trade war with China that may upend global trade, with African markets sure to feel the pinch. Should that or other events keep interest rates high, Awori says Ecobank will work to keep rates as low as possible.

"We'll have to come up with the right partnerships and risk-sharing to keep services affordable. Contrary to what people may think, we're not trying to just price as high as we can."

Key to this is keeping costs down, which Awori says is also something that the bank is focused on.

"In my view, we must always focus on being more efficient. There are a lot of frictional costs across the board that we can take out, freeing up money that can be invested in new business growth opportunities, and not just [going] straight to profit."

Here again, technology is an ally, enabling banks to do much more with fewer resources.

"We're in a time now where technology allows us to do radically different things in terms of analytic capabilities, models and engines and that is going to probably, over the course of the next five to ten years, drastically change the nature of work done in a bank. Commoditised work will be automated, while value addition work will be done by people."

Awori can be confident in his forecasts because he already has some wins on the scoreboard.

"I'll give you an example. When I came in, we had 15 or 16 businesses where the return on equity was higher than the cost of equity. Today, that number is now 26 going to 27. And that's the reality of a returns-focused business."

### Mission to transform

Ultimately, the mission is to transform the bank, not only through process changes but a continuous improvement in its work culture.

"It is about transforming the way we do things. So you can see transformation around the brand, around the customer experience and rethinking customer journeys to make them simpler."

The bank has set up transformation offices to keep the effort on track and ensure its execution. But it may yet come down to the people who man the effort. "By 2030, we're going to have far more younger employees in the workforce. Their ways of working, what motivates them, how to keep them engaged, has to adapt. If you keep with the old ways of working, you'll never keep the best people," he observes.

In an environment where some of the biggest names in global business are competing for local talent, Ecobank's ability to attract the best may well define its future. ■

## ADMASSU TADESSE

Recent shifts in debt restructuring practice are harming the classical trade finance asset class and African multilateral development banks (MDBs), says Admassu Tadesse, group president and managing director of the Trade and Development Bank Group. MDBs act as a near-last-resort trade financier, in an under-served continental marketplace characterised by extensive market failures. Speaking at the Africa Investment Forum, Tadesse expressed growing concern over the evolving and unexpected challenges being faced by specialised trade financiers and international insurers covering Africa. Operating in a region already marked by economic volatility and in a challenging global context, these banks have been navigating turbulent conditions exacerbated by debt distress situations and debt restructurings across the continent.

While some of these creditors have responsibly deferred payments in the face of climate and Covid shocks and accommodated debtors, at times with concessional re-pricing, new restructurings have not taken such measures into account, penalising

responsible African financial institutions that have simply issued classical short-term letters of credit, which conventionally are not generally subject to debt restructuring.

During a panel discussion at the Africa Investment Forum in Rabat in December, Tadesse drew attention to what he sees as unfair treatment of trade finance as an asset class. “Investors and insurers enter agreements with a clear understanding of the associated risks and the agreed norms in the asset class,” he remarked in an interview with *African Business* on the sidelines of the event. “But then, amid various shocks and debt restructurings, trade finance is now hastily and imprudently included [in debt restructuring] – contrary to existing conventions.” Changing the rules mid-stream compromises the stability and predictability that investors and insurers, and not just trade financiers, treasure.

**International banks retreat from Africa**

The risk is even more profound, he points out, at a time when several international banks are retreating from the continent. African MDBs have stepped

Admassu Tadesse, the group president and managing director of the Trade and Development Bank Group, tells **Omar Ben Yedder** that he is disappointed with the destabilising effects of recent debt restructurings, urging a return to consistency and predictability for proper trade financing in Africa.

‘African leaders must recognise the limitations of international capital and support the growth of local financial institutions’

## GROUP PRESIDENT &amp; MANAGING DIRECTOR OF THE TRADE &amp; DEVELOPMENT BANK GROUP



**BEING ABLE TO  
INSPIRE  
CONFIDENCE WILL  
BE EVEN MORE  
CRUCIAL FOR THE  
CONTINENT**

up to fill the growing vacuum, and effectively act as market-makers and lenders of last resort. Weakening these critical institutions could have adverse consequences. “It just sends all the wrong signals. And crowding in and scaling up is going to become just a meaningless phrase because people are going to say that the African economic environment is indeed very unpredictable, with some emerging global institutional practices exacerbating this problematic [of financing]. There really needs to be consistency and predictability, as well as sensitivity to mega shocks and debt unsustainability,” he emphasises.

The confidence of lenders – African and international – has been shaken, Tadesse contends. “If an African multilateral financial institution cannot be dealt with fairly, how would others expect to be treated? If a sovereign is brought to treat its own multilateral in a damaging way, how are others to perceive that counterpart? If you can do this to your own African multilateral, how does one expect a private financier to think? What would happen to a private bank that doesn’t have any multilateral capital or treaty arrangements that give more confidence?”

And it’s not just trade finance institutions that are rattled by the change in the rules of the game. “We have insurers, co-funding partners and many different entities that come in as a result of a relation based on trust and predictability. And then before you know it, influential actors in the ecosystem choose to label an asset class like trade finance wrongly, and to redefine it wrongly.”

In the wake of the pandemic, lending institutions, including trade finance institutions, have had to cut borrowers some slack, allowing them time to recover. Tadesse believes this may have led to the mislabelling, although it doesn’t make its impact any easier. It would mean higher borrowing costs and greater reluctance to service African institutions. “Costs will go up; access will come down,” he sums up.

“Some sovereigns need to be clearer about their commitments to the asset class in the debt restructuring space,” Tadesse says. “Other sovereigns have continued to service all of their trade finance loans, despite defaulting on other debts such as bonds. There have been tough debt restructurings, but trade finance has been respected as per the convention in several cases.” This, he says, will give future financiers confidence in their transactions with such counterparts, knowing that even in tough times, trade finance will be excluded from debt restructuring.

### **To inspire confidence**

Being able to inspire confidence will be even more crucial for the continent as it seeks to encourage more pan-African and emerging market banks, as well as local development finance institutions (DFIs), to plug the gaps being left by some international commercial banks. However, Tadesse welcomes the increased presence in Africa of a few global banks such as JP Morgan, which has just set up in Kenya; but, as Tadesse points out, the story is a bit more complex. He recounts asking a senior executive at JP Morgan about its decision to come to Africa. He was pleased to hear them recognise the long-term business imperative to be in Africa, but dismayed to hear of the continued unease with the high [international] regulatory costs and disincentives of doing

## ADMASU TADESSE

international banking in Africa. That's why so many non-African banks are reluctant to serve the African market, despite its expanded size and vast potential. For non-African banks, there are other market options and there isn't enough commitment to the future, and not enough appetite to invest in managing regulatory risk drawn up by the international financial regulatory environment.

The gap between the rhetoric and the reality is something that Tadesse has clearly given a lot of thought to. "It was a nice moment, but you have to wonder, if Africa is the future emerging market, why have several international commercial banks with historic operations in Africa left, or curtailed their coverage? This is where the world is not always coherent," he muses. Similarly, he points out, it is not uncommon to hear a chorus of sentiment at conferences to invest more in Africa – only to see the opposite manifest when everyone goes back home. "The rhetoric continues to be frothy but the commitment and real engagement continues to be sparse," he observes.

Tadesse's view is that the times call for larger domestic banks to branch out across the continent. "African banks will become more pan-African, to different degrees." He points to Moroccan banks, which are expanding across the west African region, and South African banks expanding across various regions. Further examples can be seen in Nigeria and Kenya, with their larger commercial banks expanding across the sub-region and beyond. There's also Ecobank, which was uniquely built as a regional commercial bank and is present across most of Sub-Saharan Africa.

This cross-border expansion will be a necessary complement to the domestic growth of banking, and indeed a boost for Africa's intra-regional trade and investment. "All of this will fit in very nicely with our vision of a more integrated Africa and an African economy. The African economic community will be progressing further."

But as with other transformation processes underway on the continent, the pace is slow. "They provide great services. Banks have grown very well over the years and are still scaling up. In the bigger scheme of things, the expanded capacity is not enough, especially where longer term financing is concerned," he says of the continent's commercial banks.

For their part, Tadesse says the continent's larger DFIs have answered the call for more service but are also constrained. "We've stepped up and we've responded to the gaps, the market failures and the institutional failures. We've done our part, but again, it's nowhere near enough." For Tadesse, it all comes down to diversified economic growth. "I think the imperative is to get economic growth back up to the more robust levels of 6% to 7% with stronger diversification and value-addition. This is a continent coming out of the lost decades of the 80s and 90s. The first couple of decades of the new millennium went well but we are now struggling to cross the 4% level," he reflects.

**ACCORDING TO TADESSE, TDB IS LEANING INTO THE CLIMATE AGENDA, SUPPORTING RENEWABLE ENERGY PROJECTS OF VARIOUS SIZES, FROM LARGER INITIATIVES TO SMALLER, IMPACTFUL EFFORTS SUCH AS MINI-HYDRO**

**The need for growth**

With the continent's population growing at the rate that it is, the continent's output would need to grow consistently at 6% to 7% to be able to adequately address issues such as unemployment, absolute poverty and migration, he argues. "The closest thing you'll get to a single silver bullet to make a difference is to get robust levels of long-term economic growth. We must boost productivity and create much more economic opportunity," Tadesse emphasises, adding: "we are a growth continent, but we're way below our potential and the levels required for socio-economic transformation."

To supercharge growth, Tadesse recommends that African countries re-focus, and fix what is within their control. While he acknowledges the need for reforms to the international financial architecture, which has become a great animating topic for leaders in the Global South, Tadesse believes addressing administrative and institutional barriers to growth is as urgent. "Let's get our micro- and meso-factors in order, as well as some of the macros within our control," he urges, naming Morocco, Rwanda and Mauritius, where TDB Group is headquartered, as examples of some countries getting it right.

This is not at all to suggest that the international community has a small role and no responsibility. "Preserving global stability and making it easier for institutional investors and banks to invest and deploy finance in Africa would be enormously helpful. We need global regulations to be predictable and constructive, and not exacerbate adverse perceptions. The last thing we need is more systemic shocks in a landscape that has just come out of so many global ones. We need terra firma right now, not more obstacles, disincentives and regulatory shocks," he emphasises.

The Bank itself, Tadesse highlights, has its house in order. Its shareholders have been very supportive and its operations are well run. "We've done our part to also make sure we're very professional and responsible, remaining fit-for-purpose while managing the experiences of our investors and doing everything we can to make it a positive experience." TDB has also found favour with institutional investors such as pension funds and sovereign wealth funds. "They've put their stake in TDB in a way that nobody imagined could happen 10 or 15 years ago. It's a very good story."

**Those extraneous variables**

It is the extraneous variables that are a cause for concern. The global environment is far from settled and, indeed, may be on the brink of some further shifts as political conditions evolve in 2025. Investors could get spooked and fear the continent. "Risk is on and off. You have appetite one day and the next day you don't. Something goes wrong somewhere and everybody rapidly withdraws and leaves gaps," he says. African leaders must recognise the limitations of international capital and support the growth of local financial institutions, Tadesse suggests. "We need to get our savings rates up. We need to deal with the massive illicit flows that exit Africa that leave us struggling with big gaps."

One of TDB's successes has been its trade finance fund, which Tadesse describes as a classic case of scaling up. Built in partnership with the Arab Bank for Economic Development in Africa (BADEA), the fund now has over 30 shareholders, just four years into its

## GROUP PRESIDENT &amp; MANAGING DIRECTOR OF THE TRADE &amp; DEVELOPMENT BANK GROUP



Admassu Tadesse (R) with Akinwumi Adesina, President of the African Development Bank, at the COP27 conference at Sharm el-Sheikh in 2022.

existence. “This is a great example of African MDBs anchoring initiatives and crowding in the private sector,” Tadesse explains. “It’s a beautiful story of good returns, managed risks, and strong support for developmental trade finance flows.” Building on this success, the group is scaling up, attracting more partners and developing additional special purpose vehicles to expand similar efforts.

### Success stories

Another success story in the making is the Trade and Development Fund, a concessional and grant-making window within TDB Group. Tadesse says TDF, which among other things provides tailored facilities and services to small and medium enterprises (SMEs) and disadvantaged groups, which often cannot access or easily afford conventional financial instruments, is gaining momentum. “These groups need more consideration and accommodation, and we’re doing that,” Tadesse emphasises. The fund focuses on softer funding – which need not be backed by hard collateral – and on guarantees and grants, while crowding in other partners to extend these efforts.

According to Tadesse, TDB is leaning more aggressively into the climate agenda, supporting renewable energy projects of various sizes, from larger initiatives to smaller, impactful efforts such as mini-hydro, off-grid generation and mini-grids as well as clean energy access involving new technologies and business models. These ventures are backed by specialised funding that bridges the gap between commercial and non-commercial approaches, enabling innovative business models and green technologies to gain traction. The Group is also taking on greater risk to support early-stage businesses adopting cutting-edge technologies and experimenting with new approaches. “Everything starts small in this world, and it’s encouraging to see these smaller outfits gain momentum with our backing,” Tadesse says.

On the back of these investments and expansions into new markets in the region, as well as stronger partnerships with other MDBs, including the World Bank Group, which he says is working more proactively and innovatively on the continent, Tadesse sees TDB showing strong levels of growth in the coming years. “You don’t want to be too aggressive in an environment where there’s still a bit of re-norming going on, but I think in the next few years ahead, we expect to get back to robust annual asset growth of 10% or so.”

That is assuming, he clarifies, “that there are no more major shocks that come our way that unduly constrain us.”

Looking ahead to 2025 and beyond, Tadesse finds many grounds for optimism. “We’re building out and implementing various initiatives that we have embarked upon, and we see more traction coming our way in 2025,” he predicts. Key areas of focus include hybrid capital and continued capital-raising efforts from qualified institutional investors and new funding partners. “It’s about building lending capacity so that we can respond and do what needs to be done.” He is, however, conscious of the risks. “There are several unknowns,” he admits. “We’ll likely need to take stock halfway through 2025 to understand how new developments are shaping the operating environment.” ■

Under the theme ‘Leading in 2025: from regional consolidation to driving the Global Africa agenda’, the Africa Collective Davos Week collaboration is a complimentary platform to advance African economic and investment topics during this key week for the world's annual policy agenda.

## Leading in 2025: from regional consolidation to driving the Global Africa agenda

The global stage in 2025 will be defined by shifting power dynamics, economic uncertainty and heightened multipolarity; trends that are likely to intensify fragmentation. For Africa, the combination of high debts, low growth and soaring borrowing costs underscores the urgency of fostering self-sufficiency, building productive capacity, and pursuing reforms in the global financial system.

Against this backdrop, Africa finds itself uniquely positioned to leverage decades of strategic regional consolidation to assert its leadership on the global stage. This moment offers the continent a rare chance to transition from a participant in international dialogue to a principal architect of global economic and geopolitical frameworks.

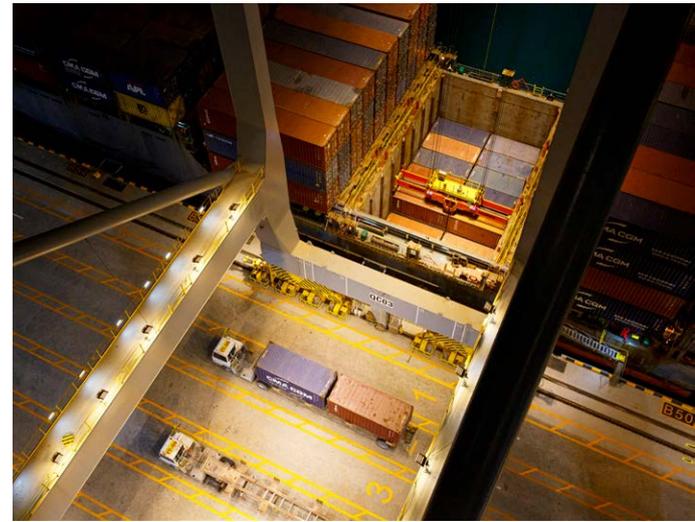
The African Continental Free Trade Area (AfCFTA) Secretariat, the African Export-Import Bank (Afreximbank) and Africa Collective have embarked on a partnership to organise the Africa Collective Davos Week on the margins of the World Economic Forum 2025, to advance African economic and investment topics there.

Above: the partners seek to reduce barriers to trade and to increase access to vaccines.

### Setting the scene: Africa's historic leadership in 2025

The year 2025 marks a watershed moment for African governance and global leadership. African representation expanded in the BRICS bloc with new members including Egypt and Ethiopia. South Africa assumed the presidency of the G20. With the African Union (AU) now holding a permanent seat in this critical global forum, the opportunity is ripe for African actors to play a central role in the B20 (the business coalition on the sidelines of the G20), amplifying the continent's strategic priorities in global economic discussions. While these milestones represent landmark opportunities for Africa to shape international policy frameworks, from global financial architecture to climate action, regional consolidation efforts are laying further groundwork for this global influence.

Through Agenda 2063, the AU has provided a long-term vision for transforming Africa into a prosperous, united, and influential continent and a major partner in global affairs. Various pan-African institutions are



working towards driving transformative initiatives that consolidate regional efforts and position the continent as a formidable global player.

Africa's leadership in 2025 is underpinned and exemplified by the work of key pan-African institutions such as Afreximbank, the AfCFTA Secretariat and others through platforms for policies, initiatives, projects and events. By launching transformative projects and initiatives, these pan-African institutions are building resilience and driving economic growth.

### Efforts facilitating intra-African trade

There are several examples of pan-African institutions driving intra-African trade which are bridging policy and financing. It is worthwhile highlighting a number of these initiatives that are changing the way in which African countries are trading with each other.

The Guided Trade Initiative (GTI) was launched in October 2022 to initiate commercially meaningful trade under the AfCFTA. By April 2023 it had demonstrated practical results by facilitating trade across eight pilot countries, and by the end of October 2024 the number of participating countries had grown to

38 of the 54 state parties to the AfCFTA. Launched by Afreximbank, the \$10bn AfCFTA Adjustment Fund assists countries in implementing agreed protocols and transitioning smoothly to the liberalised and integrated trading environment of the AfCFTA, equipping African businesses to adapt for meaningful engagement in the new trade framework and addressing infrastructure gaps as well as supply chain challenges.

The Pan-African Payment and Settlement System (PAPSS) is a groundbreaking collaboration between the AU, Afreximbank, and the AfCFTA Secretariat. PAPSS is essential for enhancing economic integration across Africa by enabling faster and more cost-effective transactions between countries, supporting the AfCFTA's goals and creating opportunities for businesses to grow across borders.

Event platforms also play an important role in bolstering intra-African trade. Through its annual Business Forum, Biashara Afrika, the AfCFTA Secretariat provides a platform for the African public and private sectors, multinationals, and key stakeholders



**AVAT SECURED MILLIONS OF VACCINE DOSES, DEMONSTRATING EFFECTIVE PARTNERSHIPS IN MOBILISING AND POOLING RESOURCES AND IMPLEMENTING EFFECTIVE SOLUTIONS AT SCALE**

to engage in robust discussions around the intra-continental trade landscape. At the same time, the Intra-African Trade Fair, hosted by Afreximbank, connects businesses across the continent and stimulates investment. During the week-long fair, more than 2,000 exhibitors, including firms from the African continent and globally, showcase their goods and services to visitors and buyers while exploring opportunities and exchanging information. These activities are projected to translate into over \$44bn in trade and investment deals.

### **Collaborating on infrastructure and industrialisation**

Afreximbank's industrial parks project points to its commitment to fostering local productivity and driving industrialisation on the continent. In partnership with Industrial Platforms (ARISE IIP), a pan-African developer and operator of industrial ecosystems, and the Republic of Malawi, the Bank initiated the construction of the Magwero Industrial Park in Lilongwe, an integrated industrial park set to accelerate the country's industrialisation.

The Bank has also recently entered into an agreement with Arise IIP and Rieter AG to facilitate the implementation of the Africa Textile Renaissance Plan. By creating hubs for manufacturing and value-added production, these parks reduce dependency on raw material exports and bolster Africa's role in global supply chains.

### **Public health**

The African Vaccine Acquisition Trust (AVAT) remains a powerful example of coordination between pan-African institutions and the private sector, showcasing Africa's collective response to public health challenges such as vaccine inequity. Established during the Covid-19 pandemic and spearheaded by the African Union, Africa Centres for Disease Control and Prevention (Africa CDC), and Afreximbank, and in collaboration with other public and private partners, AVAT secured millions of vaccine doses for the continent, demonstrating effective partnerships in mobilising and pooling resources and implementing effective solutions at scale.

These collaborative efforts collectively strengthen the continent's economic resilience, empower small and medium enterprises (SMEs), and create a conducive environment for private sector growth.

### **Seizing the global opportunity**

Africa's strategic leadership position on the global stage presents a remarkable opportunity to ensure that the continent's voice not only resonates in, but actively shapes, international discourse. Realising this potential and making the most of growing influence in 2025 and beyond will require even greater coordination and collaboration between states, governance bodies and the public and private sectors.

This moment offers a consolidated Africa the chance to foster strategic partnerships with global players and bring African solutions into global systems. It also allows the continent to lead on critical global issues such as climate change, energy transition and global health. With vast renewable energy potential, Africa is uniquely positioned to contribute to the worldwide shift towards sustainability.

While the opportunities are immense, the continent must address certain hurdles to take advantage of its rising prominence on the global stage. These include further aligning regional and national policies to create a seamless environment for trade and investment, prioritising transport, energy and digital infrastructure to support industrialisation and connectivity, and equipping Africa's predominantly youthful workforce with the skills needed to thrive in a global economy.

Africa stands at a pivotal moment of global recalibration, poised to redefine its role from a continent of potential to a driver of international economic and political discourse. While much is yet to be achieved, it is clear that the continent is no longer waiting for opportunities – it is creating them. ■

*From 20 to 24 January 2025, visit the dedicated Africa Collective networking area in the lobby of the Hard Rock Hotel, Davos.*

*For more information visit: [www.africacollective.com/davos2025](http://www.africacollective.com/davos2025)*

## Afreximbank

Global Africa is more than just a motto. It's about connecting the continent with its diaspora, but also ensuring Africa earns its rightful place in terms of global trade, investment and growth. Afreximbank, which will be hosting a number of important conversations at this year's World Economic Forum, aims to do just that by creating an ecosystem that will develop industries on the continent for greater intra-African trade and greater trade with the rest of the world. **Kwame Appiah** reports.

# Taking Africa to the world

**T**he African Export-Import Bank (Afreximbank), first established in 1993 as a trade facilitation institution for African countries, has been expanding its mandate over the years and is now an integral part of the continent's development agenda, working closely with the African Union (AU), other Africa-focussed development finance institutions and the private sector to stimulate growth across several sectors of the continental economy. With a balance sheet in excess of \$36bn, having grown fourfold in less than 10 years, the bank has built the capacity to match its intentions, resulting in its growing impact and influence in the region.

Opposite: Benedict Oramah at the AfriCaribbean Trade and Investment Forum in Nassau.

In line with its original mandate, the bank has been one of the key drivers of the African Continental Free Trade Area (AfCFTA), the initiative to create a single, borderless market across the continent's 54 countries. According to projections by the World Bank, the AfCFTA has the potential to lift 50 million people out of poverty, boost overall incomes by 8%, expand intra-African exports by as much as 109% and enhance international exports by 32% by 2035.

Afreximbank has launched several initiatives to support the AfCFTA (see page 63).

In 2023 the bank deployed 189 financial investments across the continent, totalling \$18.1bn. These investments facilitated an increase of approximately



\$8.9bn in intra-African trade, accounting for 4.7% of total intra-African trade and supported \$1.9bn in Africa's total manufactured exports, representing 1.5% of the continent's manufactured exports. This financial support also contributed to the creation of an additional 145,129 direct jobs across various sectors in Africa.

Afreximbank has been actively involved in funding projects that drive industrialisation and infrastructure development. In 2024, the bank's development impact investment arm, the Fund for Export Development in Africa, made a strategic investment of \$300m in ARISE Integrated Industrial Platforms. This investment is part of a \$443m capital raise, with an additional \$143m contributed by the Africa Finance Corporation. The funding aims to develop industrial ecosystems that enhance value addition and export-oriented industrialisation across Africa. "We believe that we need to create the supply chains that will make Africa the next manufacturing hub," Professor Benedict Okey Oramah, president and chairman of the bank's board of governors told CNN in an interview.

The bank's support for industrialisation and increased intra-African trade derives from its mission to boost self-sufficiency on the continent, especially under its current leadership. Oramah argues that locally producing the \$50bn of light manufactures that Africa imports annually would reduce external deficits, create millions of jobs and a dynamic circular economy. It is also the reason that the bank is backing the joint effort by Zambia and the Democratic Republic of Congo to produce battery precursors for electric vehicles, instead of exporting the critical minerals from the two countries to other parts of the world. The idea is to give not just Zambia and the DRC, but the continent, a larger stake in a market that is expected to hit \$620bn by 2030 and \$63 trillion by 2050.

The bank has also made some interventions in social infrastructure, such as its partnership with King's College Hospital, London, to establish the African Medical Centre of Excellence in Abuja, Nigeria. This quaternary-level, multi-specialty medical institution is designed to address the continent's critical need for advanced healthcare infrastructure, making high-quality healthcare services available to both low- and high-income patient groups across Africa.

Oramah has said that the facility is a response to a dire need on the continent: it "was born out of the urgent need to address the inadequacies in healthcare facilities, particularly in dealing with non-communicable diseases..."

"With only 48% of Africa's population having access to essential healthcare services, the situation demanded immediate attention," he said at a health forum organised under the auspices of the hospital in Abuja in February.

Perhaps the bank's most significant interventions have come in moments of crisis, especially in the last decade. In response to the commodity crisis of

**“ The African Medical Centre of Excellence was born out of the urgent need to address the inadequacies in healthcare facilities, particularly in dealing with non-communicable diseases**

2015–2016, Afreximbank introduced the Countercyclical Trade Liquidity Facility (COTRALF), an emergency intervention product. Through this initiative, the bank disbursed approximately \$10bn to African central and commercial banks, helping beneficiary countries manage and adapt to the commodity price shocks in an orderly manner.

During the pandemic, Afreximbank was instrumental in the procurement of vaccines for African nations, working closely with the African Union's Africa Vaccine Acquisition Task Team.

The bank provided a \$2bn financing framework to enable African countries to purchase vaccines, allowing the continent to secure approximately 400 million doses of the Johnson & Johnson vaccine for distribution in Africa and the Caribbean.

The bank also launched the \$8bn Pandemic Trade Impact Mitigation Facility to assist African economies in managing the financial shocks caused by the Covid-19 pandemic. The facility helped stabilise



## Afreximbank

economies, maintain essential imports, and support the private sector, enabling the continuity of critical sectors and staving off the potential collapse of some African economies.

Again, when the war in Ukraine exacerbated food insecurity in Africa by disrupting grain supplies from two of the continent's major trading partners Afreximbank launched the Ukraine Crisis Adjustment Trade Financing Programme for Africa in response. The \$4bn facility was designed to provide financing to African countries for the procurement of grain, fertiliser, and other essential commodities that had become scarce due to the crisis. The initiative allowed African countries to maintain critical supply chains, averting a deeper food security crisis.

The bank has been able to make these and other interventions due to the phenomenal growth in its own capacity. According to its results for the third quarter of 2024 it remains in a solid financial position. Net interest income for the nine months grew by 22% year-on-year to reach \$1.3bn, compared to \$1bn in the same period in 2023. Interest income increased by 25% to \$2.2bn, driven by higher interest earnings and effective cost management.

The Group's total on-balance-sheet assets and contingent liabilities closed at \$36.3bn, a marginal decline from \$37.3bn at the end of 2023. Shareholders' funds increased by 7.96% to \$6.6 billion, driven by retained profits and fresh equity contributions.

The bank's continued strength is fuelling its growing ambitions, such as a push to reach and coordinate the capacities of Africans in the diaspora. As part of this reach for "Global Africa," the bank recently opened the Afreximbank Africa Diaspora Center in collaboration with the Africa Center in New York. In the same vein, it has opened an office in Bridgetown, Barbados to serve member states of the Caribbean Community, 12 of which have joined the bank and will have access to a \$1.5bn fund that the bank has made available to its new Caribbean members.

Oraham believes that the bank's foray into what the AU has described as "the sixth region" brings both economic and non-economic potential benefits. "I have always felt that when we trade with each other on the African continent, and with our brothers and sisters in the Caribbean, we are doing much more than business.

"We are, in fact, re-establishing our knowledge of each other and renewing bonds of history and solidarity which have been frayed by centuries of displacement, alienation and colonisation," he remarked at the bank's 2024 annual general meetings, which were held, significantly, in Nassau, Bahamas. ■

Below: A Ugandan doctor prepares the first injection of the Oxford AstraZeneca Covid-19 vaccine at Mulago referral hospital in Kampala.

Bottom: Maureen Mba, director of the MANSA Digital Initiative Platform.



**A \$2bn financing framework enabled African countries to purchase about 400 million doses of the Johnson & Johnson Covid-19 vaccine**

## Bringing banking solutions to the continent

The African Export-Import Bank (Afreximbank) is a major player in the financial services sector in the continent, with a network of banks and other institutions through which it executes its mandate. The bank has onboarded 513 African banks into its ecosystem, extending letter of credit confirmation lines to 214 banks across 46 member states. Under its payment services programme the Bank has enlisted a total of 174 African banks and 117 corporates, enabling more than 291 sub-clients to access payment services in 36 member states.

The bank has taken a leading role in tackling one of the continent's most persistent challenges – enhancing trust and transparency in financial transactions through innovative solutions such as the MANSA platform and the Africa Entity Identifier (AEI) code. Launched in 2020, the MANSA Digital Initiative serves as a central repository of verified information on African entities, including banks, corporations, and small and medium-sized enterprises (SMEs). It was created to address the difficulties of conducting due diligence on the continent, where reliable data is often scarce and compliance processes can be costly and complex.

With over 22,000 verified African entities currently on the platform and projections to reach over 100,000 profiles within a year, MANSA is significantly simplifying the due diligence process. Businesses seeking to trade across the continent can now access detailed information on potential partners, including their identification, ownership, business activities, anti-money laundering (AML) status, and financial statements.

"The purpose of MANSA is to address the challenges that impede trade growth in Africa, particularly where they relate to customer due diligence (CDD) and know-your-customer (KYC) matters," explains Maureen Mba, director of the MANSA Digital Initiative Platform. "Our platform helps financial institutions and other entities assess customer identities, prevent money laundering, and understand risk profiles."

In response to the need for improved liquidity among African businesses, Afreximbank has actively promoted factoring as an alternative financing mechanism. Factoring enables businesses, especially SMEs, to unlock cash tied up in receivables, ensuring steady cash flow to support operations and growth. Through its subsidiary the Afreximbank Factoring Initiative, the bank has provided capacity-building programmes and technical assistance to local financial institutions, equipping them with the skills and tools needed to offer factoring services. This initiative has also facilitated the establishment of a regulatory framework for factoring in several African countries, further fostering its adoption.



With African leaders and governments keen to promote industrialisation to replace the export of raw materials, the African Export-Import Bank (Afreximbank) has become a dependable partner for countries looking to build up local manufacturing and add value to their natural resources. **Kwame Appiah** reports.

## From extraction to value addition

**R**apid industrialisation has been at the heart of policy over the last two decades as Africa has seen its shares of global trade, and of intra-Africa trade, fall over the last four decades. Alongside policymakers and other institutional partners, the African Export-Import Bank (Afreximbank) has been trying to catalyse industrial growth through several targeted interventions.

One of the key ways in which the bank is supporting the continent's industrialisation is through the provision of enabling infrastructure, particularly special economic zones (SEZs) and industrial parks, which are known to encourage foreign direct investment and boost manufacturing capacity. The bank has ploughed more than \$900m into various such projects, including in Malawi, Côte d'Ivoire, Botswana, Kenya, and Rwanda. The Malawian projects aim to attract agro-processing, manufacturing, and other investments, focusing on both domestic and foreign companies. The zones aim to support Malawi's industrialisation and capitalise on preferential access under the African Continental Free Trade Area (AfCFTA).

Working in partnership with the United Nations Economic Commission for Africa, Afreximbank is supporting the joint SEZ between Zambia and the Democratic Republic of Congo which aims to leverage their critical minerals to produce battery precursors for electric vehicles, giving the two countries much greater value in the booming sector. In South Africa, the bank is also backing Nyanza Light Metals with a \$750m industrial complex to facilitate the beneficiation of titanium in the country. In Gabon, Afreximbank has supported the Nkok SEZ, which is focused on timber processing. It is also in collaboration with ARISE Integrated Platforms to finance, develop and operate SEZs across Africa, providing essential support such as trade finance, project preparation, and SME development.

In partnership with ARISE IIP and Rieter, Afreximbank has embarked on the Africa Textile Renaissance Plan, which aims to build 500,000 metric tons of cotton-processing capacity over the next three to five years, with the potential to expand by an additional 500,000 metric tons. The \$5bn project seeks to localise machine repair expertise, create up to 500,000 jobs, reduce textile imports and boost exports under the African Growth and Opportunity Act. Under the initiative, Rieter

plans to gradually establish a manufacturing presence in Africa, starting with a repair and maintenance facility in ARISE's industrial park in Benin, along with spare parts warehousing and machine assembly operations.

The idea behind these projects is to add value to local resources; and with Africa's tremendous capacity for food production, agro-processing is an area that many countries are looking at. The bank's Africa Cocoa Initiative, set up in collaboration with Côte d'Ivoire, Ghana, and Cameroon, three of the largest producers of cocoa, aims to increase the amount of cocoa processed on the continent.

Denys Denya, executive vice president for finance, administration and banking services at the bank, explains how the initiative has impacted the industry. "At the time, Côte d'Ivoire processed only 25% of its cocoa. We intervened by facilitating local entrepreneurs to produce intermediate products like cocoa butter and cocoa powder. By 2015, Côte d'Ivoire had overtaken the Netherlands, with about 585,000 metric tonnes of processed cocoa. We are now trying to expand this initiative to other products like cashew, cotton, and other agricultural products."

Afreximbank has also adopted a comprehensive strategy to support the growth of the continent's automotive industry, recognising its potential to build regional value chains and create high-value jobs. Under a memorandum of understanding with the African Association of Automotive Manufacturers, it has committed to providing financing across the entire value chain through various instruments such as credit lines, direct financing, project financing and equity financing. Additionally, Afreximbank will advocate for policies conducive to industry growth and promote partnerships between original equipment manufacturers and local partners.

The bank also plans to incorporate an automotive show into its Intra-African Trade Fair, providing a platform for manufacturers, assemblers, OEMs and component suppliers to showcase their products and engage with potential buyers. The strategy aligns with the implementation of the African Continental Free Trade Area, which will enhance regional supply chains, economies of scale, and investment opportunities. Afreximbank has dedicated \$1bn to support the strategy, including funding for local content development in the automotive value chain and consumer finance to boost demand. ■

Below: Denys Denya, executive vice president - finance, administration and banking services at the bank.



## Afreximbank

The creative industry has been one of Africa's brightest stars in recent years with international artists, creators and sports stars gaining global recognition. **Kwame Appiah** reports on how Afreximbank is helping transform the industry.

## Creating a multi-billion dollar creative industry

In the last four years, the African Export-Import Bank (Afreximbank) has been committing many more resources to boost the creative and sports sectors, taking the view that Africa can take a bigger slice of these multi-trillion dollar sectors and in these process create jobs and wealth on the continent. Last October, at the most recent Creative Africa Nexus Weekend (CANEX WKND), the bank's annual gathering of the continent's creative stars and businesses Professor Benedict Okey Oramah, president of the bank, announced that it would double its commitment to the creative sector with an allocation of \$2bn to bolster Africa's cultural industries.

Afreximbank's interventions have been diverse, ranging from direct investments to strategic partnerships that enhance the ecosystem, through capacity building, market access, and business growth for African creatives. They include collaborations with Nigerian author Chimamanda Ngozi Adichie to foster creative writing and the promotion of African fashion designers at global events like Tokyo and Paris Fashion Weeks, making their designs and collections available to buyers from the world's biggest department stores.

The CANEX Music Factory, which launched in Abidjan in 2022, has also proven instrumental in fostering collaborations among artists across the African diaspora, resulting in projects like the *CANEX Music Factory* album. Additionally, Afreximbank has partnered with Egyptian jeweller Azza Fahmy, who has stores in a number of countries including in Europe, the Gulf Cooperation Council (GCC) countries and the US, to train over 5,000 jewellers and craftspeople from across Africa and the diaspora via the Trace Academia online platform.

The bank is also making significant investments in sports as a catalyst for economic and social development, partnering with organisations such as the Confederation of African Football (CAF) and the Basketball Africa League (BAL) to enhance infrastructure, support talent development and promote local and regional leagues. The bank has



**Afreximbank hopes to stem the improper exploitation of African creative works and ensure that creators benefit from the full value of their work**



finalised a \$263m facility with the New World Television network to support its acquisition of global sports broadcasting rights. These include content from FIFA, UEFA, CAF, France's Ligue 1 and Spain's LaLiga, as part of Afreximbank's CANEX culture and sport financing programme. Kanayo Awani, executive

vice president, Intra-African Trade Bank at Afreximbank (pictured below) explained the bank's rationale for investing in the sector: "globally, the creative economy is valued at an astonishing \$2 trillion. [It] offers substantial revenue streams for small businesses and creates countless employment opportunities, especially for youth." With Africa's population under 25 years old accounting for a significant portion of the continent, the creative economy holds immense promise in addressing the continent's unemployment challenges. "Nearly half of young people between the ages of 15 and 30 work in the creative economy," Awani points out, emphasising the potential of sectors such as fashion, music, film production, and digital content to serve as key job creators.

Beyond its financial commitments, Afreximbank is also advocating for and working with governments to effect policy changes to support the growth of the creative sectors. To further support creators, Afreximbank is advocating for stronger intellectual property protection mechanisms, ensuring that African creatives can safeguard their work and receive fair compensation.

The bank's goal, according to Awani, is to increase Africa's share of global trade in creative and cultural products. "We are focusing on strengthening our institutions, opening avenues for market access, and supporting financial solutions tailored to the creative sector," she said. By investing in the creative value chain – including record labels, publishing companies, and intellectual property – Afreximbank hopes to stem the improper exploitation of African creative works and ensure that creators benefit from the full value of their work. It will also, it says, help foster unity and pride among Africans, while showcasing positive aspects of the continents to the outside world. ■

As global banks retreat, African banks must step up to finance trade. Afreximbank is doubling its balance sheet in under five years, tackling barriers to intra-African trade.

**Kwame Appiah** reports on their pivotal role in trade finance.

# Unlocking the constraints of trade finance

**T**rade is a key component of the original mandate of the African Export Import Bank (Afreximbank), which was set up to promote and finance intra-African and external trade by its member states. Over the years, the bank has devoted substantial resources not merely to support trade transactions, but also to create better trade conditions for, in particular, intra-African trade, which at around 15%, lags well behind other continents. According to Haytham ElMaayergi, Afreximbank's executive vice president, Global Trade Bank (pictured below), the bank plans to increase its financing of intra-African trade from \$20bn in 2021 to \$40bn by 2026.

The bank has been an important and vocal actor in forming the African Continental Free Trade Area (AfCFTA), and in support of its Secretariat. In 2023 it launched the AfCFTA Adjustment Fund, following a mandate by the African Union and AfCFTA Council of Ministers. The \$10bn fund, based in Rwanda, aims to support countries and private entities during their transition to the AfCFTA trading regime. It offers financing, technical assistance, grants, and compensation to mitigate any negative impacts from greater trade – with some countries losing out in the short term from a fall in revenues from tariffs.

The bank has also developed the Pan African Payment and Settlement System, in partnership with the AfCFTA Secretariat. The objective of PAPSS is to simplify cross-border payments and settlements across Africa and reduce dependency on hard currencies like the US dollar and the Euro, which businesses in different African countries currently use to transact amongst themselves.

By enabling transactions in local currencies, PAPSS will also significantly reduce transaction costs and boost efficiency. Afreximbank estimates that the full implementation of PAPSS could save the continent over \$5bn annually in payment transaction costs.

The bank is also supporting digital trade through its African Trade Gateway platform, which allows goods and

service providers on the continent to digitally display their wares and reach clients all over and beyond the continent, while providing facilities for due diligence and assistance on issues of governance and know-your-customer obligations. Another way in which the bank is supporting trade is through the Transit Guarantee Scheme. Transit costs in Africa are

63% higher than in developed countries, and delays cost traders an average of \$450 a day, amounting to a \$300m surcharge on trade. The bank's transit guarantee scheme, however, allows goods to move through countries without requiring bonds for each transit country. The scheme covers duties and taxes at risk during transit, with Afreximbank bearing the liability. Estimated at \$1bn, the scheme is already being implemented in partnership with the Common Market for Eastern and Southern Africa, aiming to boost trade capacity by sharing risks with existing operators.

Recognising the importance of mitigating risks in trade, Afreximbank has also introduced AfrexInsure, an insurance platform designed to provide comprehensive coverage for trade and investment risks across Africa. AfrexInsure addresses challenges such as payment defaults, political instability and operational disruptions. Another of the bank's interventions is the African Quality Assurance Centres

(AQACs), the first of which has been established in Ogun state, Nigeria. The initiative is part of a broader strategy to boost quality standards across Africa, ensuring compliance with international standards and regulations, offering services like physical and chemical testing, contaminant analysis, microbiological testing, and more. The centre also provides inspection and training services to enhance technical capacity in Nigeria and the region. Partnering with Bureau Veritas, Afreximbank aims to make the centre commercially viable and sustainable. The initiative is part of an agreement with ARISE IIP to create laboratories for testing and certification services in its business parks. Afreximbank has committed \$100m to develop more AQACs across Nigeria and other African countries. ■



**“ The bank's transit guarantee scheme allows goods to move through countries without requiring bonds for each transit country**



Africa stands at the precipice of a profound transformation. With over 60% of its population under the age of 25, the continent is uniquely positioned to leverage its youthful dynamism to shape the future of technology and innovation. Yet, beneath this vast potential lies a pressing challenge: a significant digital skills gap.

# Empowering Africa's brightest minds to lead the digital revolution

**T**he digital skills gap that Africa faces is especially significant at the highest echelons of expertise. Addressing this gap is critical, not just for Africa's tech aspirations but for global technological equity. For years, development efforts have focused on providing foundational skills to expand access to technology, which is undeniably important. However, we must now ask ourselves a pivotal question: who will lead Africa's digital revolution?

It is not enough to have users of technology; we must cultivate creators—visionaries who will architect systems, design solutions, utilise AI and spearhead innovation tailored to the continent's unique challenges. This is where A2SV | Africa to Silicon Valley steps in.

## Building the top of the pyramid

"Africa has an abundance of talent, but talent alone is not enough. Without access to world-class education and opportunities, potential remains untapped," says Emre Varol, founder and CEO of A2SV. "At A2SV, we focus on the apex of the talent pyramid. Our mission is to train and empower Africa's brightest minds to lead the digital revolution and create solutions for local challenges."

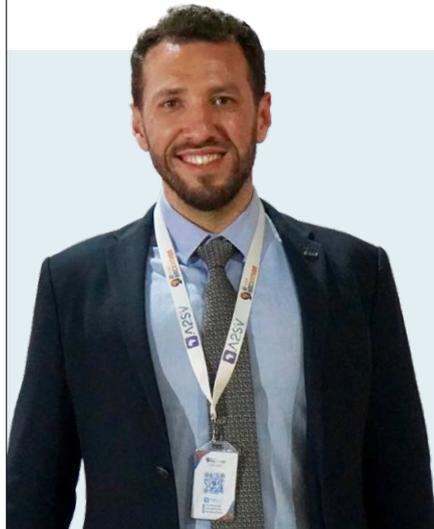
Over the past five years A2SV has demonstrated how strategic investment in top-tier talent can ripple across ecosystems. Each year, students in A2SV's rigorous two-year programme receive over 1000 hours of training, encompassing advanced software engineering, problem-solving, and real-world project development.

This is complemented by training in soft skills such as communication, planning, prioritisation, and leadership – essential skills for thriving in a competitive global tech landscape. Graduates emerge not

only as world-class engineers but also as leaders equipped to manage teams, make strategic decisions, and drive innovation.

The programme's self-sustaining structure is a key element of its success. The best-performing graduates from each generation become instructors for the next cohort, ensuring the continuous transfer of knowledge and fostering a sense of community leadership. This cyclical model allows A2SV to scale sustainably while maintaining the highest standards of education.

**'We view our graduates as change agents. They are not just building careers; they are building Africa's digital future'**



## Innovation for Africa, by Africa

The impact of bridging the top-level skills gap is immediate and transformative. A2SV doesn't just train engineers; it incubates innovation. For instance, one of its standout projects, Eskalate, connects top African developers with global opportunities. Now generating a consistent six-figure annual revenue, Eskalate provides a clear example of how African talent can meet global demands for affordable, high-quality expertise. Other projects, like Adot and Skill-Bridge, tackle challenges in healthcare and education, proving that African talent can create solutions for Africa.

"At A2SV, we view our graduates as change agents," says Varol. "They are not just building careers; they are building Africa's digital future. Every line of code they write is a step towards solving challenges that have persisted for generations."

This innovation-driven approach aligns with global conversations about the role of technology in sustainable development. As highlighted at Davos, transformative technologies are key to addressing critical issues like climate resilience, healthcare access, and education equity. Africa, with its burgeoning youth population and entrepreneurial spirit, holds the key to many of these solutions—if its talent is empowered to rise.

## Stabilising migration through opportunity

The ripple effects of A2SV's work extend beyond the tech sector. By providing meaningful, high-value opportunities locally, the programme mitigates the push factors that often lead to migration.

Talented Africans no longer need to leave their homeland to seek opportunities; instead, they can build impactful careers while contributing to the development

of their communities. "Migration doesn't always have to mean leaving Africa," says Varol. "It can mean moving from rural to urban, from untapped potential to innovation hubs. Our goal is to create a self-sustaining ecosystem where talent thrives locally, reducing brain drain and stabilising communities."

**The call to action:  
invest in Africa's future**

Despite our successes, A2SV and initiatives like it face significant challenges in securing the financial support needed to scale their impact. As the world gathers in Davos to discuss global innovation, we must recognise that Africa's problems cannot be solved from a distance.

Development partners and investors

**As long as Africa's youth face limited opportunities, they will seek better prospects elsewhere. But we can create a thriving ecosystem where talent stays and grows**

need to establish a stronger presence on the ground, working collaboratively with local talent to address challenges from within.

Stabilising migration is a key outcome of these efforts. As long as Africa's youth face limited opportunities, they will seek better prospects elsewhere. But with the right investment, we can create a thriving ecosystem where talent stays, grows, and transforms the continent.

The potential is undeniable. Africa's tech talent can drive global innovation, stabilise economies, and create solutions that resonate far beyond its borders. But this requires investment – not just in infrastructure but in people. As Varol aptly puts it, "If you want to change a continent, invest in its brightest minds." ■

*Opposite: Emre Varol, founder and CEO of A2SV.*

*Below: Talented Africans no longer need to leave their homeland to seek opportunities.*



**Zain Verjee**, AI and communications consultant

Zain Verjee, an executive fellow at the Digital Data and Design Institute at Harvard University, is co-founder of an AI and communications consultancy, and hosts the podcast series “Embedded”; she talks to Omar Ben Yedder.

# ‘People who don't use AI will be replaced with people who do’

**You've immersed yourself in AI and crypto this last year. What have you discovered? What has surprised you?**

I have tried to make learning to learn a theme this year. I have tried to immerse myself in actually participating in the use of AI technology and tools and participating in crypto. I try to learn at least one percent of something a day. And I give myself small wins and permission to get the basics and then build from there. I don't need to be a total expert in everything; but if I can cross a threshold of 30%,

then I'm in good shape. I also think that as women we tend to be intimidated in general with technology if that is not our discipline. And I'm trying to break down those barriers because if I can understand it and absorb and immerse myself in new technologies, then all other women can too.

I've learned that AI is here to stay and that people who don't use AI will be replaced with people who do. It's that simple. And in my field, communications, I do think that it has been disrupted and it continues



to be disrupted... in writing, in creativity, in content, in production, editing, creativity, film-making, producing – all of this is being disrupted very fast. And the playing field has been levelled.

I'm optimistic that innovation will make lives easier, make us smarter and enable us to do things faster. I don't have rose-tinted glasses, in the sense that I think there's a long way to go with artificial intelligence and innovation, ensuring ethics are at the core of everything and datasets that address the issues around bias are addressed. There are also legal and regulatory issues that need to be addressed.

I think what surprised me is that skills like writing, linguistics and the ability to understand as humans what empathy and emotions are, are actually more important skills than just learning to code and taking a class on machine learning. I think that these human skills are going to become absolutely critical as AI progresses.

**Are you seeing Africa embracing new technologies or is it going to be left behind, especially given the massive financial resources that are needed to “win” the AI race?**

I'm very bullish on the continent. We are not passive. We recently had a Bitcoin Africa crypto conference. We have people looking at creating stablecoins, looking at many use cases around Africa and blockchains. I've bought a lot of NFTs [non-fungible tokens, blockchain-based objects] that have been created from African talent. So no, we are very active, but we are active in pockets.

I think there is a really steep learning curve and access to knowledge and information that we need to create and make accessible when it comes to crypto in Africa. I think there are a lot of people innovating around AI for specific African use cases that are African-led and – very importantly – language focused, dataset focused. We are looking at building small language models across the continent and we understand our diversity and therefore the diversity required in datasets.

There are cultural nuances that people are doing a lot of work around. How do you integrate that into AI and into datasets that can be retrieved appropriately and accurately?

I've made a strong case for owning our datasets. We understand what happened during colonisation and we don't want a situation where our resource – now our data – is sold to the West only to have the West package it and research it, experiment with it, refine it and then sell it back to us as a product at a [higher] price.

So I think that it's important to understand how to manage your data and data sovereignty.

We have to be able to build the infrastructure for us to be able to support our AI ecosystem – data centres run from renewable energy – and I think the more we learn new skills as a continent and as a people the better.

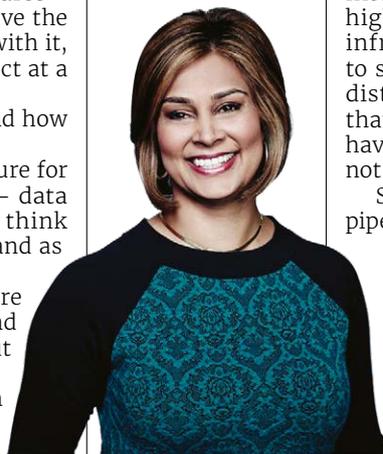
There is talent [on the continent]. There are coders and creators and product managers and design people and engineers that are here but need the opportunities.

We should build bridges and learn from them and they equally have an opportunity on the continent to immerse in [developing

**‘OUR LENS NEEDS TO CHANGE AND WE NEED TO PLAY WHERE THE GAME IS AT, WHERE THE PUCK IS GOING’**

Opposite: winners of the Gitex Supernova Challenge Pitch that promotes African entrepreneurs with AI innovations.

Below: Zain Verjee.



solutions in] agriculture or health and truly transformational sectors that can help the continent.

And let not us be afraid of the profit motive. We want to build a business ecosystem and a marketplace where our creators can earn money and survive in new industries. Our leaders need to encourage innovation and they need to open ecosystems and not over-regulate.

**Throughout your career, you have specialised in the media space, trying to change the narrative of the continent, but AI risks perpetuating prejudices associated with the continent. How can AI be a force of good, especially with such little coverage of Africa?**

The answer here lies in creating our own datasets and in producing and structuring and labelling our own datasets that are authentically African. I've spent a lot of time since leaving CNN talking about how we need to own our own stories. We need to tell powerful stories of the continent that are truly diverse. And we need to build a market around media and storytelling on the continent.

The principle hasn't changed, but because technology has, our lens needs to change and we need to play where the game is at and we need to play where the puck is going. And the puck is going very clearly down technology and down a route of fast paced artificial intelligence development. And datasets are at the core of that.

Maybe we don't have the capacity right now to compete with Google's Gemini or Meta's Llama or Anthropic's Claude or OpenAI's GPT, but we can find innovative ways and work on small language models and find ecosystems that work for us.

Our leaders need to do a better job, frankly, of creating learning ecosystems for our young people and creating new types of jobs. You don't want to regulate before you innovate. Let the innovation happen.

And very importantly to me, I don't want women or girls to be left behind or the whole gender gap to build around technology either. We have got to break down those barriers. We need to immerse more women in technology. We need to invest in them.

**What are the key ingredients missing in Africa that are holding it back in AI?**

There's so much. The starting point: the infrastructure fundamentals. We don't have reliable electricity. That's a problem. We have limited broadband and internet penetration. That's a problem. We have high data costs. That's a problem. We have lousy infrastructure, roads and logistics and all of that to support technology and the essential aspects of distribution and being networked to one another that we need. We don't have data centres. We also have limited skill sets. That's all a reality. But it's not an obstacle.

So now what? The human capital and education pipeline is really a serious issue.

There's a gap between what we're learning right now on the continent and how skill sets are rapidly being developed. And I think there's an opportunity for leaders on the continent to start looking at this ourselves and not wait to be told by Google or some international foundations what we ought to be doing.

We need to be creating technical training opportunities like AI and robotics. Widespread

## Zain Verjee, AI and communications consultant



**‘THERE’S AN OPPORTUNITY TO EXPLORE HOW YOU EQUALISE RICH AND POOR WITH AI. AI DEMOCRATISES ACCESS TO KNOWLEDGE’**

digital literacy at all levels. There's not enough risk being taken on the continent. There's an underdeveloped venture capital ecosystem.

We like talking about “Silicon Savannah”, but it's not there. We need a real capital ecosystem to truly build our industries, especially things like creative cultural industries, which is close to my heart.

We need to be able to train systems that produce African images, African video. I don't need to only be using Sora and Midjourney. If I tell them “create an image of a Kenyan for me”, I get a black person.

But I know that Kenyans look different from Nigerians and Ethiopians and Rwandans. But the prompts don't catch that because they've been trained by Westerners on Western data sets and the Western perception of what it is to be a black person.

I've talked about regulatory environments that can deter innovation. And there are different regulations across different countries. And even though we like to talk about our regional opportunities, we tend to fight each other.

The big economic opportunities are there as a region.

I also don't think there's strong enough intellectual property (IP) protection on the continent for innovators and product managers and people that want to develop products.

Imported solutions from the West don't adequately address our problems and our challenges. But then those are the solutions that come in. So that's what

we use. And that's a problem. We really need to focus on building products that solve Africa specific problems which also means we need multidisciplinary product labs.

**The theme of this year's Davos is “Collaboration is the Intelligent Age”. Do you see greater collaboration or division between rich and poor?**

Is Davos just a lot of private jets with a large carbon footprint? Davos doesn't understand that the insulated rich talking about the poor is over. That is inequity.

AI is a great equaliser. So I think that there's an opportunity to explore how you equalise rich and poor with AI. AI democratises access to knowledge and tools for those that have connectivity.

There are open-source models and data sets that are enabling collaborative research and development. And that's good. Lambda 3 is a good example.

I think policy choices and international regulation and ethics and frameworks will probably be debated at Davos. That's all important.

If I were to just pick one thing that I care about the most, I think it's really trying to fill that knowledge gap between populations that are AI-enabled and populations that are AI-limited, and that could widen quickly. We have to shift the dynamics of power. ■

*Zain Verjee, an executive fellow at the Digital Data and Design Institute at Harvard, is the co-founder of AI and communications consultancy therundown.studio and hosts the podcast series “Embedded” – found on Spotify and other platforms.*

# DANGOTE PETROLEUM REFINERY & PETROCHEMICALS FZE

650,000 barrels per day Petroleum refining  
900,000 tonnes per annum Polypropylene production



- Largest Single Train Petroleum Refinery In The World – 650,000 Barrels per day with 900 KTPA Polypropylene Plant
- 4.742 billion litres
- World Class Petrochemical Complex
- 435 MW Power Plant



**Karim Beguir**, CEO and co-founder, InstaDeep

Karim Beguir has a message for young African artificial intelligence entrepreneurs: with the right ideas and technical knowhow, international players will open their chequebooks, he tells David Thomas.

# African AI pioneer InstaDeep ready for future after €500m takeover

When Karim Beguir and Zohra Slim co-founded artificial intelligence pioneer InstaDeep a decade ago, the idea of an Africa-founded AI business with applications in fields as diverse as medical science, shipping and circuit board programming wasn't even on their radar. All that the Tunisian-born founders knew was that they hoped to use their understanding of software and mathematics to affect meaningful change on the continent of their birth.

"The reason to start in Africa, in Tunisia – and the project was going to be technology in general, we were not clear about the exact path – was it had to have a positive impact on the communities. The idea was always to empower local talent, and create a business that's lean, digital and international from day one," Beguir, the InstaDeep co-founder and CEO, tells African Business from the firm's offices in London's Paddington.

Naturally experimental and impatient to make an impact, the startup flitted between projects, toying with website development and chasing the white whales of virtual and augmented reality. Investor interest was minimal, budgets were stretched to the max, and the two founders, says Beguir, didn't take a salary "for years". It took Beguir's in-depth reading of a detailed AI research paper, laden with technical details and complex mathematics, for the future outline of the firm to emerge.

"Initially I thought I would not understand what I was reading. But it turned out that actually, I could follow what was going on. I realised that I knew these things. These things were not science fiction for me. I realised I had the exact background – applied mathematics at École Polytechnique in France and then in the US at the Courant Institute of Mathematical Sci-

ences [at New York University]. My co-founder's forte is the technical, software side of things; mine is also technical, applied math, AI, and neural nets – so we already had a team. That was the lightbulb moment – InstaDeep was going to be a full-force AI company that would prove everybody wrong."

Today, ten years on from the company's founding, Beguir's initial feeling that the partners had a unique grasp of the challenges and opportunities of AI has been vindicated in spectacular fashion. In that time, InstaDeep has leapt from being a small Tunisian startup to a global firm with around 300 staff and offices across Africa – including Cape Town, Lagos, Kigali and Tunis – as well as bases in the world's major financial hubs.

In 2018 – the year which changed everything for the firm – InstaDeep opened its London office and raised its first \$8m Series A funding round with investors AfricInvest. They haven't looked back since. Alongside its physical expansion, the range of its technologies has developed at a similarly startling rate. Today it has multiple flagship products. DeepPack is an AI application allowing shippers to pack containers with maximum efficiency to achieve volume and cost savings; while DeepPCB uses AI to design complex printed circuit boards in less than 24 hours. And then there's DeepChain – InstaDeep's programme which allows medical researchers to explore protein sequences in minutes with AI language models trained on billions of amino acids.

It was surely the promise of the latter – as well as the firm's potential "to discover, design and develop next-generation immunotherapies at scale by leveraging artificial intelligence and machine learning technologies" – that led German biotech firm BioNTech (creators of the hugely successful Pfizer-BioNTech Covid-19 vaccine) to complete a



**MY MESSAGE TO  
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TERMS OF YOUR  
LEARNING**

## Karim Beguir, CEO and co-founder, InstaDeep

cash-and-shares takeover of InstaDeep in January 2023, building on previous investment and close collaboration dating back years. The total consideration to acquire the remaining InstaDeep shares, excluding the shares already owned by BioNTech, amounted to approximately €500m in cash, BioNTech shares, and performance-based future milestone payments. From humble beginnings, InstaDeep had captured the zeitgeist.

### Insta-success

Amid the palpable global excitement around AI – the multi-billion dollar deals, the breathless news coverage and social media hype, the furrowed brows of regulators and the dystopian talk of AI's humanity-destroying potential – it is easy to lose track of the unique value of some of the new technologies. In contrast to the high-minded utopianism of much AI, InstaDeep is keen to assert its basic usefulness to business, highlighting its offering of "AI systems to tackle the most complex challenges across a range of industries and sectors".

And while complex concepts like machine learning and computing accelerated by graphics processing units (GPUs) also pepper the company's promotional material, AI first and foremost offers a chance to bring fresh solutions to familiar real-world problems, says Beguir.

"AI today is like electricity. It can be used for multiple applications. Behind the different use cases that can seem very separate from each other lie the same technology platforms, the same innovation... the best way to understand what InstaDeep does is what I called "productised innovation". We're not just a great research team. We have the ability to translate this innovation into high-impact products. I'm an AI researcher, but I'm passionate about impact, the ability to move the needle."

With its generations-old challenges in agriculture, trade, healthcare and technology, nowhere are innovative solutions to societal problems more in-demand than on the African continent. It is here that Beguir argues that companies like InstaDeep, with their local knowledge and appreciation of society's challenges, have the ability to carve out niches which often elude the giants of the sector.

"It's possible for AI startups to grow and thrive in Africa. The key thing is to cater to local problems affecting the community. The large players like Open AI and Microsoft are not necessarily going to be the best people to solve a problem affecting a specific community in Africa... If you are from that community and you understand the problem and there is enough critical scale, which very often there is, you can actually solve the problem and build up a successful company grounded locally – you can then unlock a thriving ecosystem. Success breeds success."

It was this potential to delve into unique AI use cases that first led the firm to expand across the continent of its foundation.

"We were part of this African AI scene, meeting great people, intellectually curious, fantastically gift-

ed. We met fascinating people, notably Arnu Pretorius [now InstaDeep's head of AI research in Africa], who was at the time the first African AI researcher to have been accepted at major AI conferences with a paper on Africa. "Meeting Arnu in Stellenbosch in 2018 was the moment where I thought, this is amazing, nobody's built a pan-African AI startup and AI team, but we're going to do it. And the story in Lagos is pretty similar – we have very talented people with an incredible willingness to learn and go beyond what's possible."

Encouraging teams to collaborate, both across the continent and beyond, throws up projects of genuine utility, if not necessarily always commercial application, Beguir says. The Lagos, Kigali and Cape Town offices collaborated on building a system to detect locust breeding grounds by using satellite imagery from organisations including NASA and the European Space Agency. The teams claim that they can predict the breeding grounds of locusts with more than 80% accuracy up to 30 days out, a potentially priceless weapon in the fight against crop decimation and hunger in Africa.

"What's exciting about us is that most of the projects we do, whether research or paid projects with partners, always involve at least two offices. There is this culture of collaboration – no matter where each office is located in the world, these teams and offices have access to the most exciting projects. That's very empowering, not only for our young talent in Africa."

### The war for talent

Yet in an industry likely to be dominated by capital-intensive Silicon Valley giants offering exceptional salaries and lifestyle perks, can African-founded firms like InstaDeep win the war for talent and retain the continent's most gifted AI developers? Beguir says that the firm has introduced both financial and work-based incentives in a bid to hold onto the continent's best and brightest. "If you are very ambitious, you join a startup in Africa that's chang-

ing the world. And guess what? Even financially, you might be better off. I mentioned the sharing of the hot projects across the company without bias. Another thing which is critical is that we had this culture where salaries relate to the cost of living in each country, but not stock options. All teams, no matter where, would be eligible for stock options purely based on their merit. People have access to the same projects and same rewards. And I'm very proud of the fact that in Tunisia, Lagos, Cape Town, we created a good number of millionaires with this approach, which proved that you can be successful while staying back home and doing disruptive work that moves the needle."

That has even led staff from the firm's European and US offices to pursue opportunities in the firm's African offices. And in a recent documentary, *Cape to Carthage*, the firm highlighted the work of what it called the "first pan-African AI research team".

In truth though, Africa's ability to attract the best tech talent goes beyond the actions of any one company. Building ecosystems is also the responsibility of



**I'D LIKE TO SEE MANY MORE HIGH-QUALITY STARTUP PROJECTS UP TO INTERNATIONAL STANDARDS... THERE IS AN APPETITE FROM BOTH LOCAL AND INTERNATIONAL INVESTORS TO BACK AFRICAN STARTUPS**

Above: Karim Beguir and Zohra Slim set up InstaDeep in 2014 in Tunisia.

African policymakers, Beguir says. “The issue is more about the quality of the projects. I’d like to see many more high-quality startup projects up to international standards, up to Y-Combinator standards. There is an appetite from both local and international investors to back African startups – we just need to improve and raise the bar in terms of quality.”

Beguir lauds Tunisia’s Startup Act, which he says allowed InstaDeep to hire more staff by exempting the firm from employer taxes for five years. But he says the country and others in Africa can still do much more to attract external talent capable of developing local expertise.

“One critical thing that I’m not seeing enough of, and I would love to see more of, is for African governments to understand that if you have elite machine learning and AI or tech experts coming to you and wanting to reside in your country, that’s great. For example, Tunisia would certainly benefit if we had way more work visas authorised for people with ten years or more experience to set up shop, because many Tunisians want to learn but there is not enough expertise locally. A notable development was President Kagame in Rwanda announcing that any young African that comes to Kigali by plane is authorised to work. That’s the kind of ground-breaking initiative that can favour the development of the AI and tech sectors... to enable young thriving startups to lead that revolution.”

### Regulatory give-and-take

Yet the first challenge is persuading African governments that the immense potential benefits of a strong AI industry outweigh the challenges, from in-built data biases to AI’s capacity for job erosion. Beguir, who participated in the 2023 AI Safety Summit at the UK’s Bletchley Park, is keenly aware of the divided views among global policymakers on the industry in which he has made his fortune.

“The complex question is: how do you prevent the most negative outcomes of AI while promoting the positive ones? I’ll give you a concrete example – open sourcing. There is debate right now over whether we should open-source fully; or should we do the opposite and regulate and prevent open-sourcing? From my personal perspective, I do believe there can be compromise. Open-sourcing is amazing – it’s what allowed InstaDeep, especially in the early days, to grow exponentially in capabilities by leveraging the work of others. Today, InstaDeep open-sources a massive amount of innovative research, so we’re contributors as well and this is very beneficial for economic growth.

“At the same time, when we’re looking at models that are trained with more computing than everything that’s been done in history, it’s important that we have a positive dialogue with regulators and that there is some control taking place, because at the frontier we are seeing the emergence of capabilities that were previously science fiction...

“A certain level of smart oversight is needed for preserving good outcomes, but we do definitely need to have this open community to allow, notably in Africa,

many more projects to be successful like InstaDeep has been.” Ultimately, Beguir passionately believes that Africa has to earn its seat at the top table by enabling excellence at home.

Only when African AI is capable of creating its own datasets, or governments are able to unleash the power of their countries’ own AI enterprises, can the continent expect to take its rightful place in global conversations on data biases and regulation, he argues.

“What’s at stake is, can we create local champions that become international champions and then are part of the global conversation and innovation in AI? If we have our own AI champions or startups, then they will create more data and the ownership of that data will be local.”

As the first decade of InstaDeep’s journey draws to a close, the firm’s position as an African trailblazer at the heart of these critical conversations looks assured. But with BioNTech’s big-money takeover complete, InstaDeep’s future as a subsidiary means the next decade is likely to look substantially different.

The firm is no stranger to working with companies of international renown – in 2022, it extended a long and fruitful collaboration with US hardware and software giant Nvidia by announcing that it will use the Nvidia Cambridge-1 super-computer to train AI language models using genomics data – but the BioNTech takeover offers an even deeper level of corporate intimacy.

Will the firm be able to retain its African focus, individual character and autonomy? Beguir, perhaps unsurprisingly, thinks so. Since the takeover, the company has opened its office in Kigali, Rwanda, where BioNTech has its own manufacturing facility, and InstaDeep will continue to deliver solutions in areas as diverse as technology, transport & logistics, industrial, and financial service. If anything, the firm is planning to extend its horizons, Beguir says.

“We’re very excited to be part of BioNTech Group, and because it’s been such a great partner for five years and we’ve been working hand-in-hand for such a long time, the acquisition was not a big change. We are operationally independent. We obviously support our BioNTech colleagues on the very exciting work they do at the cutting edge of biology. And we also have our ability to engage with external partners in other fields, from optimising electrical grid networks to train networks and working on hardware design and many other exciting projects.

“What’s exciting is that we have the chance to work on projects that can really change the world.”

And, Beguir says, the takeover also sends another message to young African AI entrepreneurs – with the right ideas and technical knowhow, international players will open their chequebooks.

“My message to young talent in Africa is: AI is happening. We are still at the beginning so do not be afraid to learn more about what’s going on in AI. It’s probably the best return on investment in terms of your learning and education that you can do.” ■



**BEGUIR LAUDS TUNISIA'S STARTUP ACT, WHICH HE SAYS ALLOWED INSTADEEP TO HIRE MORE STAFF BY EXEMPTING THE FIRM FROM EMPLOYER TAXES FOR FIVE YEARS. BUT HE SAYS THE COUNTRY CAN STILL DO MUCH MORE**

**ALEX OKOSI**, Managing Director for Google in Sub-Saharan Africa

Africa's digital transformation is accelerating, with Google's \$1bn investment highlighting the continent's vast potential for growth, the company's Alex Okosi tells Lennox Yieke.

# This is Africa's digital decade, says Google's Okosi

In a bid to enhance connectivity, support local startups and drive innovation, Google in 2021 committed \$1bn to a series of investments in Africa over five years. Three years on, the tech giant remains bullish on Africa and is advocating for increased long-term investments in the continent's digital economy. According to a recent study commissioned by Google from consultancy Public First, every dollar invested in digital technology in Africa will yield over two dollars for the region's economy by 2030. This, Google says, highlights the massive multiplier effect of investments in Africa's digital economy.

Released in September, the study also found that by leveraging Google's tools – such as search, maps, and YouTube – businesses, organisations, publishers, creators, and developers across the region generated \$16bn in additional economic activity in 2023.

*African Business* interviewed Alex Okosi, managing director for Google in Sub-Saharan Africa.

## **How would you describe the digital economy in Africa, and the most significant opportunities for growth?**

Africa is a continent at work, with more people coming online every day (about 350m, out of 1.2bn people) and using the internet to better their lives everyday. According to the recently launched Google Africa economic impact report, the next decade is set to be Sub-Saharan Africa's digital decade. For the first time, over half the population in Sub-Saharan Africa will have access to the internet, while emerging technologies like artificial intelligence (AI) and the cloud could significantly accelerate the continent's development. Google's mission to organise the world's information, making it universally accessible and useful, is therefore particularly relevant to the Sub-Saharan region. To ensure economic and societal growth, it's vital that everyone is given the opportunity to harness the benefits of technology. So we think there are many opportunities for growth especially in AI, which can help fast-track Africa's development.

## **How is Google addressing the challenges to digital transformation across the continent?**

We have decided to play our part by launching the Equiano subsea cable, which came into operation in 2022 as part of our \$1bn commitment to the conti-

ment. The cable runs along the Atlantic coast, from Portugal to Nigeria, Togo, Namibia and South Africa. It is expected to bring more people to the internet, while at the same time reducing costs and increasing internet speeds. We have also recently announced Umoja, another subsea cable that will connect Africa to Australia.

We are also focusing our efforts on making sure that our people upskill in order to prepare for a better future. We recently committed \$5.8m to Google.org to support AI and cybersecurity training in 2024 across Nigeria, Kenya, and South Africa.

The funding will support organisations providing foundational AI skills to workers, to equip them for the digital economy; educate teenagers about AI and its safe and ethical use, empowering future generations; equip non-profit leaders with AI knowledge to enhance their impact and drive social change; and support the public sector to develop and utilise AI solutions.

## **What public policy priorities does Google believe are essential for fostering a robust digital economy in Africa?**

We are constantly working with governments to make sure Africa is prepared for the changes that come along with new technologies. Our *AI sprinters* report, which provides a road map for developing countries to take advantage of AI's potential, highlights four key recommendations.

Firstly, we need to revolutionise infrastructure with 100% adoption of cloud-first policies. Cloud computing is essential for governments, local enterprises and organisations to deploy AI systems cost-effectively, securely and at scale – ensuring that AI is widely and inclusively deployed.

Secondly, we must support people with national AI skills initiatives. AI promises to propel economies forward – but this can only happen if workers know how to use AI to enhance their productivity and expertise. Google.org's initial AI skilling commitment for developing countries is a first step. More collaboration between the public and private sectors is needed to build AI fluency, strengthen STEM education and increase online learning opportunities.

Next, we must step up efforts to modernise national data systems. High-quality datasets that represent diverse perspectives, languages and cultures



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ORDER TO PREPARE  
FOR A BETTER  
FUTURE**

are essential for training AI models effectively for local markets.

Governments should commit to better utilising and sharing data to improve public services like healthcare, education, transportation and disaster response, and invest in the infrastructure needed to promote responsible use of data. Similarly, governments should enable trusted cross-border data flows to ensure models and systems are trained on rich, geographically diverse data.

Finally, continued AI innovation – both in AI models and applications – requires the right regulatory framework. Governments should pursue risk-based and proportionate approaches to regulation; maintain privacy and copyright frameworks that enable use of publicly available information while respecting legitimate rights; contribute to the development of international technical standards for AI; and adopt national AI strategies.

***What is Google's long-term vision for the digital economy in Africa, and what key milestones do you aim to achieve?***

We believe that the continent has huge potential for growth; it has the youngest population in the world, many of whom are early adopters of digital tools. Our products already support an estimated \$16bn in economic activity across Sub-Saharan Africa in 2023. They are more than tools: they are engines for economic growth. 70% of businesses in the region indicate that they are crucial to their operations.

***What specific monetisation tools and programmes does YouTube offer to African content creators?***

As our creator ecosystem grows, we continue to invest in expanding the ways in which more creators can make it – no matter how long you've been doing it or what your preferred format is. Our primary monetisation tool is the YouTube Partner Programme (YPP), an umbrella that gives creators monetisation and revenue sharing from ads served on their content. The programme is available to creators in Ghana, Nigeria, Kenya, South Africa, Zimbabwe, Uganda, Morocco, Senegal, Tanzania, Egypt, Algeria, and Tunisia. In addition, we rolled out features like Super Chat, Channel Memberships, and Super Thanks (available in Sub-Saharan Africa in Kenya, South Africa, and Nigeria). Our YouTube Partner Programme pays out more than any other creator monetisation platform.

Maintaining a healthy ecosystem where both creators and advertisers thrive is one of our largest priorities within our monetisation workstream. This includes making sure advertisers in Africa are aware of the great work YouTube creators are producing on the platform, as well as supporting creators who are exporting African music, culture, and comedy to the world.

Parallel to that work, the YouTube partnerships team continues to make sure our top creators are aware of the ways to monetise their content.

The recently concluded Black Voices Fund was launched to amplify black perspectives and experiences on YouTube. We've managed to support over 500 creators and artists across the world. The programme had many creators from Nigeria, South Africa, and Kenya (as well as the US and UK) and its alumni have gone on to have successful careers on YouTube, like Ify Moge kwu & Coffeenomilk. ■

Africa exports the critical minerals that are essential to semiconductor manufacturing but production remains overwhelmingly concentrated in Asia. Harry Clynch looks at whether that can change.

# Africa looks to muscle in on the semiconductor value chain

In October 2023 the authorities in Beijing announced that they would be tightening export controls for some types of graphite, a critical mineral for the production of batteries and other electronics. The move, which China said was designed to “safeguard national security and interests”, raised serious alarm bells in neighbouring South Korea. The country’s major electronics companies, such as LG and Samsung, rely heavily on imports from China and other foreign markets to produce essential goods – not least semiconductors, which are central components of countless electronic devices and have become vital for the modern global economy.

In what is perhaps a sign of Africa’s growing geopolitical and economic importance, South Korea responded to this disruption by turning to the continent, and in particular Mozambique and Tanzania, both of which are home to significant graphite reserves.

Seoul has been investing heavily in developing diplomatic and economic relations in Africa, partly in anticipation of such developments. The continent is home to swathes of natural resources – such as graphite, silicon, and quartz – which have become increasingly valuable as essential components for semiconductor production.

## Increased diplomatic energy

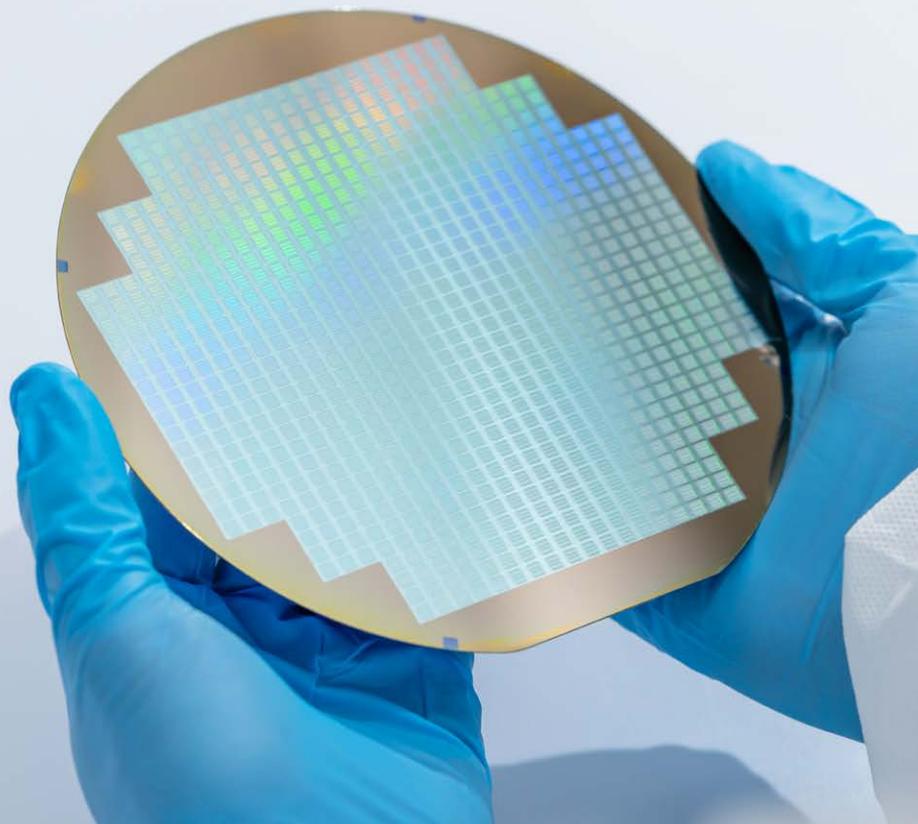
It is not just South Korea that has recognised how significant a role Africa could play in this industry. The United States, Europe, Russia, Saudi Arabia, India, and China are all committing more financial resources and diplomatic energy to the continent

– with access to critical minerals a priority for all of them. This increased interest and engagement is unsurprising because it is difficult to overstate how important the devices have become. Semiconductors, which are the core of everything from smartphones to defence systems and emerging artificial intelligence technology, now represent a \$500bn global market. The total market cap for the top twenty customers of the leading producer alone, the Taiwan Semiconductor Manufacturing Co. (TSMC), easily surpasses \$7 trillion.

The size of the industry and its critical importance mean there are undoubtedly economic opportunities for Africa. The continent’s share of the global market has, however, so far been limited. Despite having some of the world’s largest reserves of silicon and rare earth metals, African countries account for less than 1% of global production.

Even those countries that do have valuable natural resources – such as South Africa, Egypt, Algeria, Morocco, and Nigeria – tend simply to export the materials to manufacturers abroad, rather than engage in more advanced, technical processes related to semiconductor production.

There are some notable exceptions. Cairo-based Si-Ware Systems, which closed a funding round of almost \$9m in 2021, has emerged as a global leader in



silicon-based semiconductor innovation and posted annual revenues of over \$20m in 2023. In 2022, South Africa also managed to export a modest \$25.9m worth of semiconductor devices. But on the whole, Africa currently lacks the capacity to conduct higher-value activities.

Nii Simmonds, non-resident senior fellow at the Atlantic Council in Washington, tells *African Business* that “Africa has an opportunity to move up the semiconductor value chain.”

“Electric power deficiencies and a lack of industrial water supplies mean that Africa is not going to be in a position to make the most advanced semiconductors or chips anytime soon,” he says. “However, there is definitely potential for African countries to be involved in things like research, design, testing and flash memory manufacturing.”

### Research and development hubs

There have been some encouraging – albeit small – moves in this direction. South Africa, for example, has taken some early steps by establishing the Microelectronics and Nanotechnology Centre at the Council for Scientific and Industrial Research (CSIR) in Pretoria, a research and development (R&D) facility focusing on semiconductor and chip production.

Kenya also appears to have ambitions in this field, with the government launching the country’s first semiconductor production unit in 2022 in the hope of developing advanced technological capabilities. However, investing in such initiatives, with the aim of stimulating the development of the industry and improving technical knowhow, needs capital that most African countries simply do not have.

Simmonds suggests that a potential solution to this problem would be for Africa to follow the model which was pursued by Southeast Asian countries in the 1970s and 1980s.

Foreign multinationals, primarily from the United States and Japan, were heavily involved in the development of the region’s consumer electronics industry. Global companies such as Sony and Hewlett Packard established manufacturing hubs and R&D centres in Southeast Asia and – owing to a favourable political and regulatory environment, a highly educated population and cheaper labour than was available in their domestic markets – shifted large parts of their operations to Singapore and other nearby countries.

### Encourage multinationals to put down roots

Simmonds believes that African countries should seek to follow this example and that Western governments should also encourage multinationals to establish roots on the continent. In the geopolitical battle for influence in Africa and for access to resources, he thinks that this would be a powerful way for the

Below: the CSIR research and development building in Pretoria, South Africa.



**THE US AND WESTERN PARTNERS CAN PROMOTE MORE SUSTAINABLE, MUTUALLY BENEFICIAL GROWTH BY CREATING INCENTIVES FOR MAJOR TECHNOLOGY COMPANIES TO MOVE PARTS OF THEIR SEMICONDUCTOR MANUFACTURING AND R&D SUPPLY CHAINS TO AFRICAN COUNTRIES**

West to differentiate itself from Beijing and to build more positive relationships in Africa. “China has a focus on value extraction and imports as many minerals as possible from Africa and other emerging markets. It is also not bound by any environmental or governance frameworks,” Simmonds says. “The US and Western partners can promote more sustainable, mutually beneficial growth by creating incentives for major technology companies to move parts of their semiconductor manufacturing and R&D supply chains to African countries, just as they did with Southeast Asian countries in the 1970s and 1980s.”

He is encouraged that there has been progress on this front, although much more investment is still needed. Google has established an R&D technology hub in Accra, the Microsoft Africa Development Centre (ADC) has offices in both Nairobi and Lagos, and IMB Research has outposts in Johannesburg and Nairobi.

Simmonds notes that more such projects and investment could unlock significant economic benefits for Africa while strengthening the supply chains of the US and its multinational companies. “This would allow Africa to capitalise on the US need for more resilient supply chains, after supply chain vulnerabilities were starkly revealed during the pandemic,” he says. “This [US] administration’s flagship Inflation Reduction Act also includes provisions for establishing partnerships with strategic allies through investment in manufacturing at home and abroad. Africa, and its technology industry, can take advantage of this.”

### An alternative to China

In terms of how Africa can best position itself in the global semiconductor and electronics industry, Simmonds also thinks that there is an opportunity for the continent to capitalise on the “China Plus One” strategy that more enterprises are adopting. This refers to the growing trend of businesses avoiding investing in China, in light of rising production costs and higher geopolitical risks, and instead committing capital to other emerging market economies.

“Particularly should Africa improve its governance conditions and offer a more stable environment for investment, the continent could benefit from companies wanting to diversify their supply chains to mitigate China-related risks,” Simmonds notes.

South Korea’s decision to replace graphite imports from China with those from Mozambique and Tanzania was one that Seoul was forced into; but more companies and governments could make similar moves proactively as part of broader “China Plus One” strategies.

These trends suggest there are plenty of opportunities for Africa to forge a greater, more valuable role for itself in global semiconductor supply chains. Challenges still remain – foreign capital will be required, and technical knowledge will need to be developed before Africa can conduct the highest value operations – but there are also compelling factors in Africa’s favour.

“Africa is at the geographical centre of global semiconductor supply chains and is home to many of the essential materials. It is where the world meets,” Simmonds says. “There is an opportunity for Africa to devise a winning strategy in this sector.” ■

Africa Improved Foods was one of the businesses that made a pitch to investors at the 2024 Africa Investment Forum in Rabat, Morocco, highlighting its mission to provide healthy and nutritious foods at a lower cost. Kwame Ofori Appiah reports.

# Africa Improved Foods targets shift to commercial food production

Food producer Africa Improved Foods (AIF) is a result of a collaboration between Dutch biotechnology company Royal DSM, Dutch development bank FMO and the International Finance Corporation, the World Bank's private sector development arm. Currently it operates in Rwanda as a subsidiary company called AIF Rwanda, 7% of which is held by the government of Rwanda. Ramesh Mochikal, CEO of the holding company, explains that the extra funding it is seeking – up to \$400m – would enable it to expand to other parts of the continent. Under the current model its customers have largely been the government of Rwanda and international organisations such as the World Food Programme (WFP); Catholic Relief Services; and the Red Cross. It supplies their programmes in countries such as Ethiopia, South Sudan, Uganda and DRC. Currently, Mochikal says, only about 5% to 7% of its output is distributed commercially.

As it expands further, however, that model is set to change. “When we go to these other markets in Africa – Ghana, Ethiopia, Nigeria, Zambia and others with significantly evolved consumer markets – a large part of our business will become consumer-oriented,” Mochikal says. That evolution will essentially turn the current model on its head, with 70% of production intended for commercial distribution and the other 30% earmarked for humanitarian relief.



### Frustration with aid sector

Part of the reason for this change may be the fact that AIF lost the custom of one of its key buyers in Rwanda, the WFP, at the beginning of 2024. Moochikal doesn't hide his disappointment about the loss, which he says was unhelpful to African manufacturing.

"The background to this is that the poorest people in Africa were being fed by a factory in Belgium, which was using Belgian crops, Belgian subsidies, Belgian labour and Belgian assets to burn carbon to bring the food here. What sense does that make when you can have an African plant that is producing it for you here in Africa using African labour and African crops?"

Despite the loss, Moochikal says AIF was able to keep its commitments to growers and was able to boost sales via other channels. And with renewed global funding for relief in sight, the WFP could make more purchases in 2025.

Commercial expansion, it would seem, would leave AIF less beholden to individual buyers. Moochikal points out that whatever the channel of distribution – commercial or humanitarian relief supply – the company's purpose is to make better nutrition accessible at an affordable cost to the lowest strata of the population.

"Our product will always be priced at 30% to 40% of what a Cerelac (a brand of instant cereal for infants by Nestlé) is priced at, for example. We want to reach the consumer who can't afford what is available now."

In West Africa, where there is less relief activity, the commercial route would serve this purpose better, he says. It is also open to partnerships, such as those it has in Ethiopia, where it is partnering with Unilever to fortify the popular local staple Shiro.

"So, depending on the country we are in, the product format would change."

### Expansion plans

According to Moochikal, the funds AIF is seeking include \$130m in debt and another \$130m in equity for its immediate expansion plans. This would include funding for three new plants in Ghana, Zambia and Ethiopia, each of which will cost about \$43m. A further \$120m plan to move into Nigeria is pending the approval of a cautious board. Moochikal himself, however, is all in. "I told them that we will have to be there if you want to make the kind of impact that we wish to make in Africa," he says.

Of the three countries on AIF's radar Moochikal says Ethiopia is the one where plans are most advanced. "We are sitting on a project execution plan as we speak. So, if we get the money tomorrow, we can start," he reveals. "In the case of Ghana, we are in pre-feasibility; and Zambia will be the last of the three." The three countries, he explains, were chosen for various reasons by the team at AIF, in consultation with six experts on the continent's market dynamics.

Ghana was chosen because it serves as the manufacturing hub of West Africa and, although Anglophone, is strategically located among Francophone countries. Ghana's weaker currency, he says, also provides an advantage compared to the relatively stronger and stable CFA used by its neighbours. The country also has strong agricultural output and is politically stable, "so Ghana becomes our first base." Ethiopia is the second choice, Moochikal says, because, like Nigeria, it cannot be

Below: Ramesh Moochikal, CEO of Africa Improved Foods.



overlooked, despite its challenges. There, AIF already has a partnership with Unilever that will ensure robust consumer distribution, which he concedes is not a core strength of AIF. Similarly, in Zambia AIF will collaborate with Trade Kings for distribution purposes. "So between the three countries, we have formed partnerships, we have found the sourcing, and we need to now set up the plants to expand our footprint."

In Rwanda, Moochikal says, AIF was able to produce above capacity last year. "The plant's installed capacity is about 47,000 tonnes. Last year it produced 64,000 tonnes with no fixed asset addition. So, whether it is efficiency or safety track record or machinery or systems, I think we can claim to be the very best."

### Working with farmers

That record also includes good relations with growers, the other critical factor for the success of an agro-based industry. Moochikal says AIF has supported farmers not only to boost production but also to improve the quality of output.

"When we came to Rwanda 10 years ago, 98% of the maize that came to our factory was rejected because of aflatoxin, the biggest problem for African crops, resulting from poor post-harvest treatment. We worked with 200 cooperatives here, and today only 1% of the maize is rejected," he reports.

Success for the continent's agriculture sector requires close attention from both governments and private sector actors with an interest in the agricultural output, he emphasises. "Whoever buys the commodity from these communities must take the responsibility of hand-holding them, taking them through the processes, explaining good agricultural practices. Only then can they succeed. And if these communities succeed, African agriculture will succeed."

Policy frameworks alone, Moochikal stresses, are not enough, especially with the threat of climate change and related weather events.

### Investor outreach

Moochikal is confident that AIF's outreach to investors will also succeed. So far it has received tentative commitments from seven investors of between \$20m and \$30m each. While he concedes that these are only words on paper at the moment, AIF, he says, is also having positive conversations with the Africa Export-Import Bank and the African Development Bank (AfDB). "Before I joined, we were only speaking to the European development banks, which got us nowhere. But we are very happy with the energy and ownership that the AfDB and Afreximbank are showing. Obviously, [for them] we tick all the boxes – children, women, agriculture, farming communities and agro-processing."

Should its investment drive yield the desired results, Moochikal says AIF would be happy to break out on its own.

"Every company needs a kind of parent at different stages of its evolution, and DSM has done a great job as a parent so far, with the technology, support, the credentials, and the people that it brings as a food producer. But I think the time is now ripe for others with a more commercial outlook in Africa to drive our growth. It might be better for us as a company to find long term-investors who can support our growth faster and wider." ■

**Neelamani Muthukumar**, Group CFO & CEO, Operations of Olam Agri, answers questions about how it can transform food and agriculture for a more food-secure and sustainable future.

# Olam Agri: shaping the future of global food systems

## ***How does Olam Agri see its role in shaping the future of global food systems, particularly regarding affordability, accessibility, and sustainability?***

As a large agribusiness with a global origination footprint across several staple food and other agriculture products, well-established processing capabilities, and a strong presence in high-growth emerging markets, we are able to source important staple crops like rice and wheat from places where they are widely produced and move them to places where they are needed the most, processing them where necessary, often to help meet the food security agenda of many of these markets.

This enables us to make food and agricultural products accessible to several countries and their people, while keeping them affordable, even during trade disruptions when we've often had to quickly pivot our origination sources to be able to meet demand. We also work closely with several countries to identify opportunities for domestic crop production to support their local agriculture agenda and food demand, especially in Africa, where we've established ourselves as a leader in food and agriculture over the past 34 years.

Ultimately, what drives us is our purpose to transform food and agriculture for a more food-secure and sustainable future. Our business hinges on the success of farmers and we actively work with them, particularly smallholder farmers who are more vulnerable, to ensure that they have a profitable and productive business, are adopting or at least exploring climate-smart farming methods and are ensuring that the soil is kept healthy through regenerative agriculture. Only then can we possibly have sustainable agricultural supply chains that will ensure adequate food production for future generations.

## ***With agriculture vulnerable to climate change, how is Olam Agri supporting farmers to balance agricultural productivity with environmental sustainability?***

We work directly with hundreds of thousands of farmers and we see first-hand

the devastating impact of climate change and the extreme and unpredictable weather patterns on agriculture and livelihoods. The year 2023 broke records in the number of heatwaves, droughts, wildfires and floods, both in intensity and in frequency; and things are likely to only get worse. Often, the impact is disproportionately more destructive on smallholder farmers in the Global South, who have less access to resources and arguably less support to transition to more sustainable farming models.

Three key objectives, working with farmers directly and through our partners, are to improve their livelihoods through improved productivity, yields and profits; to implement agriculture practices that help with climate mitigation and adaptation; and to implement regenerative agriculture practices that help with soil health.

In our rice supply chain in key exporting markets India, Thailand and Vietnam, as well as in Nigeria, we are working with more than 50,000 smallholder farmers to introduce them to effective farming techniques, such as alternative wetting and drying, that help them reduce their water usage, reduce fertiliser usage, and reduce greenhouse gas emissions. Not only is this better to help them become more climate resilient and improve the soils, but it also helps their profitability.

We also support farmers by providing access to high-yielding, climate-resilient seed varieties and promoting crop diversification. This helps farmers increase their household incomes and build resilience against the impacts of climate change.

In Nigeria, for example, we recently released a new heat-tolerant and early maturing durum wheat variety which is suited for cultivation during the dry harmattan season. This development enables wheat millers and pasta producers to shift from relying on imports to sourcing locally grown wheat. This initiative is part of our Seeds for the Future programme.

***Olam Agri has championed regenerative agriculture and biodiversity. Can you***

## ***share specific initiatives that highlight your commitment in these areas?***

We view regenerative agriculture and biodiversity as fundamental to building sustainable and resilient food systems. This method promotes soil health through practices such as cover cropping, crop rotation, no tillage, reduced chemical use, optimised fertiliser use, and holistic grazing. These techniques not only boost soil fertility and enhance water retention but also increase biodiversity, sequester carbon, and contribute to more resilient agricultural systems.

When implemented at the landscape level, regenerative agriculture enables farmers and stakeholders to engage with local communities, restore natural habitats, and manage water sustainably. This holistic approach positively impacts both farm-level outcomes and the surrounding ecosystem, ensuring a sustainable and productive future for agriculture.

In 2024 we launched the largest certified regenerative agriculture programme globally in the cotton supply chain, to meet the growing demand for traceable and sustainably grown cotton. This covers cotton produced in the United States and Côte d'Ivoire, with Australia and Brazil to follow. Through initiatives such as rainwater harvesting, minimal soil disturbance, organic manure application and agroforestry, Olam Agri is helping cotton farmers improve resilience against climate change.

In the Asia-Pacific region Olam Agri has been collaborating with the public and private sectors since 2016 to amplify the reach and impact of its regenerative agriculture projects. These efforts are realised through various sustainable rice programmes currently in implementation across India, Thailand and Vietnam, the top three rice exporting nations that collectively account for nearly 70% of the world's rice. To create a sustainable global model that is scalable, Olam Agri works closely with governments, donors, civil society, customers and influential players in the rice industry to drive these programmes. These initiatives underscore



**‘Ultimately, what drives us is our purpose to transform food and agriculture for a more food-secure and sustainable future’**

our deep commitment to embedding regenerative agriculture and biodiversity conservation into our business model, benefitting not only the environment but also the communities we work with

**What role does technology play in shaping Olam Agri’s medium-term growth and sustainability goals? Are there specific innovations you are excited about?**

Technology plays a pivotal role in shaping Olam Agri’s medium-term growth and sustainability goals. Our commitment to leveraging advanced technologies is central to our strategy for enhancing operational efficiency, reducing environmental impact, and driving sustainable growth.

One of the key areas where technology is making a significant impact is in our Monitoring, Reporting, and Verification (MRV) processes. By integrating cutting-edge digital tools and platforms, we can collect, analyse, and report data with greater accuracy and transparency. This not only helps us track our progress towards sustainability targets but also ensures compliance with regulatory requirements and enhances stakeholder trust.

We are particularly excited about several specific innovations that are transforming our operations:

**Digital Footprint Calculator:** This tool, embedded in our AtSource sustainability management system, allows us to measure the carbon footprint of our supply chains with precision. It provides detailed insights into emissions at every stage, from farm to final product, enabling us to identify and implement effective carbon reduction strategies.

**Terrascope:** Our enterprise-grade, end-to-end decarbonisation platform empowers companies across the food, beverage, and agriculture value chain to build credible pathways to net-zero. By combining proprietary data assets and AI models with deep sector and sustainability expertise, Terrascope guides enterprises on the most impactful emission reduction activities they can take.

**Zero North Platform:** In our freight business, we have invested in the Zero North platform to improve operational efficiency and reduce emissions. This integrated application enables better route planning, vessel performance monitoring, and bunker optimisation, contributing to significant emission reductions.

**Satellite monitoring and remote sensing:** We are using satellite technology to monitor land use changes, deforestation, and crop health in real-time. This helps us ensure compliance with sustainability standards and supports our efforts to protect natural ecosystems and biodiversity. ■

For three decades, the Mining Indaba has been the epicentre of mining investment globally. **Collen Dlamini**, head of public affairs at Investing in African Mining, describes its significance and evolution.

# Mining Indaba 2025: putting communities at the heart of mining's future

**T**his year, as we mark our 31st anniversary, Mining Indaba is evolving. MI25 heralds a groundbreaking era, one that finally recognises the distinct characteristics and inherent rights of mining communities and indigenous groups, placing them firmly at the heart of the mining narrative. This transformative change aligns perfectly with our vision, recognising that the mining industry in Africa is at a critical juncture: "Mining Indaba can and will facilitate this evolution and disrupt conventional approaches... assisting them to transition and embrace a bold future through positive and disruptive dialogues."

MI25 is not simply about inclusivity; it's about a fundamental realignment of the mining discourse. We are moving beyond the traditional stakeholder model to embrace the voices of those most deeply affected by mining – the communities that live and breathe mining: the workers, residents, and migrant labourers who form its backbone.

## Acknowledging the traditional custodians

Crucially, we are embracing the voices of indigenous peoples with ancestral ties to the land, the very source of the minerals that drive our industry. We are acknowledging the traditional authorities who serve as custodians of these precious resources.

This is why the presence of the National House of Traditional and Khoi-San leaders, the Congress of Traditional Leaders of South Africa (CONTRALESA), and a plethora of other community organisations at MI25 is not just welcome, it's revolutionary. Their participation is a recognition of their integral role in shaping the future of mining in Africa.

This year, our newly-launched "Communities Interactive Workshop" will provide

a dedicated platform for genuine engagement. This workshop will not be an echo chamber for corporate rhetoric, but will be a crucible where mining companies, community leaders, strategic stakeholders, and representatives from across the ecosystem forge solutions together. We will tackle the critical issues head-on, fostering constructive dialogue and collaborative problem-solving to future-proof African mining, starting today.

This focus on community engagement is not simply altruistic; it's a strategic imperative for a sustainable future. As David Sturmes-Verbeek, co-founder and director of partnerships & innovation at The Impact Facility, and member of the African Mining Indaba Advisory Committee on Sustainability, powerfully articulated in a recent op-ed: "Mining... requires compromise and poses risks... it is crucial that the local community be engaged, educated, and empowered to negotiate terms at every step of the mining cycle."

He further highlights our "Communities competition" which has been designed to identify and reward innovative solutions that maximise community benefits from mining. This inspiring competition, focusing on tangible outcomes like skills development, local procurement, and sustainable enterprise development, demonstrates a concrete commitment to empowering communities and ensuring they genuinely benefit from resource extraction. By showcasing and rewarding best practices, the competition aims to drive industry-wide change and create a more equitable and sustainable future for mining communities across Africa.

This commitment resonates powerfully with the South African government's own objectives. A Cabinet statement of 6 December 2024 underscores the critical importance of engaging with traditional leaders and addressing the concerns of

rural communities. The government's ongoing work with the National House of Traditional and Khoi-San leaders, facilitated by the Inter-Ministerial Task Team chaired by Deputy President Paul Mashatile, demonstrates a clear commitment to ensuring that the voices of these communities are not just heard, but acted upon.

## Mining can embrace a new paradigm

The African mining industry stands at a precipice. We can cling to outdated models, prioritising short-term profit over long-term sustainability, or we can embrace a new paradigm – one that is collaborative and recognises the inherent rights and indispensable role of mining communities and indigenous groups. MI25 is a call to action for the entire industry to unite and embrace a more inclusive and equitable approach, empowering local communities and ensuring that the benefits of mining are shared justly.

The Mining Indaba platform is about unlocking the transformative potential of mining to drive sustainable development and create shared prosperity. It's about recognising that mining communities are not passive recipients; they are active partners in development, custodians of the land, and holders of invaluable traditional knowledge.

MI25 is a movement. It's a movement towards a future where mining is a force for good, a catalyst for positive change, and a source of empowerment for communities and generations to come. Join us at MI25 and be part of this historic transformation. Let us forge a future where mining empowers, enriches, and endures. ■

*Investing in African Mining Indaba will be taking place from 3–6 February 2025 at CTICC, Cape Town. For more, visit [www.miningindaba.com](http://www.miningindaba.com)*

**The African mining industry  
stands at a precipice.  
We can cling to outdated  
models, prioritising short-  
term profit over long-term  
sustainability, or we can  
embrace a new paradigm**



University Mohammed VI Polytechnic (UM6P) in Morocco has adopted an array of advanced teaching techniques, aiming to produce “Ivy League” quality graduates, while prioritising the disadvantaged. Omar Ben Yedder visited UM6P’s fascinating campuses at Benguerir and Rabat.

## Priming African excellence



**A**frica is the only continent where the population is rising rather than falling – by 2050, Africa’s population will double to 2.5bn, accounting for a quarter of the world’s people. What is not clear is whether this huge demographic bulge in a boon or a curse for the continent.

A rising population could help to boost economic growth – but only if there are additional jobs to absorb the expanded workforce, and if this workforce is equipped with the skills needed to carry out the work.

University Mohammed VI Polytechnic (UM6P) in Morocco has thought through the problem and evolved a model which it says is capable of producing highly skilled graduates able to rival the best from any other continent.

UM6P’s main campus is situated in Benguerir, near Marrakech, within the heart of the Mohammed VI Green City. The institution has organised itself as a citadel of applied research, innovation, and, interestingly, the development of Africa.

Under a foundation within UM6P ecosystem, also

funded by the OCP Foundation, is a high school for outstanding students from underprivileged backgrounds as well as a sports centre of excellence training physically gifted students in competitive swimming, athletics, judo, taekwondo and golf.

The University was officially launched in 2017 with initial support from the OCP Foundation. According to Amina Lahbabi, Head of Corporate Communication at UM6P, the university has rapidly emerged as a leading institution dedicated to Morocco and Africa’s development priorities. UM6P now operates as a fully-fledged institution with multiple campuses across Morocco and international branches in Europe and North America.

A key pillar of its mission is to train some of the brightest minds from Morocco and Africa through a ‘learning by doing’ approach. The emphasis is on practical application and real-world experience that equips graduates with the skills and knowledge to contribute to societal and economic progress.

Lahbabi notes that much of the university’s research centers around Africa’s critical challenges, including agriculture, soil science, ag-tech, renewable energy, and technological innovation. Within this dynamic ‘living lab’ environment, UM6P is dedicated to developing scalable and sustainable solutions that



### IT’S ABOUT DEVELOPING A CULTURE OF RIGOUR, PROFESSIONALISM, AND HUMAN AUGMENTATION

address local needs while contributing to Africa’s broader development agenda. Impact is at the heart of its mission.

#### A multi-disciplinary university

It has become a multi-disciplinary university and the number and scope of its departments is still increasing. “Yes, we are strong in certain fields; but it is important as an institution to have a multi-disciplinary approach to problem solving,” says Jones Alami, head of the materials science, energy and nano-engineering department.

What immediately strikes you when you enter the campus is the deliberate messaging that says “this is an institution that is here to support Africa”; and this is also the mindset that you find among its faculty members. The official teaching language is English, but everyone appears to be bi-lingual. The admission criteria are very high – this is after all a centre of excellence; nevertheless, supporting the less well-off is central to its objectives.

An operational criterion when it comes to its re-

search programmes is a focus on impact. It aims to empower Moroccan youth as well as students across Africa – nurturing leaders and entrepreneurs with the capacity to shape the continent’s future.

Its innovative pedagogical approach emphasises learning through experimentation and practice, encouraging creativity and curiosity among students, faculty and partners.

Its president, Hicham El Habti, aptly summarised what UM6P stands for; he describes it as a “symbol of a new active, involved, enterprising and ambitious Africa,” as well as “a centre of excellence that trains a new generation of committed leaders, builders of the Africa of tomorrow.”

### Structure of study and ethos

UM6P study programmes are organised into four main branches: the Division of Science and Technology, focusing on industrial management, computing, green technology, agriculture, and architecture; the Division of Human, Economic, and Social Sciences, including economics, social sciences, governance, and public policy; the Department of Business and Management, with collective intelligence, business management and hospitality; and the Medical and

Network (205 students, 5.6%), YouCode (420 students, 11.6%), and the “1337” software and coding programme (3,000 students, 82.8%). Some 60% of students have some form of bursary assistance, with 80% of these on full scholarships.

Professor Alami reiterates that a significant part of the university’s mission is to find workable solutions to real problems that the country and continent face. His department consists of 10 research groups organised into three clusters. The energy transition cluster, for example, focuses on energy storage, hydrogen, carbon capture utilisation, and photovoltaics.

The other clusters include studies into such practical subjects as the composition of materials, their extraction and purification and sustainability as well as metallurgy.

While each group conducts independent research, they also collaborate to tackle complex challenges.

Discussing the perennial energy issue, Alami says, “The idea is to accompany Morocco in its energy transition. That’s our starting point. We are in Morocco, in Africa: there’s sun, there’s access to the sea, certain raw materials. So from those inputs, we have developed a strategy for what kind of research we want to do.”



Paramedical Centre covering medicine, biology, and paramedicine.

The facilities offered by UM6P strive for world-class standards, even though the university is still quite small. In the 2024–25 academic year 7,229 students will enjoy the UM6P experience. Of these, an estimated 3,604, from 40 countries, will partake in 42 “conventional” programmes, with a gender ratio of 61–39 in favour of females.

The majority of these students are engaged in Bachelor level programmes, while 475 are in Master’s programmes and 995 (28%) are pursuing doctoral programmes.

Engineering courses will enrol 555 students (15.5%); social sciences, economics and humanities will have 759 students (21.1%) and science and technology programmes will cover 1,154 students (32%). Another 336 students (9.3%) will study health related programmes while 360 students (10%) will pursue business and management courses.

What is classified as “unconventional programmes” account for 3,625 students, divided among the Mahir

Above (L to R): Professor Lamiae Azizi; Professor Jones Alami; and students on the modern campus.

Turning to collaborations, Alami says the university has active partnerships that stretch from North America through Europe to Asia. The idea is to reap the collected expertise of these partners and to domesticate and build on them. The results are already beginning to show. “We have close to probably 40 patents and patent applications. Given that we have only just started, I think that’s quite good for development,” he observes.

### International ranking

Significantly, after just seven years of existence, the university is ranked by the *Times Higher Education* index among the top 500 universities globally. This ranking evaluates institutions based on four quality indicators in teaching, research, international outlook and industrial innovation.

Reflecting on the ethos of UM6P, Alami says: “It’s about developing a culture of rigour, professionalism, and human augmentation. Yes, we focus on technical research, but we also work to empower individuals through programmes in leadership, communication,

## Tertiary education

and innovation. It's as much about human development as it is about academic excellence."

What sets UM6P apart, he adds, is its commitment to African and Moroccan values. "We're not copying any model. But the framework we're building is uniquely African, designed to serve our purpose and reflect our identity." The community at UM6P is very diverse. "Our researchers come from all over the world – Japan, India, Germany, France, Canada – alongside talented Moroccans and Africans from here and abroad. This melting pot of perspectives creates a vibrant environment for collaboration."

### Computing at the heart of it

At the school's college of computing, faculty head Lamiae Azizi says: "We don't teach the basic concepts that other computer science do; we always try to tie them to real world applications. Most of our faculty members actually work with industry."

Getting students to learn while doing also means that at UM6P students do not need to wait until the third year before being tested in the field. Internships are available from the first year, so they can get a real feel of the concepts they are studying in class.

Entrepreneurship is key to the whole concept. "We have a programme called Startup Garage where we encourage our students who are now entering the first year of engineering to become entrepreneurs after three years. They will be working on challenges and problems developed by industry and coming up with solutions."

The idea, Azizi explains, is inspired by the entrepreneurial culture of California's Bay Area, where some of the world's leading technology companies are reputed to have been built out of garages. "So that's the spirit of it. This is how we train our students."

The department's remit covers the gamut of computing technology, from "the hardware to specific domain problems, to anything related to novel technologies or novel algorithms in AI, data science or cyber security."

The rationale for the focus on computing at UM6P, Azizi says, is that nearly all science and research are driven by it. "The Nobel Prizes in physics and chemistry are no longer just about traditional physics or chemistry; they are about artificial intelligence. Innovation in any sector now relies on computing." Computing, thus, is not just essential for advancing scientific knowledge but is central to bridging the gap between research and industrial application.

"Africa, and particularly Morocco, has a rich talent pool in mathematics and theoretical computer science," Azizi notes. This strength is key to nurturing the versatile and well-rounded computer scientists that the market demands. In line with the rapid evolution of computing, the university offers a range of specialised paths, including software engineering, AI engineering, data science, and high-performance computing (HPC).

In 2021 UM6P unveiled Africa's most powerful supercomputer, the African Supercomputing Centre. A remarkable capacity of 3.15 petaflops means that it is capable of performing over three million billion

**MANY OF THE STUDENTS END UP WORKING FOR START-UPS AND THE GLOBAL TECH COMPANIES THAT ARE DOMINATING THE WORLD TODAY**

operations per second.

This ultra-fast technology will enable the university, it hopes, to make significant strides in scientific breakthroughs across various fields.

"High performance computing is one of the biggest infrastructure needs for emerging technologies like AI and quantum computing," Azizi explains. That capacity is still rare in Africa and its presence at UM6P places the university in a lonely lane on the continent.

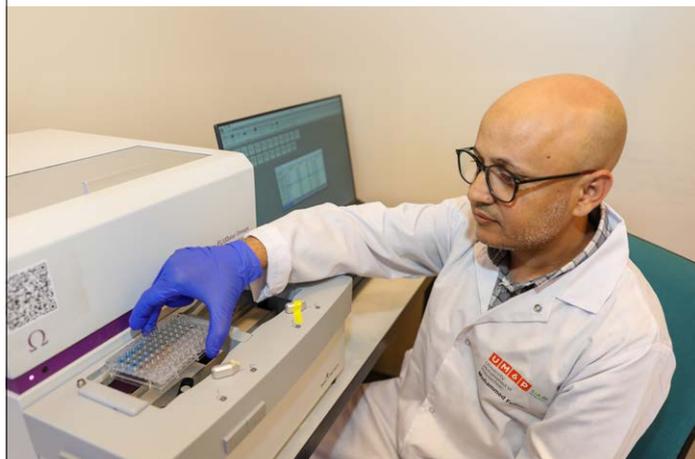
### Solid finances

The university is able to make investments of this scale and sophistication because it has the sort of financial backing that few in the continent – or even those outside – can boast of.

The OCP Group, Morocco's largest public company and a global player in phosphate-based fertilisers, is a founder and major underwriter of the project, providing substantial financial backing and strategic support to advance UM6P's mission.

In March 2023, OCP once again demonstrated its commitment by fully subscribing to a capital increase, elevating UM6P's funds from 22 to 32bn dirhams (\$3.5bn).

In addition to direct financial contributions, OCP



collaborates with UM6P on various initiatives. For instance, in 2023 OCP, UM6P and Syensqo (a Belgian multinational materials company) became main partners of the Climate Impulse project, which aims to perform a non-stop, zero-emission world tour aboard a green hydrogen aircraft by 2028.

Referring to the relationship with the OCP Group, Dr Alami says: "We have a special situation because we are funded by a company that is very much interested in what we are doing."

While the funding allows the university to remain a non-profit and charge relatively low fees for an institution with such facilities, it also means that the university's research is largely focused on areas that have the potential to deliver benefits for Morocco and the company.

"We do work on their problems," he says "which are also national problems like energy. But we also with the oil and gas industry from Nigeria; and the steel industry with whom we created a joint laboratory with the largest steel manufacturer in Morocco.

"This is called an Accelerated Research Centre,

where our researchers and their engineers meet in a physical centre, which exists here at the university, and work together to develop solutions that are dedicated to that sector.” That partnership has yielded some new products, including market-ready steel alloys for its partners in the centre.

In addition to its under and postgraduate programmes, UM6P offers specialised programmes for industry leaders. An example is AI for Leaders, designed to introduce business executives to artificial intelligence without delving into the complex technicalities.

Many AI projects in businesses fail because companies don’t fully understand how to implement them effectively. “People are just trying to do AI without understanding what it’s truly for and where it fits within their business,” says Azizi.

The programme helps leaders strategise on how to deploy AI meaningfully in their organisations, ensuring that it adds value. The success of this initiative has led to high demand from sectors like telecom, banking, mining and energy eager to sign up for future sessions. “We already have a long list of companies waiting for 2025,” says Azizi.

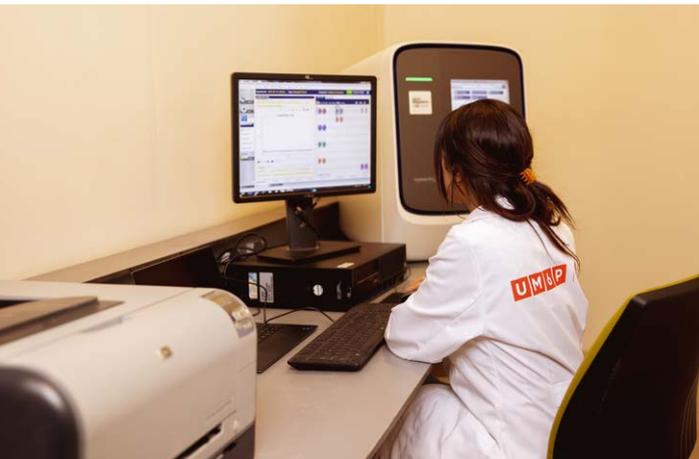
Given its mandate to produce a generation of leaders

laboration and need three or four people to do but most of them are individual-based. However, even those individual projects require you to seek out information from your peers to enable you to complete them,” he explains.

The idea is to create a corps of complete professionals who not only excel at the technical aspects of the tasks but are able to lead, collaborate and communicate while executing projects to the highest standard. “Although we focus on the technology part, we also put a lot of emphasis on making the student or future employee able to function within a company. We put a lot of emphasis on communication and the softer skills so they know how to voice their opinions,” says Mehdi Charouh.

The school also invites opinions and feedback from companies where their students intern, so they can refine and improve their approach.

This new form of online and peer-to-peer learning – with compulsory modules taken within a specific time frame to allow students to pass on to the next stage of learning – is a gamified approach to coding that enables students to work both collaboratively and alone and to gain the different skillsets needed to be a competent coder.



in future industries, the university has taken novel approaches to conventional teaching techniques. It was an early partn Xavier Niel. The university, for example, offers this online-only programme to its students, all of them resident on campus but never meeting a teacher throughout their courses, which can last up to two years.

### A peer-learning model

Known as 1337, this school within UM6P is Morocco’s first institution to offer coding training through a peer-to-peer educational programme. (Ecole42 has other campuses in Africa including in Madagascar and Angola).

Open to everyone, 1337 is entirely free of charge and does not require any prior degree for admission. According to Mehdi Charouh, who oversees the programme in the Rabat campus, students have to take on both individual and group projects designed to not only test their mettle, but to ensure that they learn by doing.

“We have projects that are really focused on col-

Above: in the laboratories of UM6P.

Many of the students end up working for start-ups and the global tech companies that are dominating the world today. The university collaborates with some of them.

Is “brain drain” a worry? I’m told they can’t control where their students go, but they are confident that the values they have instilled will mean that the majority will want to contribute meaningfully to the continent.

UM6P also supports start-ups with an incubator and accelerator model, including through venture capital and investment funds, to support local entrepreneurship and enterprise. One of these is Innovx, which aims to invest \$5bn to develop world-leading companies in areas across the electric vehicle value chain, energy and tech.

While UM6P’s real impact will only be felt when its graduates start delivering the change that it promises, it is clear that in the first decade of its existence, the institution has made solid progress towards its obvious ambition of providing “Ivy League” quality education with a unique African ethos and identity – and this from a standing start less than a decade ago. ■

# A new era for African female leadership and investment: The FLAIR Summit, London 2025

In June 2025 London will serve as the backdrop for an extraordinary gathering of global leaders, innovators, and change-makers at the FLAIR (First Ladies of African Impact & Resilience) Summit.

This summit is not just an event; it is a movement that seeks to reshape Africa's future by leveraging the collective power of African women leaders, global business magnates, and international partners. Hosted at the luxurious Park Hyatt Hotel, the FLAIR Summit will bring together influential figures from diverse sectors, including politics, business and social development, united by a shared vision of transforming Africa's economic, political, and social landscape.

The summit will provide a platform for meaningful dialogue and strategic partnerships, but what truly sets FLAIR apart is its focus on action-oriented outcomes. With the full backing of the United Nations Sustainable Development Goals (UNSDGs) and the African Union Agenda 2063, the summit is designed to spark collaboration, address pressing challenges, and unleash sustainable growth across Africa.

## A vision for transformation: the role of African female leadership

"Until the lion learns to write, the story will always glorify the hunter." This proverb encapsulates the spirit of the FLAIR Summit. Historically, Africa's narrative has been shaped by external perspectives. However, African women leaders are now seizing the pen, reshaping the narrative, and positioning the continent for a future of resilience, innovation, and growth. At the heart of FLAIR is the belief that Africa's prosperity hinges on the leadership and empowerment of its women. By spotlighting the contributions of African First Ladies and prominent women from across the continent, the summit challenges the status quo and redefines leadership.

One of the key features of the FLAIR Summit is the participation of high-profile African First Ladies who are leading the charge for change. Among the distinguished guests will be Her Excellency Senator Remi Tinubu, First Lady of Nigeria; Her Excellency Clar Marie Weah, First Lady of Liberia; Her



Excellency Isaura Nyusi, First Lady of Mozambique; Her Excellency Fatima Bio, First Lady of Sierra Leone; and Her Excellency Rachel Ruto, First Lady of Kenya, to name just a few. These women are not just symbolic figures but powerful advocates for national and continental progress, leading initiatives in sectors ranging from health-care and education to climate resilience and technology.

Their participation underscores the significance of this summit as a transformative event for women's leadership in Africa, one that demonstrates how the future of the continent is inextricably linked to the empowerment of its female leaders.

## The cultural gravitas of African leadership

The FLAIR Summit will not only be a gathering of political and business leaders but also a celebration of Africa's rich cultural heritage. African queens and royal figures will add depth to the event, offering invaluable insights into how tradition and modern leadership can coexist to foster economic and social growth.

Dr Auxillia Mwangagwa, First Lady Of The Republic Of Zimbabwe states, "As Patron Elect, I am committed to supporting the goals of the Flair Summit Strategy. Africa, in particular, holds immense potential. By investing in the empowerment of women, we are unlocking a significant part of this potential."

Women are the backbone of our communities; their empowerment leads to stronger, more resilient societies. When women thrive, everyone benefits families, communities, and nations."

Her Excellency Ambassador Professor Olufolake Abdulrazaq, First Lady of Kwara State and Chair of the Nigeria Governors' Wives Forum, also points to the vital role of women in driving Africa's development. She believes that real change happens when women and youth are empowered to lead. As the world focuses on Africa's growth potential, FLAIR provides a strategic platform to unite African leaders, global stakeholders, and international partners.

Queen Atuwatse III, founder of the Elevate Africa Campaign, will lead a delegation of queens to London, emphasising the importance of integrating African heritage with forward-thinking strategies. "Our heritage is the guardian of our future," Queen Atuwatse III states, highlighting the role of cultural preservation in shaping Africa's long-term resilience.

## A movement for sustainable and profitable outcomes

FLAIR is more than a conference; it is a call to action, backed by concrete strategies and measurable goals that align with Africa's economic potential.

Africa's economy is primed for growth, and the FLAIR Summit aims to capitalise on opportunities across multiple sectors, in-



cluding climate resilience, women's leadership, digital transformation, and financial empowerment.

Africa's \$50 billion green economy potential offers lucrative opportunities in renewable energy, sustainable agriculture, and water security. By focusing on climate adaptation, the summit encourages investment in technologies and practices that will help safeguard Africa's future while generating significant returns for investors.

In addition to climate resilience, women's leadership remains a central theme of the summit. Studies have shown that enhancing female leadership could add \$1 trillion to Africa's GDP by 2030.

The FLAIR Summit will explore how empowering women entrepreneurs and business leaders can create high-impact ventures, while also strengthening the foundations of Africa's economic growth.

Furthermore, Africa's youth represent a growing and dynamic market. With a projected 1.1 billion people under 25 by 2050, the continent's youthful population offers exciting prospects for innovation, workforce development, and digital solutions.

The FLAIR Summit will engage youth in tackling some of Africa's biggest challenges, with a focus on leveraging digital transformation to drive economic growth. By 2025, Africa's digital economy is expected to reach \$180 billion, spurring investment in sectors such as fintech, e-commerce, and artificial intelligence (AI).

### Forging business partnerships

FLAIR's agenda will be shaped by a series of high-profile panels, keynote speeches, and interactive workshops designed to foster partnerships and collaboration.

**Opposite: Dr Auxillia Mnangagwa first lady of the Republic of Zimbabwe; Her Excellency Ambassador Professor Olufolake Abdulrazaq and Queen Atuwatse III, founder of the Elevate Africa Campaign.**

**Below: The Park Hyatt Hotel with views across London.**

Keynotes from leading thought leaders in business, technology, and finance will explore Africa's economic priorities, from climate adaptation to AI-driven growth. Meanwhile, targeted matchmaking sessions and Deal Rooms will provide a platform for entrepreneurs, investors, and development agencies to forge alliances, make capital infusions, and scale innovative ventures across Africa.

FLAIR is uniquely positioned to bridge the gap between international investors and Africa's emerging markets. The summit will also feature hackathon sessions, where tech innovators will tackle critical challenges in sectors such as healthcare and logistics, producing market-ready solutions ripe for adoption and investment.

### Why sponsor or partner with FLAIR?

For organisations looking to expand their presence in Africa, FLAIR offers an unparalleled opportunity for global visibility and access to exclusive networks of high-profile business leaders, government officials, and philanthropists. By partnering with FLAIR, companies can align themselves with Africa's most strategic initiatives, enhancing their corporate reputation and ensuring long-term sustainable returns in the continent's rapidly evolving markets.

The summit will also offer tailored sponsorship packages, allowing businesses to showcase their thought leadership and invest in key focus areas such as climate, health, digital transformation, and more.

As one of the first summits to bring together this powerful mix of leaders, innovators, and stakeholders, FLAIR is the place to be for any company aiming to play a pivotal role in Africa's growth.

### The summit leadership team

FLAIR is the result of the combined efforts of several visionary leaders committed to Africa's transformation. Dr. Yvonne Thompson CBE DL, co-founder of FLAIR and founder of Wintrade Global, states that FLAIR is not just about hosting an event but about creating a platform for women and youth to harness their potential and drive business and social change.

Dr. Nero Ughwujabo, co-founder of FLAIR and founder of PineCone Strategies, highlights the summit's role in turning bold ideas into measurable results, while Dr. Rex Idaminabo, founder of the Global Reputational Forum African Achievers Awards, emphasises that FLAIR is about building a legacy that elevates Africa's next generation of leaders.

### Seize the opportunity

The FLAIR Summit represents a once-in-a-generation opportunity to become a partner in Africa's economic growth story. As the world's eyes turn toward this pivotal summit, businesses and organisations have the chance to engage with Africa's most influential leaders and entrepreneurs, forge vital business alliances, and unlock fresh frontiers of growth.

Whether you are a multinational corporation, an investment fund, or a leading NGO, FLAIR offers an exclusive platform for collaborations that can shape Africa's future – and your own. Join us in London this June and be part of history. Together, we can drive Africa's transformation and build a future that benefits everyone. ■

*For more information, please email [orgcom@flair-summit.com](mailto:orgcom@flair-summit.com)*



## Last word

The World Economic Forum offers a chance to consider how Africa can best be integrated into the unfolding technological revolution, writes **Camilla Mina**.

# Davos, Africa and the 'Intelligent Age'



Above: Imelda Mumbi, 13, from Nairobi holds her smartphone as she studies online.

From new administrations in Ghana and Senegal to South Africa's first coalition government, 2024 has been a year of important political changes across the continent. In this period of political renewal there is a fresh sense of optimism, and Africa is bursting with possibilities for international businesses willing to innovate and to deal with new governments that are keen to kickstart business growth.

While Africa's challenges are obvious – Nigeria and Ethiopia are examples of major nations whose

economies have misfired this year – the opportunities for engaged businesses remain compelling.

## Focus on technology

This year's World Economic Forum in Davos provides an opportunity for leaders from diverse sectors, including government, academia, business and civil society, to think about how best to cultivate these enormous opportunities. And no area is more crucial than technology.

It is thus appropriate that this year's Forum will focus on how the world can integrate AI to foster economic growth and innovation – a theme which WEF founder Klaus Schwab has dubbed the "Intelligent Age".

"Rapid advancements in artificial intelligence, quantum computing and blockchain have propelled us into the Intelligent Age... an era far beyond technology alone," Schwab writes.

"This is a societal revolution, one that has the power to elevate humanity – or indeed to fracture it... With the advent of the Intelligent Age, we are confronted both with unprecedented opportunities and unprecedented risks."

## Avoiding the fractures

With 429m individuals in Africa living on less than \$2.15 per day in the informal economy, roughly a third of Africa's population, there are major challenges to Africa avoiding the fractures of which Schwab speaks.

Despite improvements in technology access, particularly in mobile, in 2022 only 36% of Africa's population had broadband internet access, according to the World Bank. Furthermore, Africa has one of the widest digital gender gaps worldwide, with the greatest disparity between men and women using the internet – 35% versus 24% in 2020, according to the International Telecommunication Union.

As *African Business* has reported, from AI to cloud technology, African entrepreneurs are making impressive strides, buoyed by a winning combination of global capital and local market insight. But without improved internet access, infrastructure, literacy, and attempts to close the gender gap, the existing massive global digital divide could grow worse, excluding millions of Africans.

Consequently, the need to strategically rethink business models and Africa's approach to innovation is more crucial than ever, as Schwab writes.

## Rapid regulation

"To navigate this new era responsibly, we need co-ordinated global efforts across all sectors of society. Policymakers must work quickly to establish regulations that ensure AI, quantum computing and blockchain are used ethically and for the benefit of all.

"Education systems must evolve to prepare future generations for a world of work where many traditional jobs no longer exist and new roles are emerging that require entirely different skill sets. Businesses must rethink their models, ensuring that they adapt to the dynamism of the Intelligent Age while fostering an environment that does not leave workers and entire sections of society behind."

For Africa's sake, there has never been a better time to start the discussion than at this year's Davos meeting. ■

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