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Top stories



Bottom-up Approach in African Private Sector Makes all the Difference



Africa Urged to Utilise Extractive Industries for Sustainable and Inclusive Economic Growth



AFR100 Helps Close the Financing Gap for Africa's Land Startups



AUDA-NEPAD Introduces Competitive Electricity Market to North Africa

Bottom-up Approach in African Private Sector Makes all the Difference



By Dr Ibrahim Mayaki, AUDA-NEPAD CEO

African success stories are multiplying in the private sector, each more inspiring than the next. A striking fact explains some of the dazzling successes whether start-ups, telecommunications companies or banks: a bottom-up approach, which starts from the realities on the ground to design solutions adapted to needs, from the most local to the most global. And not the other way around, which consists of plating imported goods or services without adapting them to demand.

Indeed, an object such as the razor has the same use all over the world. But the way it is sold will change everything in Africa, where you have to consider the pace of transactions and maturities, which are not necessarily monthly as in Europe. The logic is rather that of “daily expenditure”, the famous “DE”* as it is called in Senegal. This DE ensures that purchasing power is adjusted on a day-to-day basis for products sold at retail. That’s why a bag of 10 razors is less likely to be purchased than each piece individually.

In other areas, market adjustment leads to perfectly innovative products on a global scale, as seen with M-Pesa, the e-wallet that has made the Kenyan mobile network operator globally known. In doing so, the solution invented in Kenya has been replicated in much of the continent. It is part of the daily lives of Cameroonians and Malagasy alike, not to mention the African diasporas who send money to their families back home. As indicated in the latest GSM Operators Association (GSMA) report on the digital economy in sub-Saharan Africa, the continent hosts nearly half of the world’s active mobile money accounts.

Microfinance and meso-finance allow telecommunications companies and banks to reinvent themselves, as seen in Senegal and Zimbabwe, with the respective examples of Wari and Econet Wireless. The main lesson of these successes is that the potential of the informal sector should not be underestimated, a word that has a pejorative connotation in itself, while it is synonymous with remarkable dynamism.

These initiatives contribute to an ad hoc regional integration, which is carried out on a daily basis in economic terms. An online trading company founded in Nigeria and later expanded to other countries made headlines this year due to its listing on the New York Stock Exchange. Upstream, many other African private groups are advancing telecommunications infrastructure. Tens of thousands of kilometres of fibre-optic cables are being laid across the continent to link countries together, with a vision that does not care about linguistic or cultural borders, but relies on a demand that can only be exponential. Internet access, which stood at 23% in sub-Saharan Africa in 2017 according to World Bank figures, is expected to jump to 39% by 2025 according to the GSMA report. The expansion of this access not only makes Africa a new frontier for global growth. It is also one of the Sustainable Development Goals (SDOs), and nourish high hopes for faster growth through digital technology.

The private sector is currently the main source of employment on the continent. The extent of these successes in this sector must be appreciated by policy-makers and the great lesson to be learned from the African private sector for policy-makers in Africa can be summed up in these few words: starting from the field to identify needs. There is not necessarily a need to call for help, but to consider actions in a sustainable way, with future generations in mind. There is only profit to be made from it, from every point of view. *DE: daily expenditure

Africa Urged to Utilise Extractive Industries for Sustainable and Inclusive Economic Growth



By Judith Akolo, KBC (Member of the Agenda 2063 Media Network)

Lusaka, September 18, 2019 - The African Union Development Agency-NEPAD is urging for the utilisation of extractive industries to fuel sustainable and inclusive economic growth.

The Director of Programme Innovation and Planning at African Union Development Agency-NEPAD, Mrs Estherine Fotabong said the mining sector is extremely valuable to Africa's countries, "and they can be leveraged to fuel sustainable and inclusive economic growth."

In a statement read on her behalf by the Programme Officer for Knowledge Management, Monitoring and Evaluation at AUDA-NEPAD, Cheikh Tidjane N'dongo, she said the mining sector has the potential to generate significant financial benefits and help countries fuel their economic growth and development.

The Director noted that through direct and indirect job creation, business opportunities, technologies and knowledge transfer and incomes generation, the continent can begin to benefit from the resources and ensure a better life for the citizens of those countries by a sustained poverty reduction and an inclusive growth. Fotabong noted that while negotiating mining contracts is an extremely complex endeavour that requires a clear set of objectives articulated by leadership, a variety of technical skills in law, engineering, economics and finance, there is need for high level of coordination across relevant government entities and other key stakeholders to realise success.

"To reach an agreement that is stable over time, the investor-state relationship must be perceived to be fair by the foreign investor and the host government, as well as local communities, broader civil society and the business community," said Fotabong and added that this can be achieved by incorporating transparency into the process from the onset.

The fact remains that the definition of the fiscal and taxation is key to concluding a win-win contract so as to have the tangible contribution of extractive companies to fiscal revenues of the states. While extractive companies, especially mining, carry out activities that often require advanced technology and employ a large workforce, creating new jobs, there is need for more resources to support good growth momentum, strengthen the resilience of their economies and accelerate progress towards social progress in Africa.

The minerals sector is high capital intensive, hence substantial financial resources are needed for investment in the sector several years before the start of operations. According to the World Bank, natural resources play a dominant economic, social and political role in the lives of 3.5 billion people living in 81 countries. Africa alone is home to about 30% of the world's mineral reserves, 10% of the world's oil, and 8% of the world's natural gas.

The 5th Regional Dialogue and Training on Contract Negotiation and Fiscal Policies in the Extractive Industries is being held in Lusaka, Zambia, bringing together all the 19 members states of the Common Markets for Eastern and Southern Africa. They include, Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Eswatini, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Uganda, Zambia and Zimbabwe.

AFR100 Helps Close the Financing Gap for Africa's Land Startups



Growing neem trees to make natural pesticides and insect repellents. Turning edible cassava leaves into shelf-stable nutritious food. Providing tree seeds and seedling to agroforestry practitioners and large-scale restoration projects. These were some of the restorative services offered by the startups in this year's Land Accelerator, a highly selective four-month program and curated network for entrepreneurs who restore degraded forests and farmland, anchored by an intense week-long workshop. It's the first accelerator aimed at fostering entrepreneurship in restoring degraded land to cost-effectively tackle climate change and drive sustainable economic growth.

Launched in 2018 by African Union Development Agency and World Resources Institute (WRI) with the support of Germany's Federal Ministry for Economic Cooperation and Development (BMZ), DOEN Foundation and in partnership with global accelerator network Fledge, the Land Accelerator addresses the dual challenges of climate change and poverty by supporting sustainable businesses that create local jobs.

"Restoration businesses which restore degraded forests and farmland are both good for the planet and profitable. But they face limited access to technical knowledge and capital" said Mamadou Diakhite, AUDA-NEPAD Programme Manager, Land, Energy and Water in Environment Sustainably.

The 14 startups from eight countries (Ethiopia, Ghana, Kenya, Niger, Rwanda, South Africa, Uganda, and Zimbabwe) include Kenyan-based E-moto Limited, which turns sugarcane waste into biofuel for cooking, Shoots & Roots, a South African commercial nursery, and Agromyx, a Ghana-based freeze-dried fruits, vegetable and grains manufacture to stem post-harvest losses and create instant food products.

There is a business case for restoring land: developing sustainable food and land use business models overall could be worth up to US\$2.3 trillion and provide over 70 million jobs globally by 2030.

More than 300 startups applied to the programme this year. "That signals to us there is a strong interest in being part of the solution and working towards a sustainable Africa by tackling climate change and at the same time creating jobs," stated Sofia Faruqi, who designed and manages the Land Accelerator program for World Resource Institute.

The Accelerator is also backed by the African Forest Landscape Restoration Initiative (AFR100), an alliance of countries dedicated to beginning the restoration of 100 million hectares of degraded land by 2030.

AUDA-NEPAD Eastern Africa Regional Office Operationalised in Nairobi



Part of the transformation of the New Partnership for African Development (NEPAD) into the African Union Development Agency (AUDA-NEPAD) included establishment of Regional Offices to strengthen the Agency's coordination of programme implementation across the five African Regions (East, South, North, West and Central Africa).

Mr Daniel Osiemo, Ag. CEO NEPAD/APRM Kenya Secretariat (left) cuts the ribbon to symbolise the opening of AUDA-NEPAD Eastern Africa Regional Office in Nairobi. Looking on is Prof. Aggrey Ambali, AUDA-NEPAD Ag Director Technical Cooperation, Programme Funding and Strategic Initiatives

Nairobi, September 16, 2019 - The African Union Development Agency (AUDA-NEPAD) Eastern Africa Regional Office has been operationalised in Nairobi, Kenya.

This follows a decision by the African Heads of State and Government who during the 31st Ordinary Session of the African Union Summit, approved the transformation of the New Partnership for African Development (NEPAD) into the African Union Development Agency (AUDA). Part of the transformation included establishment of Regional Offices to strengthen the Agency's coordination of programme implementation across the five African Regions (East, South, North, West and Central Africa).

After consultations, Kenya was identified as the most suitable location for setting up the East African Regional office. This decision was guided by the country's proven capacity, quality of facilities and conducive environment for hosting regional and international bodies. The visibility and active participation of the NEPAD/APRM Kenya Secretariat in African Union programmes also encouraged this resolution.

The Government of Kenya through the Ministry of Foreign Affairs welcomed the decision and has been instrumental in ensuring a smooth procedure in the establishment of the office, processing of documents including the Host Country Agreement as well as offering logistical support.

Following the operationalisation, the office will commence coordination of one of its key initiatives, the African Biosafety Network of Expertise (ABNE) and later embark on working with AUDA-NEPAD country offices in the region on various programmes. These programmes, which form AUDA-NEPAD thematic pillars include Infrastructure, Regional Integration and Trade; Human Capital Development; Natural Resources Governance and Food Security; and Industrialisation under which ABNE Falls. Currently the ABNE programme is implementing biosafety activities in 17 African Countries.

The AUDA-NEPAD team was led by Prof Aggrey Ambali, Ag Director Technical Cooperation, Programme Funding and Strategic Initiatives, and was received by the NEPAD/APRM Kenya Secretariat Ag CEO Mr Daniel Osiemo.

In his address, Prof Ambali thanked the Kenya team for continued support and noted President Uhuru Kenyatta's major contribution to continental programmes including the African Peer Review Mechanism (APRM) which underwent revitalisation under his leadership. On his part, Mr Osiemo welcomed the team saying it was an honour for Kenya to host the regional office and gave assurances of support from the national office.

Inauguration of a Biosafety Laboratory in Burkina Faso



The National Biosafety Laboratory in Ouagadougou has high quality equipment for analysing living organisms, detecting the presence and levels of pesticides, and determining the composition of food products.

Ouagadougou, September 2, 2019 - The Minister of Higher Education, Scientific Research and Innovation, Prof Alkassoum Maïga chaired the inauguration ceremony of the National Biosafety Laboratory on September 2, at the INERA-Kamboinsé premises in Ouagadougou.

Accompanying him were two other Ministers, Mr Maurice Dieudonne Bonanet, Minister of Urban Planning and Housing, Mr Salif Ouedraogo, Minister of Agriculture and Hydro-Agricultural Development and Dr Urbain Ibrahim Couliadiati. Also present were the Deputy Minister for Scientific Research and Innovation as well as high ranking officials including the CEO/DG of the National Scientific and Technology Research Centre and the DG of the national Biosafety Agency. Also were present Hon. Larlé Naba Tigré, MP and traditional chief, as well as other honourable Members of the National Assembly and representatives of international and inter-African organisations, including the West Africa Economic and Monetary Union (WAEMU) and the African Union Development Agency (AUDA-NEPAD). Dr Moussa Savadogo represented AUDA-NEPAD at this important ceremony.

In his opening remarks, Prof Alkassoum Maïga said that this facility was fully financed by the State of Burkina Faso for the amount of 565,817,869 FCFA (~1,001,448 USD) through a loan agreement with the World Bank, It was equipped by the State with the support of WAEMU to the amount of 825,094,692 FCFA (~1,460,345 USD).

The Minister expressed his gratitude to the partners and paid tribute to the first authorities of the country for this important initiative. "This laboratory has ambitions to cover the sub-region and it is expected to provide quality services to countries that need it. To guarantee its independence, the laboratory is placed under the governance of the National Biosafety Agency. Given that it is a technical platform, we are convinced that this is an innovative instrument that will contribute to accelerating the economic and social development of our country and also of the sub-region," Minister Maïga said.

According to specialists, including Prof Chantal Zoungrana, Director General of the National Biosafety Agency, the National Biosafety Laboratory can meet the needs of anyone who wants to evaluate and assess the safety of living organisms and their products thereof as well as any other organisms and products. The laboratory may also measure the level of pesticides and assess the presence and content of pesticides in food products.

Established in 2005 as the biosafety competent authority, the National Biosafety Agency is responsible for assessing potential risks associated with modern biotechnology applications. There is no doubt that with this new reference laboratory which complements ANB's technical tools, the Agency has greatly strengthened its capacity to assess and monitor modern biotechnology applications in Burkina Faso.

AUDA-NEPAD Introduces Competitive Electricity Market to North Africa



Algiers, September 11, 2019 - AUDA-NEPAD joined hands with UMA (Union Arab Maghreb) and COMELEC (Magreb Electricity Committee) and organised a workshop for the UMA Countries and Egypt on the introduction of competitive electricity market to the North Africa Region. This is in order to efficiently utilise the enormous energy resources available in North Africa and to enable each country to source electricity on the most competitive prices.

Most of the electricity trade in the North Africa Region is done on a bilateral basis which tie the countries involved on long term sale agreements (years ahead), and denies the countries from utilising the opportunities available in securing electricity on short terms at competitive prices.

A mission headed by Prof Mosad Elmissiry, Senior Advisor at AUDA-NEPAD, was undertaken to Algeria. It was organised with the Southern Africa Power Pool (SAPP) which is the only power pool in Africa that allows electricity trade on an auction basis on one month ahead, one week ahead, one day ahead and even hours ahead, to transfer the knowledge and experiences gained by SAPP to the North Africa Region in the development and implementation of a competitive electricity market in UMA and Egypt.

SAPP covered the stages that the development of a competitive electricity market has to go through, the requirements on hardware and software that needs to be addressed, the intergovernmental and utilities MoUs that need to be signed, the trade rules and sales clearance arrangements and the challenges faced in the introduction of the competitive electricity market. The enormous benefits gained from the introduction of the regional electricity market were highlighted.

North Africa is one the continent's regions that have the highest electricity access rate, that exceeds 98% and is already connected with Europe, Asia and currently being connected to the Gulf States. It is the gate of Africa to the rest of the world when it comes to electricity trade.

Prof Elmissiry says that with the enormous renewable energy resources that are available in Africa, the African continent has a good chance to export the excess in clean power to Europe and earn substantial income needed for its economic development.

"Africa needs to strategise and plan ahead when oil resources are longer available," Prof Elmissiry said. He added that with the introduction of the competitive electricity market in North Africa and the current work going ahead with regards the connection between the Eastern Power Pool and SAPP, soon almost half of the countries in Africa will be connected together. They will be able to trade electricity among themselves and beyond, on a competitive basis.

"This is a strong achievement for which Africa should take pride in," Prof Elmissiry declared.

The engagement in Algeria ended with identifying the challenges that are facing the introduction of the electricity competitive market in the North Africa region and drafting of a road map for solutions.

Announcement

During the 74th Session of the UN General Assembly (UNGA) in New York, USA, the African Union Development Agency-NEPAD (AUDA-NEPAD) will be holding a series of events:

Event: **“Our Door of Return” AUDA-NEPAD Diaspora Economic Dialogue**
Accelerating results-oriented investments and development in Africa.

Date: Thursday, 26 September

Time: 10h00 to 12h30

Venue: Office of the Brooklyn Borough President, 209 Joraleman Street, Brooklyn, New York

Event: **Launch of the “100,000 SME’s for 1 million Youth by 2021” campaign**
Firming up synergies with stakeholders to accelerate jobs creation in Africa.

Date: Thursday, 26 September

Time: 14h00 to 16h30

Venue: African Union Permanent Observer Mission, 3 Dag Hammarskjöld Plaza, 305 East 47th Street, 5th Floor, New York, NY 10017

Event: **“Rethinking Development in Africa”**

Africa is experiencing a pivotal period in its relation to global powers. The world is awakening to the importance of our continent, which will be home to one in four human in 2050, just 30 years from now. The lofty theories of “Africa rising” are giving way to the “New scramble for Africa”. How should Africa retake centre stage and deal with this renewed attention from the wider world at a time of rapid political transitions?

To register for this event go to: <https://events.columbia.edu/go/rethinkingdevelopmentinAfrica>

Date: Friday, 27 September

Time: 12h30 to 14h30

Venue: University of Columbia, West 116 St and Broadway, New York, NY 10027

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