High Level Dialogue with Africa: Road to TICAD7 in Yokohama

and Africa's Development Dynamics 2019

21 May 2019, OECD, Paris

Outcome document

Enabling Africa's Economic Transformation: Engaging Public and Private Sector in Enhancing Connectivity

October 1st, 2019

Preface

The mission of the Organisation for Economic Co-operation and Development (OECD) is to promote policies that will improve the economic and social well-being of people around the world. The OECD provides a forum in which governments can work together to share experiences and seek solutions to common problems. The OECD Development Centre (DEV) was established in 1962 as a platform for analysis, knowledge-sharing and evidence-based policy dialogue on development. DEV counts 27 OECD countries, plus the EU, and 30 non-OECD countries from Africa, Asia and Latin America interacting on an equal footing to find innovative policy solutions to pressing development challenges. It is a forum where countries come to share their experience of economic and social development policies. The Centre contributes expert analysis to the development policy debate. The objective is to help decision makers find policies to stimulate growth and improve living conditions in developing and emerging economies.

The OECD Development Centre and the Ministry of Foreign Affairs of the Government of Japan jointly organized the High-Level Dialogue with Africa. Held on 21 May 2019, at the OECD headquarters in Paris, the special event reflected on one of the key themes of the African Union Agenda 2063: promoting economic transformation in Africa. This event emphasised the roles of government and the private sector in enhancing connectivity through infrastructure. It also informed the debate leading to the seventh edition of the Tokyo International Conference on African Development (TICAD7), held in Yokohama on 28-30 August 2019. The Dialogue took place alongside the Fifth *High-Level Meeting of the Governing Board of the OECD Development Centre on Development for All: the Role of Domestic and International Policies*.

The High-Level Dialogue provided insights to nurture the policy debate between African policy makers and their global partners, notably with the member countries of the OECD and its Development Centre. It benefited from the preliminary findings of the *Africa's Development Dynamics* (AfDD) 2019 report that focused on *Achieving Productive Transformation.* This African Union report, produced with the Development Centre, examines the patterns of productive transformation in African countries and in its five regions. The launch of the AfDD 2019 report will take place in Addis Ababa in the fall. A high-level curtain raiser event will be organised on the margins of the Seventh Tokyo International Conference on Africa's

Development (TICAD7) on 29 August 2019 in Yokohama, Japan. The OECD Development Centre would like to thank the Government of Japan for the fruitful cooperation and active engagement.

African governments need to overcome infrastructure bottlenecks that are hampering connectivity and rural-urban linkages and putting a drag on their structural transformation and development potential. Despite the significant opportunities and economic and social returns from bridging these gaps, the mobilisation of financial resources – public and private – remains insufficient. Weakness in project preparation capacity, challenges in meeting standards and high risks on the side of investors are among the obstacles to progress.

This High-Level Dialogue highlighted the importance of an international policy dialogue on the financing of public policies and infrastructure development in the continent. Such multi-stakeholder process could help address public sector capacities to deal with investors and ensure the long-term beneficial impact of infrastructure. The Development Centre is committed to work with its members and partner institutions, notably in the framework of the Africa's Development Dynamics process with the African Union, to support such a dialogue.

Mario Pezzini
Director
OECD Development Centre and Special Advisor
to the Secretary-General on Development

Manuel Escudero
Ambassador of Spain and Representative of
Spain to the OECD and Chair of the OECD
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Foreword

TICAD stands for "Tokyo International Conference on African Development". In 1993, Japan launched TICAD to promote high-level policy dialogue between African leaders and development partners on the issues facing Africa, such as economic development, poverty, and conflict. TICAD has evolved into a major global framework to facilitate the implementation of measures for promoting African development under the dual principles of African ownership and international partnership. Through this process, TICAD has developed to become an open and inclusive forum, to engage multiple stakeholders, to align with Africa's own agenda, to emphasize human security and people-centred development, and to develop effective implementations with integrated follow-up mechanisms.

As we observe Africa's development dynamics ahead of TICAD7 taking place in August this year, engaging public and private sector in enhancing connectivity has become one of the most critical elements of fulfilling Africa's future economic transformation. It is against this background that the *High-Level Dialogue with Africa – Road to TICAD7 in Yokohama and Africa's Development Dynamics 2019,* centring on this theme was jointly organized by the Government of Japan and the OECD Development Centre. We would like to express our great appreciation of the distinguished panellists who shared their insightful comments and analyses on this occasion. This report of the Dialogue will serve as valuable contribution to the upcoming TICAD7 in Yokohama.

Japan intends to highlight the role of the private sector, business and innovation for African economic growth and development at the forthcoming TICAD7. In April this year, the representatives of the Japanese private sector submitted their recommendations on TICAD7 to Prime Minister Abe, which highlighted, among other things, the importance of (1) developing quality infrastructure, (2) enhancing public-private partnership of developing human resources, and (3) developing a framework that can take advantage of small/medium sized start-up companies including through innovation. *Japan Business Council for Africa*, which was just established this June, is one of the centrepieces of Japan's effort to boost Japanese business and investment in Africa. So is enhancing trade insurance to cover infrastructure-related exports and loans. Japan intends to launch and strengthen further initiatives on TICAD7 by making most of Japan's strength, such as human resource development and transfer of technology under public-private partnership.

The Government of Japan, together with other TICAD co-organizers, wishes all stakeholders on

African development to take part in TICAD7 this August and to work together to achieve a better future for Africa and the world. I look forward to meeting you all in Yokohama!

Kiya Masahiko,
Ambassador for TICAD,
Deputy Assistant Minister, African Affairs Department,
Ministry of Foreign Affairs, Japan

Acknowledgments

The Development Centre expresses its gratitude to the Ministry of Foreign Affairs of Japan and to the Permanent Delegation of Japan to the OECD for the financial support it provided towards the organization of this High Level Dialogue with Africa. Taro Fujii, Counsellor at the Delegation, led a team comprising Satoshi Watarai, Yurie Komine, Shizuka Onishi and Yoko Nishiki.

The organizing team at the OECD Development Centre included Kélétigui Fama Toure, Shaikh Mehwish, Julia Peppino, Sarah Lawan, Rodrigo Deiana, Thắng Nguyễn-Quốc and Bakary Traoré. Bochra Kriout and Irit Perry were responsible for the media and communication aspects. Suzanne Leprince, Elisabeth Turner and Diane Raillard ensured effective liaison with member countries. Mario Pezzini, Director, OECD Development Centre, and Special Advisor to the OECD Secretary-General on Development, Federico Bonaglia, Deputy-Director of the Development Centre, and Arthur Minsat, Head of the Africa and Middle East Unit at the Development Centre, provided the overall supervision.

A special thanks to Georja Calvin-Smith, France 24, for her effective moderation of the panel and to Linda Herda-Smiroldo for her help in developing these proceedings.

Summary and main messages

The High-Level Dialogue with Africa focused on empowering Africa's economic transformation through quality infrastructure and enhanced connectivity. The OECD Development Centre jointly organised it with the Ministry of Foreign Affairs of the Government of Japan as a contribution to the seventh edition of the Tokyo International Conference on African Development (TICAD7). The Dialogue took place back-to-back with the fifth High-Level Meeting (HLM) of the Development Centre and the OECD Forum 2019. Leaders from several international and regional organisations and high-level country representatives participated in this special event. They discussed different key aspects of the continent's economic development, including the role of infrastructure to obtain the benefits of greater regional integration, the contribution of international cooperation and of the private sector.

In his opening remarks, Angel Gurría, OECD Secretary-General, stressed the need for greater investment, market integration and production transformation to deliver jobs to the millions of African youth entering the labour force every year. He welcomed progress with the African Continental Free Trade Agreement, pointing to the need for better infrastructure and connectivity, better policies and better resources to fulfil its potential. He reiterated the unwavering commitment of the OECD and its Development Centre to support the fulfilment of the African Union (AU) Agenda 2063 and highlighted the important role the Development Centre plays through its work with the AU and key African partners in improving our mutual understanding around quality infrastructure – a key theme of the 2019 G20 Japanese Presidency.

Ambassador Manuel Escudero, Permanent Representative of Spain to the OECD and Chair of the Governing Board of the Development Centre, highlighted the valuable engagement of African member countries and their interest in making use of the Development Centre in their discussions of strategies for economic transformation and job creation. He highlighted the capacity of the Development Centre to act as a platform for discussions between African countries and their partners outside the continent about the alignment of international cooperation initiatives with the Agenda of the African Union. He welcomed the mandate member countries bestowed upon the Centre at its fifth HLM to initiate a dialogue on the financing of public policies in Africa, including infrastructure.

Daniel Kablan Duncan, Vice-President of Côte d'Ivoire, recalled the importance of Agenda 2063 and its implementation plan for a more prosperous Africa. He placed youth empowerment, notably through better education, and food security as key priorities. He stressed the need to forge effective partnerships among equals to deliver on the ambitious objectives of Agenda 2063. In this respect, he welcomed the TICAD process as an important contribution to promote greater investment in human capital development and infrastructure and support structural transformation, industrialisation and economic diversification.

A high-level roundtable shared experiences and insights on opportunities and good practices in order to understand how to unlock infrastructure investment and advance sustainable development in Africa. The key messages from the roundtable are in the following pages.

In his concluding remarks, Masahiko Kiya, Ambassador for TICAD, Deputy-Assistant Minister for Foreign Affairs of Japan, emphasised the importance of projects to enhance connectivity throughout the African Continent. Connectivity is key to advancing Africa's economic transformation and requires the active engagement of both public and private sectors. He stressed that African governments are in the driving seat and should provide leadership in the identification of infrastructure projects that advance sustainable development. He recalled the TICAD6 that took place in Nairobi in 2016 and the emphasis put on Public-Private Partnerships (PPPs) in order to advance connectivity in Africa. At that occasion, Prime Minister Abe presented his vision about connectivity. One of the pillars were to pursue economic prosperity by including ''Quality Infrastructure'' and sustainable development. Concrete actions will to accompany this process. Prime Minister Abe will announce at TICAD7 that the Government of Japan is committed to promote measures to develop Africa by making more efforts on technologies and PPPs, with a strong engagement of the business sector. One of these measures will be the establishment of the African Business Public Private Partnerships in Japan.

Participants welcomed the Dialogue as a further example of the convening capacity of the Development Centre and its close cooperation with member countries, international organisations and processes. They stressed the added value it provided to the HLM and emphasised the growing participation of African countries in the Development Centre, welcoming in particular the adhesion of Togo and Rwanda, which brought the number of African members to 11.

The *Africa's Development Dynamics* (AfDD) report, the flagship economic publication of the African Union Commission and the Development Centre, provided substantive background to the High-Level Dialogue. Sustaining Africa's strong growth and making it more broad-based and job-rich will require accelerating the continent's productive transformation. Since 2000, Africa has experienced the world's second highest economic growth after Asia, with an average annual GDP growth rate of 4.6%. Africa's growth benefited from strong domestic demand, high commodity prices, improved macroeconomic management, debt relief, and growth diversification strategies in some countries, most notably the non-resource-rich. The contribution of Africa's domestic demand has increased progressively and accounted for 69% of annual growth between 2000 and 2018.

Growth has not translated into enough job creation or sufficiently reduced poverty and inequality. Africa still faces low average productivity as it relies heavily on the export of primary products (AUC/OECD, 2018). The continent will require strategic policy actions to boost productivity and create productive jobs that can quickly absorb a large number of young, unskilled workers.

Boosting infrastructure development and connectivity, firms' innovation and productivity are key to accelerating the continent's economic transformation and unleashing the full potential of regional integration. Industrial GDP in Africa remains low, and many large economies rely heavily on exported raw commodities. Countries mostly import manufactured goods from outside the continent (AUC/OECD, 2018). Maintaining high rates of economic growth will be challenging, particularly for the resource-rich countries that have been vulnerable to external shocks. Structural transformation has progressed, but this progress is slow and not inclusive enough. Workers have shifted from less productive activities, such as traditional farming, to more productive ones in services. However, the relative productivity levels of these sectors are now declining as more labour are entering these markets and skill levels remain below those of global competitors.

African leaders and many pan-African initiatives have focused on facilitating productive transformation to boost private sector activity. The African Union through Agenda 2063 envisions African countries transforming the structure of their economies to create strong, robust and inclusive growth-generating jobs and opportunities for all. Recently, African leaders have renewed the political momentum towards a single African market with the African Continental Free Trade Area (AfCFTA), the Single African Air Transport Market, and Africa's single passport. Translating this ambition into reality requires innovative policies and sound implementation to boost the productivity and innovation capability of African firms

(AUC/OECD, 2019). Simplified administrative procedures and reduced start-up and operational costs have improved business environments in most African countries. Africa's consumer demand is growing, creating more business opportunities that are increasingly attracting foreign investors (AUC/OECD, 2018). Creating more opportunities for foreign and local firms requires co-ordinated interventions in infrastructure, skills and finance (AfDB/OECD/UNDP, 2017).

Africa's industrialisation and private sector development depend on the provision of adequate infrastructure. Industrialisation is indispensable to achieving economic transformation. Industrialisation yields many important outcomes, particularly increased productivity, job creation and innovation (AfDB/OECD/UNDP, 2017). The role of industrialisation is clearly articulated in the African Union's Action Plan for the Accelerated Industrial Development of Africa (AIDA) and the United Nations' Third Industrial Development Decade for Africa (IDDA3). Additionally, industrialisation features prominently in the AU's First Ten-Year Implementation Plan for Agenda 2063 (2014-2023). Industrialisation and infrastructure are inextricably linked. Mauritius and South Africa owe the strong performance of their manufacturing export activities partly to investments in world-class infrastructure (Ncube, 2017). Sustainable Development Goal 9 calls to "build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation". Infrastructure also plays a critical role in promoting innovation and technological progress, which are important drivers of productive transformation and economic development (ACBF, 2016).

Main messages from the roundtable

Four major themes emerged from the panel discussion:

- *Infrastructure as a key enabler for regional connectivity and integration*
- *Strengthening international support and multilateral cooperation to address Africa's infrastructure investment needs*
- *Enhancing private sector engagement for infrastructure development*
- *Developing infrastructure that helps meet the SDGs*

1. Infrastructure as a key enabler for regional connectivity and integration

Better infrastructure will boost regional connectivity and integration among African countries and beyond. A long-term approach to investment in infrastructure is needed to fulfil the potential of the African Continental Free Trade Area (AfCFTA) and better position Africa in global value chains. Rapid demographic growth and urbanisation are already generating strong internal demand that can sustain growth and job creation. However, African markets remain small and fragmented, as witnessed by the small share of intra-African trade in overall trade. Improved physical and digital connectivity will help attract leading firms, skills and technologies that are needed to generate employment opportunities for youth. Countries such as Rwanda, Kenya and Togo have made significant efforts to develop infrastructure, be they physical or related to digital technologies in their respective countries and regions. Regional economic communities should work hand-in-hand with national and subnational levels of government to ensure adequate planning, sustainability and the orientation of investments towards priority sustainable development objectives.

Under the right conditions, infrastructure development can play a major role in promoting growth and equity and, through both channels, help reduce poverty. Connectivity is also crucial to progress in a range of sustainable development goals. Efficient and reliable connectivity is central to advancing regional integration and fulfilling the opportunities of less fragmented markets and greater circulation of goods, services, people, and capital.

Access to better infrastructure can improve firm competitiveness and connectivity to both regional and international markets. Increases in physical capital as well as in the provision of infrastructure services such as transport, power supply and telecommunications can lower production costs and increase productivity. However, Africa ranks at the bottom of all developing regions in infrastructure performance. Inadequate and unreliable infrastructure in energy, transport, telecommunications, water, sanitation, and irrigation contributed to lower labour productivity and overall firms' performance, hampered intra-African trade (11.9% of total trade in 2017) and greater integration into global value chains.

The African Continental Free Trade Area (AfCFTA) is a major opportunity for Africa and its partners. It represents a milestone for the continent: more than the required threshold of 22 countries ratified its treaty; and it was subsequently launched at the 12th Extraordinary Summit of the African Union on AfCFTA held in Niamey, Niger, on 7 July 2019. This makes the African continent one of the world's largest trading zone, with a market of about 1.2 billion consumers. A more integrated market will enable smaller economies to access more opportunities and attract more investments. Governments need to accompany infrastructure development and the implementation of the AfCFTA with adequate policies and regulations, to obtain the benefits of integration. For instance, Rwanda created an educational ecosystem to attract educational institutions best skilled in technology and academic research and improve training for its workers. Togo has upgraded its infrastructure network to better connect with the rest of West Africa. In Kenya, investments in more reliable railways led to a reduction in business costs by reducing transport costs by half.

The implementation of the African Union's Programme for Infrastructure Development in Africa (PIDA) and its 51 cross-border projects offers an important reference framework to co-ordinate national infrastructure planning with the regional and continental integration agenda.

Connectivity goes beyond physical infrastructure such as roads, power and ports. Development strategies must increasingly take into account the new industrial revolution enabled by Information and Communication Technologies (ICT) and digital technologies. National and regional policies and regulatory frameworks need to be adapted to reflect this reality.

2. Strengthening international support and multilateral cooperation to address Africa's infrastructure needs

African countries have increased their domestic resource mobilisation, but tax revenues as a share of GDP remain lower than in other developing regions. Therefore, external financing will continue to play an important role in financing infrastructure. The share of official development assistance in external financial flows to Africa has decreased, while private resources (remittances and investment) have become increasingly important. The last two decades have witnessed a change of paradigm in the relationship between the developed world and developing countries, from donors and recipients to partners. The adoption of Agenda 2030 and the SDGs provide a common framework for action, to better align domestic policies and international support. Providers of external resources must better understand and align with African countries' priorities and work in partnership with them and their private sectors. The OECD, its Development Centre, and other multilateral agencies and processes, such as TICAD, have an important role to advance the policy dialogue with Africa, to better align external support to national strategies, strengthen national capacities and catalyse private investment.

There remain enormous infrastructure needs in Africa and this calls for greater mobilisation of domestic and external resources, both public and private. Annual infrastructure investment needs in Africa range between an estimated USD 68 billion and 152 billion over the coming decade, covering both maintenance and replacement costs as well as the construction of new infrastructure assets (Ashiagbor et al., 2018). African countries have increased their domestic resource mobilisation, with countries like the Republic of Congo and Togo having increased their tax-to-GDP ratio by more than 10 percentage points between 2000 and 2016. However, tax revenues as a share of GDP remain lower than in other developing regions: The tax-to-GDP ratio in 21 African countries was 18.2% compared to 22.7% in Latin America in 2016 (OECD/ATAF/AUC, 2018). Therefore, external financing will continue to play an important role in meeting investment needs. Several African governments have been able to access international capital markets to finance their infrastructure spending. While this is positive, governments must pay attention to the sustainability of sovereign debt and to the efficiency of public spending.

Despite the potentially high economic and social returns from bridging infrastructure gaps and improving connectivity, investment has not yet reached the necessary levels. The private sector can and should be more active in financing infrastructure investment in Africa. In 2016, private flows to Africa reached

USD 2.6 billion, representing only 4% of total infrastructure investment on the continent (Ashiagbor et al., 2018).

A combination of high risks (real or perceived) and the lack of bankable projects held back investment. These problems should be addressed with greater urgency, through improvements in regulatory frameworks, greater transparency and capacity building for project preparation, negotiation and implementation. Efforts to attract investment should be cohere with the fiscal and sustainable development objectives of the country, to ensure that investment delivers lasting development results. In this respect, governments, investors, development agencies and other stakeholders could agree on priorities, better coordinate their efforts, and develop and enforce principles for quality and responsible investments.

Several factors drive decisions on infrastructure investments in Africa. African governments and private investors take decisions that have long-lasting consequences in a context of limited resources and uncertainty. Projects they select must be economically viable and contribute to sustainable development in all its dimensions – economic, social and environmental. Long-term planning, coherent with the country's overall development strategy and goals, should inform the decision-making process. National governments should assess the overall development impact of infrastructure investment, in order to select priority infrastructure projects in coordination with sub-national governments and local communities who have access to local knowledge. For example, much infrastructure development will happen in rapidly growing urban areas that already make up 40% of Africa's population, but the number of people living in rural areas in Africa will continue to increase in the coming decades until the mid-Century. Strategic planning and concertation with local authorities appears necessary to ensure a balanced territorial development and to strengthen rural-urban linkages.

International support and multilateral cooperation must play a greater role to help African countries strengthen their capacities to plan and undertake thorough assessments, prepare and implement projects and attract private investment. African governments need to coordinate with investors, bilateral and multilateral agencies in order to give a strategic direction to financing. For example, the European Union is committed to increasing funds to improve digital and physical connectivity. It does so with the dual objective of responding to African governments' needs and priorities and to advance the achievement of the SDGs. Government infrastructure strategies that are aligned with the SDGs would help achieve such complementary objectives and mobilise more funding.

3. Engaging the private sector in infrastructure development

Financing Africa's physical and digital infrastructure will require engaging both the public and private sectors. Infrastructure investment in Africa stood at approximately USD 63 billion (3.5% of the continent's GDP) in 2016. African national governments and bilateral/multilateral institutions are the main sources of infrastructure financing in Africa. In 2016, contributions from African governments represented 42% of total infrastructure financing, at over USD 26 billion. The contribution of the private sector remains limited. However, there are many opportunities for greater private sector investment in closing Africa's infrastructure gaps, including from institutional investors. Private capital has been underutilized in this area, in contrast to the sizeable contributions coming from official development assistance. Innovative approaches to use public funds and instrument to catalyse private investment should be assessed and encouraged.

Governments can opt for various modes of governance for infrastructure projects. These can range from direct delivery, where governments fully manage all aspects of a project, to procurement for specific phases and operations, to privatisation, where governments only retain their regulatory role.

There are many opportunities for greater private sector investment in closing Africa's infrastructure gaps, such as from institutional investors. In contrast to the sizeable contributions from public financing, including from official development assistance (ODA) from bilateral and multilateral partners, private capital has played a very limited role in financing Africa's infrastructure. In 2016, private flows reached USD 2.6 billion, representing only 4% of total infrastructure investment on the continent. Investment in public infrastructure projects with private participation have also remained limited. Total private flows to infrastructure are significantly lower than the ODA contributions, which amounted to USD 13.7 billion in 2016 and USD 128.3 billion over the period 2007-16. ODA's ability to mobilise private funds for infrastructure projects can be greatly enhanced. Between 2012 and 2015, private capital mobilised by ODA and invested in infrastructure projects was USD 8.7 billion, or around 11% of the total private sector mobilisation.

One way of addressing the shortage in infrastructure investments and enhancing the participation of the private sector is through public-private partnership (PPP) arrangements. When the appropriate conditions and capacities are in place, PPPs can increase the efficiency of the design and implementation of projects, but require careful public involvement, expertise, and monitoring. In such complex arrangements, both government and private investors can benefit from improved service, lower project costs, sharing or separate management of risks, earlier and faster construction, and better budget fulfilment.

Governments can promote greater involvement of the private sector in various ways: by strengthening the regulatory framework and its predictability, ensuring transparency in the PPP process, implementing measures to reduce corruption and bureaucratic bottlenecks, and improving project design and management. These complex project models work better when regulators are adequately empowered and an independent judiciary can properly handle disputes.

Development partners are working to crowd-in private capital in support of sustainable development by linking the sustainable framework of the SDGs to investment logic. Some are leveraging official assistance to catalyse private investment. For instance, the European Union and other donors are trying to de-risk investments by providing guarantees to African governments. In other cases, they directly support the development of public-private partnerships (PPPs), for example in the transport sector. The success of Multilateral Development Banks and Development Finance Institutions in providing guarantees or coordinating with private investors for blended finance provide examples of projects that should be scaled up to respond to needs. Development partners also promote PPPs by building capacity in procurement and bidding processes, dispute resolution mechanisms, and by establishing independent PPP units within government agencies. These activities are particularly important when governments adopt PPPs for transportation projects, which often entail high volumes of investment and complex contract arrangements.

4. Developing infrastructure that meets the SDGs

Infrastructure has long-term impacts that go beyond purely financial and economic considerations. They have the potential to advance several SDGs: eradicating poverty (SDG1); promoting sustained, inclusive and sustainable economic growth; achieving full and productive employment and decent work for all (SDG8); and reducing inequalities within and among countries (SGD10). They play a key role in transitioning countries to low-carbon development paths and building resilience to climate change and climate disasters. Decisions around infrastructure design and investment should take into account the full range of implications for sustainable development. African countries need to respond to the rapid growth in Africa's urbanisation, population and GDP within the context of an information revolution and a changing climate. Too often investors and policy makers see infrastructure only through the narrower lens of economic impact, and consider the social and environmental aspects as an afterthought. A more holistic view, which fully appreciates the power and spill over effects of quality infrastructure on sustainable development can make a difference, encouraging the adoption of more innovative solutions and the mobilisation of greater resources so African infrastructure can catch up with the rest of the world.

Industry, innovation and infrastructure are a key means of achieving sustainable development goals (and are listed as targets within SDG 9) and have a high potential for delivering profits, but investment is lagging behind. The financing gap for these goals is considerable and some estimates suggest that infrastructure deficiencies reduce Africa's GDP growth by 2 percentage points annually. Nevertheless, returns can be high, with assets under management recently growing at close to 30% per year in countries like Nigeria.

Private actors could be better involved in working towards sustainable goals. Africa's own institutional investors, such as sovereign and pension funds, do not invest enough in Africa. In Nigeria, for example, pension funds have been allowed to invest up to 5% of assets under management in infrastructure funds and 15% in corporate infrastructure bonds since 2012. Nonetheless, as of March 2018, only 0.09% was invested in infrastructure bonds or funds. Key barriers to stronger involvement of institutional investors include uncertainty, mismatch between demand and supply, fragmentation, regulatory issues, and capacity building needs (Ashiagbor et al., 2018).

Efforts to deal with climate change are entangled with issues of justice and fairness. Africa emits the least greenhouse gases but suffers the most from their impact (i.e. recent hurricanes in Mozambique). At the same time, tax evasion and tax havens deny resources for investment and pose a challenge to meeting SDGs. For investments in combatting climate change to be both fair and sustainable, they need to take into account the social protection of communities and ensure no one is left behind. This means reversing strong biases against rural areas traditionally present in African development policy in order to help eradicate persistent rural poverty.

A change in perspective and approach are necessary to realise the full potential of infrastructure for sustainable development. Governments, private sectors and the international community should work together and promote the systematic alignment of infrastructure planning and investment to the SDG.

The last two decades have indeed witnessed a change of paradigm in the relationship between developed and developing countries, from “donors and recipients” to “partners”. The adoption of Agenda 2030 and the SDGs provide a common framework, better aligning domestic policies and international support. Providers of external resources must better understand African countries’ priorities and work in partnership with them and the private sector to unlock productive investment and sustainably tackle infrastructure needs. African governments must continue to strive to implement better policies and enhance their capacity to design bankable projects to attract the needed investment. The OECD, its Development Centre, and other multilateral agencies and processes, such as TICAD, have an important role in advancing the policy dialogue that can support both African countries and their partners in these efforts.

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Agenda

17:15 – 17:30	**Opening Session**
Welcome addresses	• **Ángel Gurría**, OECD Secretary-General • **Amb. Manuel Escudero**, Permanent Representative of Spain and Chair of the OECD Development Centre Governing Board
Opening Remarks	• **Daniel Kablan Duncan**, Vice-President of Côte d'Ivoire
17:30 – 18:45	**Enabling Africa's Economic Transformation: engaging public and private sector in enhancing connectivity**
Panel discussion	• **Soraya Hakuziyaremye,** Minister of Trade and Industry, Rwanda • **Judi Wakhungu**, Ambassador of Kenya to France • **Victoire Tomegah-Dogbé**, Minister of Grassroots Development, Handicrafts, Youth and Youth Employment, Togo • **Ahunna Eziakonwa**, Assistant Administrator and Regional Director for Africa, (United Nations Development Programme) UNDP • **Félix Fernández –Shaw**, Director in DG International Cooperation and Development (DEVCO), European Commission • **Hiroshi Kato**, Senior Vice President, (Japanese International Cooperation Agency) JICA • **Bruno Mettling**, President for Middle-East and Africa, Orange • **Mario Pezzini**, Director of the OECD Development Centre and Special Advisor to the OECD Secretary-General on Development • **Saurabh Sinha**, Chief, Social Policy Section, Gender, Poverty and Social Policy Division, UN Economic Commission for Africa (ECA)
Moderator	• **Georja Calvin-Smith**, France 24 Anchor and Producer; writer
18:45 – 19:00	**Closing Session**
Closing Remarks	• **Masahiko Kiya**, Ambassador for TICAD, Deputy-Assistant Minister for Foreign Affairs

Panellists

Soraya Hakuziyaremye

Minister of Trade and Industry, Rwanda

Hon. Minister Soraya Hakuziyaremye is the Rwandan Minister of Trade and Industry. The Ministry of Trade and Industry is responsible for facilitating Rwanda's economic transformation by enabling a competitive private sector integrated into regional and global markets. Prior to her appointment, she was Senior Vice President in Financial Institutions and Markets Risk at ING Bank in London.

Judi Wakhungu

Ambassador of Kenya to France

H.E Professor Judi Wangalwa Wakhungu was appointed in January 2018, as the Ambassador of Kenya to the French Republic, Portugal, Serbia and the Holy See. During the period, 2013–2018 and prior to this nomination, Professor Wakhungu served as Kenya's Cabinet Secretary for Environment and Natural Resources where she was responsible for ensuring good governance in the protection, restoration, conservation, development and management of the environment and natural resources.

Victoire Tomegah-Dogbé

Minister of Grassroots Development, Handicrafts, Youth and Youth Employment, Togo

Victoire Tomegah-Dogbé was appointed Minister Delegate for Base Development in 2008, then Minister of Grassroots Development, Handicrafts, Youth and Youth Employment of Togo in 2010, a role she still plays by taking advantage of her managerial skills, and her experience at the United Nations for the living conditions of the populations of Togo through the programmes of reinforcement and social protection, starting with projects to control inclusion of women and young people in particular volunteering and entrepreneurship projects that have been very popular with young people.

Ahunna Eziakonwa

Assistant Administrative and Regional Director for Africa, UNDP

Ahunna Eziakonwa of Nigeria is the Assistant Administrator and Director of the Regional Bureau for Africa, United Nations Development Programme (UNDP) effective 15 August 2018. Ms. Eziakonwa has many years of distinguished service with the United Nations, most recently as UN Resident Coordinator and UNDP Resident Representative in Ethiopia since 2015. Before that, she served as Resident Coordinator in Uganda and Lesotho, and held several posts with the Office for Coordination of Humanitarian Affairs (OCHA), as Chief of the Africa Section in New York and in several field duty stations (Liberia, Sierra Leone).

Bruno Mettling

President Africa and Middle East, Orange

Graduate of the Institute of Political Studies of the Faculty of Law of Aix en Provence, Bruno Mettling began his career in the budget department of the Ministry of Finance. Appointed Executive Director, Director of Human Resources and Internal Communication of the France Telecom Group in 2010, he became a year later Deputy Chief Executive Officer of the Group. Currently, he is CEO of Orange Middle East Africa Holding (OMEA) and since 3/ 2018, non-executive Chairman of Orange Middle East & Africa.

Félix Fernández–Shaw

Director in DG International Cooperation and Development (DEVCO), European Union

Félix Fernández-Shaw is Director of International Cooperation and Development Policy at the European Commission, DG DEVCO since April 2018. Prior to that, he was Expert in the Cabinet of the High Representative of the Union for Foreign Affairs and Security Policy (HRVP) since November 2014. He joined the European Institutions in 2011 as Head of Development Cooperation Coordination Division in the European External Action Service. As Spanish diplomat, he worked in the Spanish Permanent Representation to the EU as Development Cooperation and ACP Coordinator on Humanitarian Issues in 2009 and as Relex JHA Migration Counsellor in 2007.

Hiroshi Kato

Senior Vice President, Japan International Cooperation Agency

Hiroshi Kato is Senior Vice President of the Japan International Cooperation Agency (JICA) for Sub-Saharan Africa. He joined JICA in 1978 after graduating from the University of Tokyo. He later earned his master's degree in Public Administration from Harvard University in 1988. At JICA he has served at various positions, and before assuming his current post in 2013, he was Director of the JICA Research Institute. He has several publications including *Japan's Development Assistance: Foreign Aid and the Post-2015 Agenda (eds.)* (2016), and *Japan and Africa: A Historical Review of Interaction and Future Prospects* (2017).

Mario Pezzini

Director, OECD Development Centre and Special Advisor to the OECD Secretary-General on Development

Mario Pezzini is Director of the OECD Development Centre. After serving for a year as Acting Director of the OECD Development Co-operation Directorate, he was nominated Special Advisor to the OECD Secretary General on Development. The Centre allows governments, enterprises and civil society organisations to informally discuss questions of common interest. Its Governing Board includes most of the OECD countries but also developing and emerging economies as full members. The Centre helps policy makers in OECD and partner countries find innovative solutions to the global challenges of development.

Masahiko Kiya

Ambassador for TICAD, Deputy-Assistant of Minister of Foreign Affairs, Japan

Masahiko Kiya is Ambassador for TICAD and the Deputy Assistant Minister for African Affairs Department / International Cooperation Bureau of the Ministry of Foreign Affairs of Japan. He entered the Ministry of Foreign Affairs of Japan in 1987 and has worked in numerous areas within the Foreign Service, including development, peace building, security and United Nations management. He previously served as the Japanese Ambassador to South Sudan since March 2015. He was posted to his current position in September 2017. Before working in South Sudan, he was also posted to Nigeria, the United States, Bangladesh and Belgium.