Africa Development Challenges

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Africa Continent: a Paradox

- **Large natural resources endowment**
  - 27% of World arable lands with only 2% used
  - Important oil and gas reserves
  - Huge Minerals reserves
  - Young population 60% of the population less than 25
Africa Continent: a Paradox

• Poorest place on earth
  – 70% of the population earning less than $2 a day

• Weakest Industry on earth

• Large infrastructure Gap
  – 1 African in 4 has access to electricity
  – 30% of the region has paved roads
Issues

- Political instability
- Peace and Security
- Human Capacity
Historic changes in industrial policy

• 1970
  – Import-Substitution strategy
  – Rise of State owned enterprises

• 1980 – 1995
  – Failure of the state owned companies
  – Privatization policy
  – Private sector becomes engine of growth
  – Little involvement of the state
  – Structural adjustment programs/PRSP (Washington consensus).. Health, Primary Education

• 2000 ... Some questioning
  – Role of the state
  – Role of the private sector
  – Development Policy framework
New opportunities

• Political stability (Democracy)

• Improved security

• Political will (leadership)

• Investors interest for Africa
New Opportunities

- China relocating some of its manufacturing in Africa
- Diaspora human capital
- Accessibility of the continent
- Emerging middle class
New opportunities

• Regional Market
Cote d’Ivoire Example

- **Cashew nuts**
  - Second world producer
  - 5% processed locally

- **Rubber**
  - 1\textsuperscript{st} African producer
  - No local transformation

- **Cocoa**
  - 1\textsuperscript{st} world producer
  - 20% processed locally (1\textsuperscript{st} transformation)

- **Pineapple**
  - Major African producer
  - No local processing
Major constraints and challenges

- Infrastructure
  - Energy
  - Transport Infrastructure

- Financial resources

- Qualified Human capital

- Enabling institutional Environment
  - Infrastructure
  - Finance
  - Justice
  - Land property
  - Corruption
Major constraints and challenges

- Institutional framework
  - **Policy framework**
    - Quality of documents: external inputs
    - Participative approach
    - Sound data collection and analysis

- **Policy Implementation**
  - Public-Private-Academic Dialogue
  - Think Tanks at the higher public level
  - Public human resources matching private sector level

- **Sustainability**
  - Impervious to politics
  - Keep your eyes on the finish line
Best Practices

• Singapore

• Mauritius

• Northern Africa
  – Morroco
  – Tunisia
Conclusion

• Human Capital: **the key factor**
  - Value people as an asset
  - Set policy to attract and retain qualified people
  - Knowledge transfer

• Human Capital for private sector

• **Human Capital for the public sector**
  - Decision making
  - Execution
Thank you for your attention