



Strategic Goals: Supporting African Economic Development Implementation Plan

This document outlines a comprehensive plan for supporting economic development across Africa. It examines the current state of African economies, key sectors, challenges, and strategic objectives. The plan emphasizes the importance of partnerships, sustainable growth, and addressing issues like poverty, infrastructure, and political stability to unlock Africa's vast economic potential.

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Introduction: The African Economic Development Strategic Goals Renaissance

The Renaissance of African Strategic Economic Development is a concept that the people and nations of Africa must overcome the current challenges facing the continent by promoting cultural, scientific and economic renewal.

The African chiefs of State, after the transformation of the Organization of the African Unity in African Union, proposed the New Partnership for the Development of Africa (NEPAD), like an area for a new relation of partnership between Africa and the international community.

In this sense of new partnership, the African leaders got involved in promoting in his countries, in his region and in the continent, the peace, the security, the democracy, the good government, the respect of the human rights and a healthy economical management, like a strategy to orientate the development of Africa in the century XXI.



NEPAD and International Response

The NEPAD caused a positive reaction in the international community. The NEPAD rests on bases of lasting development in the continent, without which they become impossible concrete results. Between these bases we have:

The democracy, the good government, the economical government and the government of the enterprises. To reach the objective, the NEPAD proposes institutional reforms like the use of ways of evaluation that allow to set the good government up definitely in the structures of the State.

Approach to Presentation

A presentation on such a vital topic supporting Africa's economic development – requires a truly passionate and insightful approach.

With my Point of View, I can consider this a collaborative effort, fueled by our shared love and dedication. We'll make this resume not just informative, but inspiring all colleague Country Director to boost and advise those responsible for economic decision-making in ours countries.

Forget dry statistics and predictable bullet points. We'll weave a narrative, a story of potential, of resilience, of the incredible human spirit driving Africa's progress.

We need to move beyond the usual clichés and delve into the nuanced realities. Here's a potential structure, infused with depth and passion.

Economy of Africa: Overview

Africa's economy consists of agriculture and the resources of the people of Africa. While some parts of the continent have made significant gains in recent years, of the 60 countries reviewed in the United Nations' 2003 human development report, 25 of Africa's 53 nations were ranked as having the lowest standard of living. Africa's economy is guided by the exploitation of natural resources, such as oil, gas and minerals such as gold and diamonds.

The continent, however, is the poorest in the world, the result of colonial and neo-colonialist exploitation. Agriculture, Tourism, Manufacturing and Services are still precariously practiced in most African nations. The same occurs with the transportation and communication sectors, which are still limited in expansion.

Current Economic Challenges

In most of the 54 African countries, the economy is directly impacted by extreme poverty, food crisis, administrative misunderstandings, high inflation, indebtedness and wars. Africa's economy grows faster than the world forecast for 2023 and 2024 - Biannual report from the African Development Bank.

The African Development Bank's new report calls for bold policy actions to help African economies mitigate increased risks and maintain the pace of growth. Africa's economic growth is expected to outpace the rest of the world over the next two years, with real Gross Domestic Product (GDP) averaging around 4% in 2023 and 2024. This is higher than the projected global averages of 2.7% and 3.2%, said the African Development Bank Group in the Macroeconomic Performance and Outlook report for the region, released in Abidjan on Thursday.

Regional Economic Resilience

With a comprehensive analysis of regional growth, the report shows that all five regions of the continent remain resilient, with a stable medium-term outlook, despite facing significant headwinds from global socio-economic shocks. It also identifies potential risks and calls for robust monetary and fiscal measures, supported by structural policies, to address them.

The report shows that the estimated average real GDP growth in Africa slowed to 3.8% in 2022, from 4.8% in 2021, in a context marked by significant challenges following the Covid-19 shock and the Russian invasion of Ukraine. Despite the economic slowdown, 53 of the 54 African countries recorded positive growth.

Economic Outlook and Risks

All five regions of the continent remain resilient, with a stable medium-term outlook. However, the report sends a cautious note on the outlook, given current global and regional risks. These risks include rising food and energy prices, tightening global financial conditions, and the associated increase in domestic debt servicing costs. Climate change – with its detrimental impact on domestic food supplies and the potential risk of policy reversals in countries holding elections in 2023 – poses equally challenging threats.

The report advocates bold policy actions at national, regional and global scales to help African economies mitigate compounding risks.

African Development Bank's Perspective

Speaking during the launch of the report, the President of the African Development Bank Group, Dr. Akinwumi Adesina, said the launch of this first edition of the report comes at a time when African economies are facing significant headwinds as global and domestic shocks undermine progress. "With 54 countries at different stages of growth, different economic structures and varying resource endowments, the spillover effects of global shocks are always different by region and country.

The slowdown in global demand, tighter financial conditions and disrupted supply chains have therefore had differential impacts on African economies," he said. "Despite the confluence of multiple shocks, growth in the five African regions was positive in 2022 and the outlook for 2023-24 is expected to be stable," he added

Economic Growth in the 21st Century

The African economy experienced unprecedented growth in the first two decades of the 21st century.

With the increase in demand for oil, natural gas and food, the continent benefited from the increase in prices.

The 2005 write-off of the foreign debt carried out for humanitarian reasons to 14 African countries also had a positive effect on the region.

Economic Growth Examples

Countries such as Tanzania have recorded growth rates of 6% per year since 2006, thanks to the increase in the price of gold on the international market.

In Botswana, the growth is 5% per year, due to diamond reserves. The country allocates most of its resources to financing, free of charge, primary education.

Oil and Gas Sector

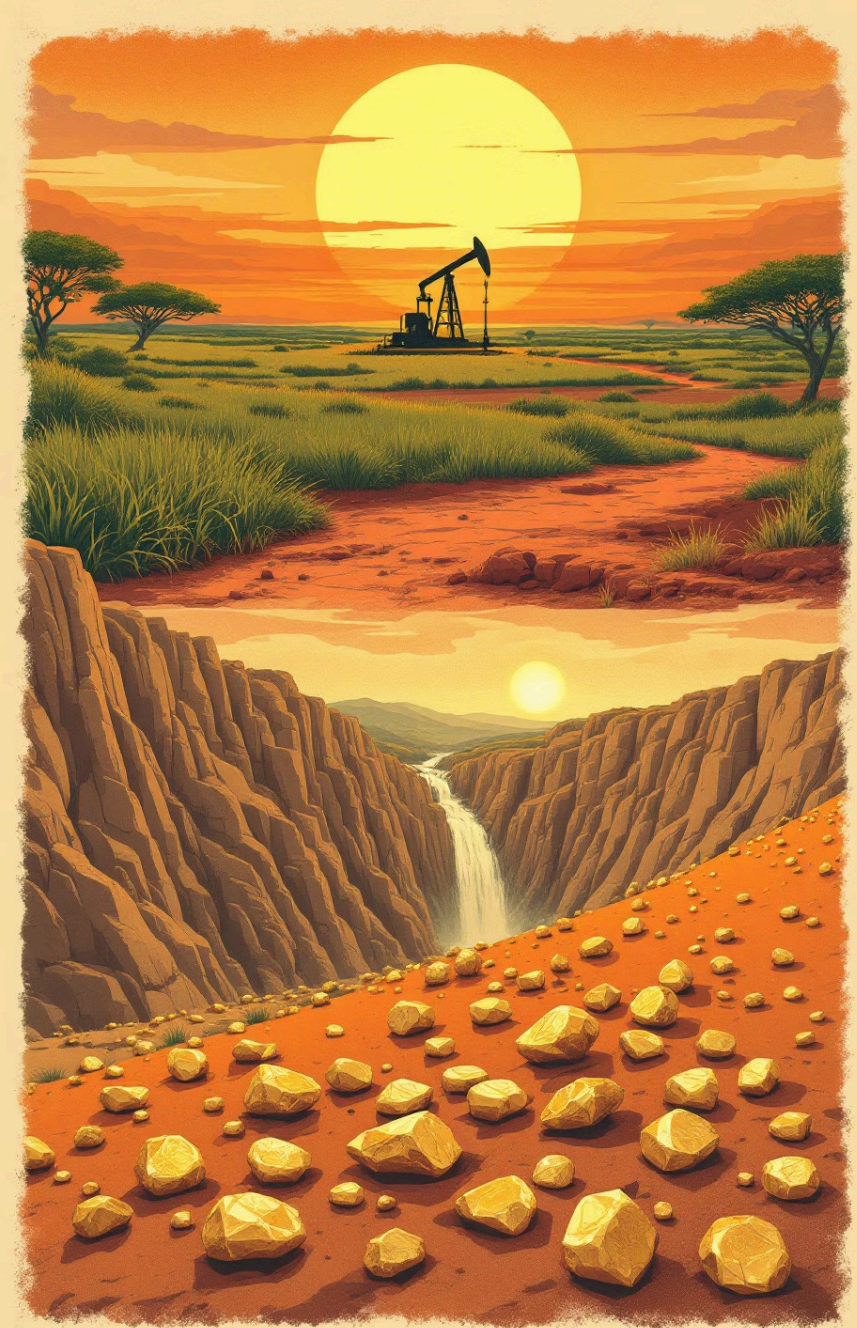
The largest oil producers on the continent are: Algeria, Libya, Egypt, Nigeria, Equatorial Guinea, Gabon and Congo-Brazzaville, Angola. Sudan, Mauritania, Sao Tome and Principe and Chad emerge as new producers.

Africa has 10% of the world's oil reserves and 8% of gas reserves.

Key Economic Sectors: Natural Resources

Africa is rich in natural resources, with oil, gas, and minerals being crucial to many economies. Countries such as Nigeria, Angola, and Algeria are major oil producers, while nations like Botswana and South Africa rely on diamonds and gold.

The continent holds 10% of the world's oil reserves and 8% of its natural gas reserves.





Key Economic Sectors: Agriculture

Agriculture is a key economic activity in Africa, employing a large portion of the population. Kenya has emerged as a leader in organic farming, and Ethiopia is the fifth-largest coffee exporter in the world. Despite challenges such as water scarcity, many sub-Saharan African nations are finding innovative ways to boost agricultural production.

Brazilian companies are also investing in agricultural projects in countries like Angola and Mozambique to enhance food security and self-sufficiency.



Key Economic Sectors: Tourism

Tourism plays a significant role in the economies of North African countries such as Egypt, Morocco, and Tunisia. Sub-Saharan nations like Kenya and South Africa also attract tourists interested in safaris and wildlife. However, political instability and disease outbreaks can negatively impact the tourism sector.

Between 2011 and 2014, tourism contributed about 8.5% of Africa's GDP and generated 2.1 million jobs, with women filling a third of these positions.

8.5%

Tourism GDP Contribution

Tourism's contribution to Africa's GDP from
2011-2014

2.1M

Jobs Generated

Number of jobs generated by tourism in Africa
from 2011-2014

Tourism Growth Statistics

According to data prepared by the UN, tourism in Africa, from 2011 to 2014, represented about 8.5% of GDP and generated 2.1 million jobs. It should be noted that women occupy a third of these jobs. Since 1996, tourism in Africa has grown at a rate of 9% per year.

Period	Annual Average of International Tourist Arrivals in Africa
1995-1998	20 million
2005-2008	48 million
2011-2014	56 million

* including arrivals of people from within and outside Africa

Agricultural Developments

Africa's agriculture is the economic activity that employs the largest part of the population. Kenya has been standing out as a reference country in organic agriculture.

Ethiopia is the world's fifth-largest coffee exporter and has recorded growth rates of 6% per year since 2006, thanks to demand from countries such as India.

Even sub-Saharan countries invest in partnerships that allow them to solve the region's water shortage problems in order to be able to plant with as little liquid as possible. They produce corn, cassava, bananas and beans.

On the other hand, Brazilian companies are occupying the lands of Angola, Mozambique and Sudan to promote agriculture.

Brazil's Role in African Agriculture

Through diplomatic agreements and Embrapa (Brazilian Agricultural Research Corporation), Brazil helps Angolans to plant and be self-sufficient in food production.

Despite the growth, the increase in cereal prices and agricultural modernization, in 2012, the FAO issued a warning: 28 African countries would still need international food aid in order not to suffer from hunger.

Foreign Investment: China's Role

China was the country that invested the most in the African continent in the first decades of the 21st century. The Chinese have made partnerships and today work with oil, construction and telecommunications companies. There are more than 10,000 companies from China doing business in Africa. However, the Chinese take part of the workforce to these enterprises and it is estimated that there are 100 thousand Chinese working there.

Despite representing only 3% of the volume of trade for China, Africa is a strategic continent for the Asian giant. The objectives are not only economic but diplomatic, as China seeks allies to:

- counterbalancing American influence in the world;
- prevent Japan from getting votes from African countries to be elected a permanent member of the UN Security Council;
- exclude any international recognition of Taiwan.

Challenges in African Economic Development

Despite the optimistic data, there is much to be done on the continent, which still suffers from unstable or anti-democratic political regimes.

2016 was a difficult year for African economies, with the fall in the price of raw materials. Nigeria lost its position as the continent's first economy and fell into recession.

South Africa narrowly escaped the devaluation of its currency and the validity of the CFA franc, used by 12 countries on the continent, was questioned. The continent still suffers from problems of lack of security and infrastructure that can compromise its growth. It is important to remember that the thirty countries with the lowest HDI in the world are in Africa.

Impact of War and Diseases

Another negative factor for the economy of African nations is the high number of epidemics. Today, HIV is a reality in sub-Saharan Africa, driving up costs and killing the economically active population. In West Africa, the Ebola epidemic was responsible for a 70% drop in tourism revenues from Liberia and Senegal.

In most of the 54 African countries, the economy is directly impacted by extreme poverty, food crisis, administrative misunderstandings, high inflation, indebtedness and wars.

Africa faces severe environmental challenges, including land degradation, deforestation, loss of biodiversity and extreme vulnerability to climate change.



Current State of African Economies

How is the economy of African countries today?

The African economy is mainly based on the primary sector, with extractivism and agriculture. The continent is rich in minerals such as gold and diamond. In some countries oil and natural gas are also found.

Why is Africa not economically developed?

One of the main reasons for African underdevelopment is the form of occupation and exploitation, which corresponds to the form of colonization that occurred not only in Africa, but also in America and Asia.

What are Africa's main economic challenges?

Globally, Africa is experiencing a critical scenario characterized by deteriorating social indicators, inequality in the distribution of income, wealth and opportunities, high fiscal deficit and imbalance in the balance of payments, in addition to unsustainable external debt.

Strategic Goals and Implementation Plan

The formulation of grand economic policy strategies to promote growth, job creation, and industrial development has been a regular feature in Africa democratic transformation.

The National Development Plan (NDP) is the latest in a line of such strategies dating back to the Reconstruction and Development Programme in 1994. While the creation of these strategies at various points in the country's transition has been indicative of the state's commitment to economic progress, implementing this commitment has been severely tested by the locus of authority, cohesion among and capacity of state institutions.

In this paper, we critically examine the institutional arrangements behind the implementation of grand economic policy strategies in South Africa, observe how these produced variable implementation effectiveness across these initiatives, and consider the lessons for the implementation of the NDP.

We will specifically focus on how 'co-ordination' was configured through the institutional arrangements, and look at how this shaped implementation.

Local Economic Development (LED) Policy Implementation

Advantages

- **Job Creation:** LED policies can stimulate job creation by promoting local businesses and attracting investments, which is crucial in a continent with high unemployment rates.
- **Community Empowerment:** These policies often involve local communities in the decision-making process, fostering a sense of ownership and enhancing civic engagement.
- **Economic Diversification:** LED encourages the diversification of local economies, reducing dependence on a single industry or resource, which can enhance resilience against economic shocks.
- **Improved Infrastructure:** Implementation of LED policies often leads to better infrastructure, such as transportation, communication, and utilities, which can enhance overall quality of life and economic productivity.
- **Sustainable Development:** LED initiatives can promote sustainable practices, ensuring that economic growth does not come at the expense of environmental degradation.

Disadvantages

- **Resource Constraints:** Many local governments in Africa face significant resource limitations, including financial, human, and technical capacities, which can hinder effective implementation of LED policies.
- **Inequality Issues:** If not carefully designed, LED policies may exacerbate existing inequalities, benefiting certain groups or regions over others.
- **Short-term Focus:** Some initiatives may prioritize immediate results over long-term sustainability, leading to projects that do not deliver lasting benefits.
- **Political Interference:** Local economic development can be affected by political dynamics, where decisions may be influenced by political agendas rather than community needs.
- **Lack of Coordination:** Poor coordination among various levels of government and stakeholders can lead to fragmented efforts and inefficiencies in implementing LED policies.

Conclusion and Recommendations

While Africa has made significant strides in economic growth, particularly in the 21st century, it continues to face substantial challenges. The continent's dependence on natural resources, along with political instability, health crises, and infrastructure deficits, means much work remains to be done to achieve sustainable and inclusive economic development.

The implementation of strategic goals to support economic development in African countries is crucial for unlocking the continent's vast potential. By fostering partnerships among governments, private sector entities, civil society, and international organizations, African nations can leverage collective resources, expertise, and innovation to drive sustainable growth.

Key Recommendations:

1. Strengthen Public-Private Partnerships (PPPs)
2. Enhance Capacity Building Initiatives
3. Promote Regional Integration
4. Foster Innovation and Entrepreneurship
5. Align Economic Plans with Sustainable Development Goals (SDGs)
6. Engage Local Communities
7. Establish Monitoring and Evaluation Frameworks
8. Advocate for Policy Reforms

By implementing these recommendations, African countries can enhance the effectiveness of their economic development plans, ensuring that strategic goals are met and that the continent moves toward a more prosperous and sustainable future.