AFRICAN DEVELOPMENT BANK
AFRICAN DEVELOPMENT FUND

WEST AFRICA
LONG-TERM STRATEGY CONSULTATION MEETING
SUMMARY REPORT

Abidjan, March 29, 2012
Summary Report on the LTS West Africa Consultation Meeting

Abidjan – March 29, 2012

The summary below captures the main points discussed during the West African regional consultation meeting in Abidjan, Ivory Coast and is not a detailed set of minutes. The comments have been summarized and organized according into five thematic areas: (i) Context and Drivers of Change; (ii) Vision for Africa for the next decade; (iii) Operational Focus for the Bank; (iv) Financing, and (v) Institutional Reform.

1. Context and Drivers of Change

Context

- The LTS is being prepared during a period of profound global transformation and must take into account opportunities and major issues affecting the development of Africa in the coming decades.
- Moving forward, climate change cannot be ignored for much longer and must be tackled head-on. In this respect, the limitations of current global climate change finance prevent Africa from capturing a larger proportion of funds reserved for climate change programs. For example, Africa received merely 8% of approximately USD 30-100 billion available in climate change funds.
- Regional integration remains weak on the continent. Stronger regional integration could result from optimizing the exploitation of natural resources to improve energy production in West Africa.
- The impacts of global and national crises must be borne in mind. Businesses throughout Africa must be rehabilitated.

Drivers of Change

- Africa’s democratic dividend can be realized if the appropriate conditions are set into place for this population, including capacity building for youth, who represent the vast majority of this population. Youth education is therefore also a priority and must include technical training that includes ICT and training.

- An improved business environment and diversified partnerships could be produced by enforcing existing cooperation frameworks. Africa must turn further to the BRICS (Brazil, Russia, India, China and South Africa) and Japan.

- Africa’s vast natural resources remain under-developed, whereas they could be an engine of change, particularly with respect to renewable energy production, which is essential for growing industrial and domestic needs.

Sustained and diversified industrialization is needed, particularly agro-industry to add value by transforming and exporting raw products, and mining and energy where better contracts must be negotiated so that local populations benefit more from local mining efforts.

- Regional integration is currently weak but could be an essential part of the proposed strategy. West African RMCs have already adopted regional integration as a policy, but would like to see
measures taken to facilitate regional and sub-regional trade that could enable the growth of a common market and help boost the private sector. This in turn would attract more financial partners to Africa and improve investment in the continent.

- Stability in Africa is an essential pre-requisite to its development. Countries must look for ways to avoid relapsing into civil strife, which significantly sets back development targets.

2. **Vision for Africa for the Next Decade**

- By some projections, the future looks bright for Africa. Some projections forecast that in 2020, African GDP will total $2.6 trillion; that 128 million households will have spending power and that $1.4 trillion will be available in consumer spending. This bright future would also include a youth population of 1.1 billion ready to work, and in need of training and vocational opportunities. Half of the African population will live in urban areas.

- Africa should own and pursue a development path and be able to diagnose its own problems, independent of foreign intervention. It should position itself to be able to formulate coherent, relevant policies without external assistance. Africa must consolidate its industrial base, and, among other things, use it to export processed goods that meet quality standards so as to be internationally competitive. It must effectively mitigate the effects of climate change by developing a green policy;

3. **Operational Focus for the Bank**

- The Bank should spearhead initiatives to form partnership with BRICS economies, which are shifting the international balance of power away from the traditional Western powers.

- The Bank should continue to assist RMCs with institution building. Good governance should move beyond national borders. Accordingly, regional integration projects should increasingly incorporate a regional governance component. This “soft” infrastructure should complement a “hard” infrastructure component of development.

- The free movement of people, services, goods, capital values and culture are assets for African regional integration. To reap the most reward from these assets requires improving regional channels -- roads, railway, airlines, and power/energy. These measures could enable the growth of a common market and help boost the private sector, attract more financial partners and improve investment.

- Africa’s “demographic dividend” must drive growth, which must be inclusive, and create inclusive employment opportunities for youths and women. Women, in particular, should be fully integrated into the development process. Their inclusion may help reposition conventional African approaches to political decision-making.

- The Bank should support educational reforms that seek to prepare individuals to satisfy the needs and the demands of the labor market.
The stimulation and formalization of the private sector will be critical for ensuring that Africa maintains a stable, steady and prosperous growth path. The creation of regional and sub-regional commercial banks and the encouragement of local entrepreneurs are critical components of a PSD initiative.

4. **FINANCING**

- The Bank should allocate more ADF funds to regional integration projects such as the development of roads, railways and air links and to improve the process of policy-making using research and statistical methods.

  Effective partnerships with BRICS donors could lead to a larger envelope for Africa.

5. **INSTITUTIONAL TRANSFORMATION**

- The Bank should develop its knowledge products in order to disseminate the lessons that it draws from past performances, and gear products that reflects its role as a knowledge broker, and better embrace this role by providing experts in all strategic sectors to support governments, private and local actors.

- The Bank should focus on “bankable projects and programs” by engaging specialists earlier in development feasibility studies, in order to attract funders including commercial banks. This will require creating incentives for investors to constitute financial “regional and sub-regional champions”.

- **More flexible instruments**: the Bank should work to establish long-term funding for investment and to stimulate business creation.

- The Bank should mobilize internal resources more efficiently to streamline its project management initiatives.

- The Bank should urge companies to seek other means of raising finance, where possible, including by opening up a stock market.