



African Economic Conference
Conférence économique africaine



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Investing in people-centred innovation and technology essential to Africa's development

Addis Ababa, Ethiopia, November 3, 2014 – Innovation and technology can serve as a springboard for economic transformation provided they are driven by people. This was the message put forward by partners and participants at the closing of the 9th Annual African Economic Conference (AEC), which ran from November 1-3 in Addis Ababa.

Decision-makers and business leaders, economists and academics from across the globe met for the AEC to discuss how to harness knowledge and innovation to boost youth employment, foster the adoption of new technologies, and enhance Africa's economic transformation.

"Investments in skills, technology, knowledge, and innovation will ensure democratic and responsive governance that can deliver effective public services and facilitate universal access to basic services, such as food and nutrition, water and sanitation, shelter, health and education," pointed out Nkosazana Dlamini Zuma, African Union Commission Chairperson.

Innovation is seen as an essential component for the transformation of African economies, said Steve Kayizzi-Mugerwa, Acting Chief Economist and Vice-President of African Development Bank, who emphasised the need to be proactive and address the challenges Africa is facing. "We need to stop being lazy analysts and take our challenges for ourselves; stop wasting resources and implement our own ideas," he said. "Africa must first understand where we are, what brought us here and then try to understand what to do differently to bring different results."

Beyond technology and technology transfer, the role of innovation was discussed at the conference as a trigger for behaviour and social change. "Innovation is a key determinant of the ability of economies to sustain growth, and is critical to improving socio-economic conditions. Socio-economic transformation in Africa requires both adaption of existing technologies, and the development of home-grown innovations," said Abdoulaye Mar Dieye, Director, UNDP Regional Bureau for Africa, UN Assistant Secretary General.

The continent can boost its development agenda by using technology and technology transfer creatively, participants argued, creating revenue opportunities for farmers, jobs for youths in

urban areas and tackling a wide diversity of challenges, from climate change adaptation to disaster risk reduction. M-Pesa, an innovative mobile-phone payment system, created in Kenya and expanded to Tanzania, South Africa, Afghanistan, India and Eastern Europe, has had great impact on the lives of ordinary Kenyans. It has increased access to financial services to 19 million Kenyans, created jobs, and positively impacted savings and money transfer patterns. In just five years, M-Pesa decreased informal savings in the country by 15%, increased the frequency of transfers and remittances by 35%, and increased usage of banking services by 58% beyond the levels of 2006.

It is critical to address acute skills deficits to provide African youth and women opportunities to take part in these types of new economic activities and derive benefits from the economic growth in Africa, the participants noted. "Innovation and technology-oriented education is vital for sustained economic performance and competitiveness. It gives our youth critical building blocks to secure their future," said Carlos Lopes, Executive Secretary of the Economic Commission for Africa. Continuous investments in education, research and development, structured on-the-job training programmes, and establishments of technical training institutes were also identified by the participants as ways of engaging the youth and boosting the participation and empowerment of women.

Governments, private sector, academia and the civil society need to act as complimentary entities and not as competitors in the development process. Creating strong links between all these different entities is required to ensure innovation results in scaling up, adoption of best practices, enhancement in inclusive economic growth and sustainable development.

Given the current population profile, with the majority of the African population under 20, conference participants underlined that the age of innovation for Africa is yet to come. Fostering innovative solutions and creating a social contract in which governments, private sector, academia, and the civil society use innovation to address the barriers of inclusive development and structural transformation is key to inclusive and sustainable development. This is critical to ensure moving from aspiration to implementation with Africa's Agenda 2063, the 50-year vision for Africa, and the Common African Position on the post-2015 development agenda.

Since 2006, the African Economic Conference has been jointly organized by the AfDB, ECA and UNDP with the mandate to foster dialogue and the exchange of knowledge on economic issues and challenges facing Africa.

For media information, please contact:

AfDB: Olivia Ndong Obiang, o.ndong-obiang@afdb.org, tel. +225 01560505 (Abidjan)

ECA: Mercy Wambui, mwambui@uneca.org, tel. +251 92 10 14 767

UNDP: Nicolas Douillet, Nicolas.douillet@undp.org, tel. +1 212 906 5937 (New York);

Martha Mogus, martha.mogus@undp.org, tel. +251 11 44 43 18 (Addis Ababa)

About the AfDB:

The African Development Bank Group (AfDB) is Africa's premier development finance institution. It comprises three distinct entities: the African Development Bank (AfDB), the African Development Fund (ADF) and the Nigeria Trust Fund (NTF). On the ground in 34 African countries with an external office in Japan, the AfDB contributes to the economic development and the social progress of its 54 regional member states. www.afdb.org

About ECA:

Headquartered in Addis Ababa, Ethiopia, the United Nations Economic Commission for Africa was established in 1958 with the mandate of promoting the economic and social development of its member States, fostering intra-regional integration, and promoting international cooperation for Africa's development. www.uneca.org

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