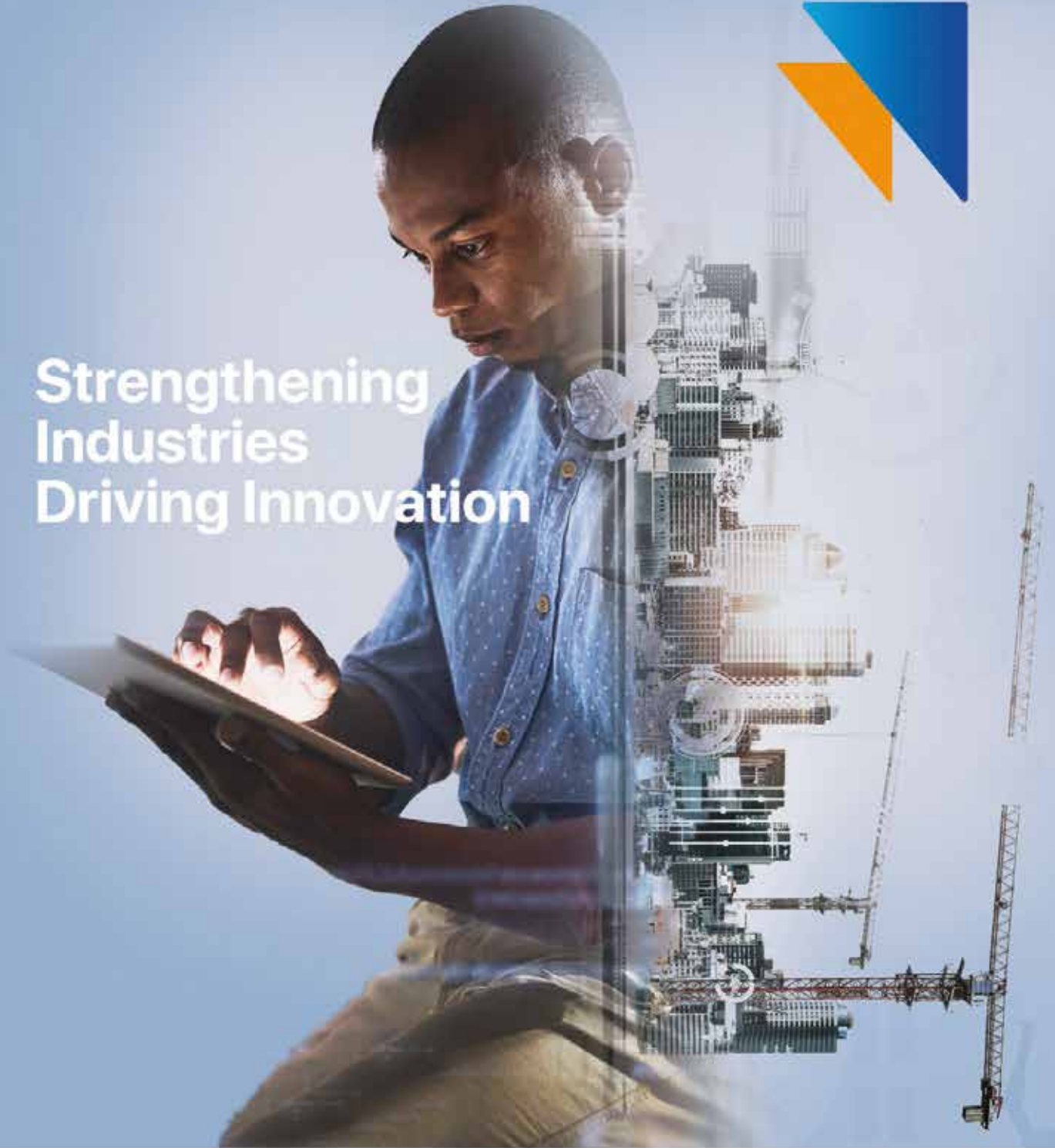




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H.E. Wamkele Mene
Secretary General, AfCFTA Secretariat

Building the Infrastructure Backbone for an Effective AfCFTA

By H.E. Wamkele Mene, Secretary General, AfCFTA Secretariat

A Landmark Agreement for African Integration

The African Continental Free Trade Area (AfCFTA) stands as a flagship project under the African Union's Agenda 2063, representing our continent's blueprint for transformation. As a unified continental market connecting all 55 member states, with a population of 1.4 billion and combined GDP exceeding \$3 trillion, the AfCFTA creates the world's largest free trade area by number of participating countries.

Our progress has been remarkable. With 54 signatories and 49 ratifications, we have achieved rapid consensus unprecedented among African Union treaties. Both Phase I and II negotiations have largely concluded, covering trade in goods, services, and establishing mechanisms for dispute settlement. The Phase II protocols on intellectual property rights, investment, competition policy, digital trade, and women and youth in trade have been adopted by the Assembly of African Union heads of state.

The operationalisation of trading under AfCFTA preferences, launched in January 2021, has already demonstrated significant success through our Guided Trade Initiative. Beginning with seven participating state parties in October 2022, this initiative has expanded to 35 members, facilitating substantial trade across various sectors and improving livelihoods for businesses, including those run by small-scale traders and women.

We have made substantial progress in developing supporting instruments for successful AfCFTA implementation. Our Private Sector Engagement Strategy has initiated the development of strong regional production networks across Africa, focusing on four priority sectors: agro-processing, automotive, pharmaceuticals, and transportation and logistics. The Pan-African Payments and Settlement System, launched in January 2022, provides a centralised platform for efficient and secure payment transactions. We have established an AfCFTA Adjustment Fund to address concerns over potential short-term disruptions and developed a Non-Tariff Barriers Online Mechanism to enhance trade through the removal of barriers.

The Infrastructure Challenge

However, we face a critical challenge:

infrastructure development remains paramount to realising the full potential of this historic agreement. In most dimensions of infrastructure performance, sub-Saharan Africa ranks lowest among all developing regions. The African Development Bank estimates our infrastructure needs at \$130-170 billion annually, with a financing gap of up to \$108 billion. This deficit threatens not only AfCFTA implementation but also our broader development goals under Agenda 2063.

Breaking Historical Patterns

The colonial legacy has left us with infrastructure purposely built for exporting raw materials to Europe rather than facilitating trade between African nations. This historical pattern must be reversed – our intra-African trade currently accounts for merely 18% of total trade volumes, compared to 70% in Europe and 59% in Asia. The success of other free trade areas, particularly in East Asia, demonstrates that increased cooperation on infrastructure development significantly decreases trade costs and stimulates regional trade.

We can draw valuable lessons from global examples of investment-led growth. China's rapid transformation into an industrial powerhouse and Germany's post-war reconstruction both relied heavily on substantial infrastructure investment. If Africa desires similar rapid transformation into an economic powerhouse, we must begin building the future we want now.

Progress and Potential

Our Programme for Infrastructure Development in Africa (PIDA) has already achieved significant milestones. During its first phase (2012-2020), approximately 30 million people gained access to energy in previously underserved regions. Modernised roadways, rail lines, digital networks and information communication technologies now link populations and markets more seamlessly than before. The establishment of One-Stop Border Posts has been crucial in connecting this cross-border infrastructure.

Maritime infrastructure presents both challenges and opportunities. According to the UN Economic Commission for Africa, cargo transported by vessels would increase from 58 million to 132 million tonnes by 2030 with successful AfCFTA implementation. Our maritime fleet is projected to increase by 188% for bulk and 180% for container cargoes. However, we must urgently address challenges including insufficient port capacity, storage deficits, inefficient handling time, congestion, and delayed ship dwell time.

The situation of our landlocked countries deserves special attention. Sixteen African nations face

unique challenges in accessing global markets due to their geographical position. The role of multimodal infrastructure – including feeder roads, national roads, airports, and ports – in connecting these markets cannot be overemphasised. We must develop integrated transport networks that accommodate their particular requirements.

Innovative Financing Solutions

Innovation in financing will be crucial. While infrastructure projects traditionally rely heavily on public funding, enhanced private sector participation through public-private partnerships (PPPs) is essential. Currently, only a few African countries have embraced PPPs effectively – Kenya, Nigeria, Uganda and South Africa account for almost 50% of such arrangements. African pension funds represent a significant untapped resource, projected to grow from \$800 billion in 2014 to \$7.3 trillion by 2050. If 20% of these annual assets were invested in infrastructure, it would contribute \$77 billion towards closing our infrastructure deficit.

Looking ahead, PIDA's second phase (2021-2030) builds upon these successes, aligning projects with our collective aspirations for regional integration and industrialisation. While implementing all PIDA projects by 2040 requires an estimated \$360 billion, the exploration of innovative financing mechanisms and international partnerships offers promising solutions.

The AfCFTA provides the much-needed stimulus and predictability for trade and investment on our continent. Now is the opportune moment to unlock Africa's infrastructure development potential. Success demands intensified efforts to mobilise investment in critical sectors such as transport and ICT. By enhancing our business climate through policy stability and transparency, we can attract both intra-African and international investors.

Our path forward is clear: we must address the infrastructure gap decisively to achieve the seamless movement of goods, services, and people across our continent. This is not merely an aspiration but a necessity for delivering the Africa we want – an integrated, prosperous, and peaceful Africa driven by its own citizens and representing a dynamic force in the global arena.

With excerpts from his Excellencies recent speeches at:

7th PIDA Week Dialogue on Ports, Maritime Transport, and Corridor Connectivity Africa Infrastructure Forum in Ouagadougou, Burkina Faso;
Harvard University Presentation on Building Infrastructure for AfCFTA



Dr Sidi Ould Tah
President, Arab Bank for Economic Development in Africa (BADEA)

The Arab-Africa Prosperity Partnership: Delivering Africa's Single Market Through Infrastructure

By Dr. Sidi Ould Tah, President, Arab Bank for Economic Development in Africa (BADEA)

As Africa accelerates economic integration, infrastructure remains the backbone of delivering the African Continental Free Trade Area (AfCFTA). The Africa Prosperity Dialogues 2025, hosted by the Africa Prosperity Network in Ghana under the theme "Delivering Africa's Single Market Through Infrastructure: Invest, Connect, Integrate", is a pivotal step in this journey. The dialogues aim to drive solutions to bridge gaps, connect markets, and foster regional economic transformation.

Last year, we gathered in Ghana to celebrate 50 years of BADEA's support to Africa and launched the Arab-Africa Financial Consortium (AAFC), a new phase of collaboration between Arab and African financial institutions. This consortium seeks to mobilise substantial investments into Africa's private sector, infrastructure, and industrialisation, addressing critical financing gaps and unlocking economic opportunities.

BADEA's journey over the past five decades has been marked by transformative investments in critical sectors, including infrastructure, agriculture, energy, health, and education. From enhancing food security to addressing climate resilience and expanding renewable energy, BADEA has consistently focused on addressing Africa's most pressing challenges. With over 2,000 projects completed in 44 African countries, BADEA has grown from an initial capital of \$231 million to \$20 billion, exemplifying the power of partnership in achieving shared goals like Agenda 2063 and the UN Sustainable Development Goals (SDGs).

Looking ahead, BADEA's ambitious new five-year plan (2025–2029) commits \$18 billion to investments, with a strong focus on human-centred infrastructure. From renewable energy projects to modern transportation systems and digital connectivity, these initiatives aim to boost trade, improve mobility, and enhance the quality of life across the continent.

The Africa Prosperity Dialogue presents a unique opportunity to align stakeholders, strengthen partnerships, and advance Africa's integration agenda. Together, through investing, connecting, and integrating, the Arab-Africa Prosperity Partnership can become a model for sustainable development and inclusive growth, creating a united and prosperous Africa.



Bridging Africa's Infrastructure Gap: A Catalyst for Sustainable Development

*By Charles Abani, UN Resident
Coordinator, Ghana*

We face three megatrends that will shape Africa's future: shifting global geopolitics, the transformative impact of artificial intelligence, and the existential challenge of climate change. Rather than viewing these as obstacles, we must see them as opportunities to innovate, to create new models of collaboration, and to build sustainable solutions that work for Africa and the world.

The 2023 Sustainable Development Goals stocktake soberingly highlights Africa's struggle to meet its development goals amid reduced OECD funding, the lingering effects of the COVID-19 pandemic, mounting debt, and other global crises that are impacting food security, commodity prices - conspiring to keep investments out of the space. Africa faces a significant funding gap of \$68-108 billion annually for its required \$130-170 billion in infrastructure investments according to the African Development Bank (AfDB). To address these challenges, the UN recommends key areas for transformation include innovative and sustainable finance, and investment in food systems, job creation, digital innovation, skills development, access to green and clean energy, and tackling climate change, biodiversity loss, and pollution. These interlinked efforts present significant opportunities for impactful change. It is time to reimagine collaboration for impact.

This reimagining comes at a critical time when Africa's own vision, embodied in Agenda 2063, aligns powerfully with global sustainable development imperatives. The African Continental Free Trade Area (AfCFTA) represents more than just a trade agreement—it unites 1.4 billion people across 55 countries in a \$3.4 trillion single market, with the potential to boost intra-African trade by 52% by 2035, unlock investment opportunities

and unleash the value of Africa on the global stage.

Realising this potential requires a fundamental rethinking of infrastructure. Currently, road networks are poor and freight costs are twice those in the United States, while manufacturing energy costs are up to four times the global averages. These inefficiencies inflate transport costs by 30-40% compared to other regions, hamper competitiveness and constrain trade potential. Intra-African trade accounts for just 17% of the continent's exports, compared to 59% in Asia and 68% in Europe.

The infrastructure needs are substantial and multifaceted. But there are catalytic priorities that can change the game positively. In the energy sector, over 600 million Africans lack access to electricity. Yet Africa possesses immense renewable and clean energy potential—the continent has 60% of the world's best solar resources but accounts for only 1% of installed solar PV capacity. The East African Rift's geothermal potential spans 5,900 kilometres across multiple countries, while projects like Kenya's Lake Turkana Wind Power installation will produce 310 MW of clean energy. The ongoing Africa Energy Summit #Mission300 - in Dar es Salaam, Tanzania is a timely moment for Africa's leadership and key stakeholders to take ambitious steps to expand access to reliable, affordable and sustainable electricity to millions of Africans by 2030.

Transportation infrastructure is equally critical. Only 34% of rural Africans live within 2 kilometres of an all-season road, compared to 66% in other developing regions. Major initiatives are underway to address this—the Trans-African Highway Network spans 60,000 kilometres, while projects like Nigeria's Lekki Deep Sea Port promise \$361 billion in economic impact over 45 years. But much, much more needs to be done to connect the continent and unlock the full potential of Africa to the globe.

Digital infrastructure presents another transformative frontier. Africa's digital economy is projected to reach \$700 billion by 2050 (from an estimated \$180 billion this year) – offering a huge opportunity by connecting 50% more adults in sub-Saharan Africa to mobile internet and other digital services. Innovations like the Pan-African Payment and Settlement System could save the continent \$5 billion annually in payment and settlement costs. Enabling Fintech and other digital infrastructure solutions is an imperative to unlock this.

Climate change adds both urgency and opportunity. Africa contributes only 2-4% of global emissions but faces disproportionate climate risks. By 2050, climate change could cause 250,000 additional deaths annually due to

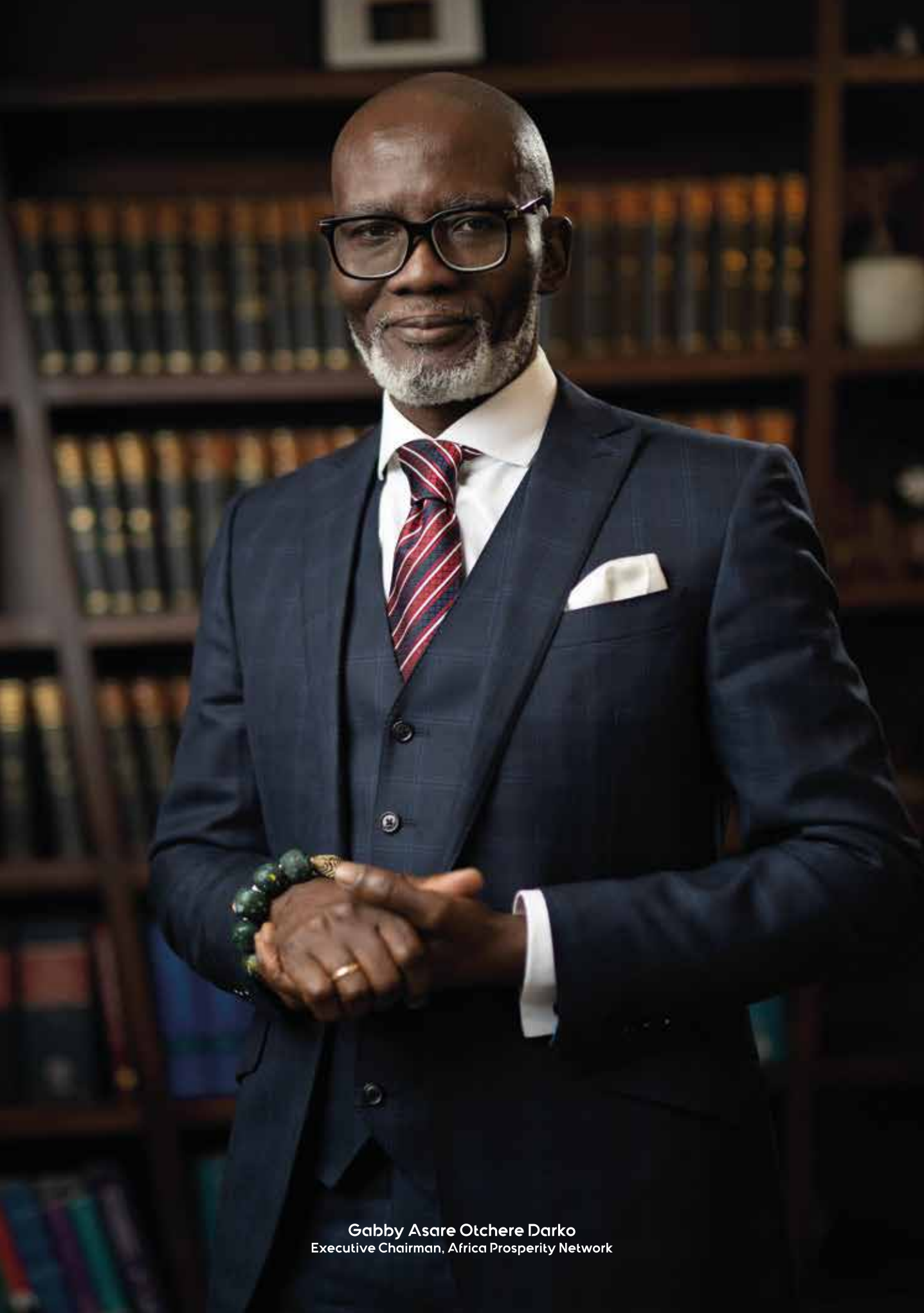
malnutrition, malaria, and heat stress. However, the continent's vast clean, green, renewable energy potential offers a path to sustainable industrialisation while contributing to global climate goals.

This transformation requires new partnerships and funding models. The World Bank estimates that closing Africa's infrastructure gap could increase GDP growth by 2.6% annually. Recent initiatives like BADEA's \$50 billion investment fund and the G7's Partnership for Global Infrastructure and Investment pledge of \$600 billion globally demonstrate growing recognition of this opportunity. Bringing the private sector to the centre of the table – through innovative partnerships that unlock new finance and create synergies – offers immense potential.

Regional cooperation will be crucial. The World Bank projects that full implementation of AfCFTA could lift 30 million Africans out of extreme poverty by 2035. Success requires not just physical infrastructure but also soft infrastructure—harmonised policy and regulations, digital systems, and payment platforms that enable seamless cross-border commerce. Policy predictability and continuity—consistently cited by investors and private sector actors as key concerns—must be secured through sustained dialogue and commitment. The challenge is significant but so is the opportunity: studies suggest that improving infrastructure could reduce business costs by up to 40% while creating millions of jobs across the continent.

The Africa Prosperity Dialogues play a vital role in fostering these connections. The path forward requires unprecedented cooperation between governments, development partners, and the private sector in multiple and connected win-win solutions. By focusing on both hard and soft infrastructure, leveraging technology, and maintaining unwavering commitment to sustainable development, we can create the foundation for genuine prosperity across the continent. This is the promise that we must all lean into.

Charles Abani is the United Nations Resident Coordinator in Ghana, appointed by UN Secretary General António Guterres in May 2020, bringing over 25 years of experience in international development across Africa. A Nigerian-British diplomat with extensive expertise in civil society engagement and development strategy, Abani has held leadership positions at organizations including Chemonics International, Action Aid, Oxfam and VSO while also working with the private sector and government in the UK.



Gabby Asare Otchere Darko
Executive Chairman, Africa Prosperity Network

Breaking Free from Colonial Silos and Intra-African Trade Bondage

By Gabby Asare Otchere-Darko, Executive Chairman and Founder, APN

"No dollarisation, true unification, we have the biggest single market, say no more to the colonial racket; they don't care, them never will be fair, let's come together and grab our share. Join the fast track, To Prosperity."

- Stonebwoy, "I Believe in Africa"

Africa's colonial legacy of artificial borders continues to suffocate its economic potential, perpetuating fragmentation and mistrust among nations and hindering the continent's quest for regional integration and prosperity. Colonial powers carved up the continent with little regard for existing ethnic, cultural or geographic realities, creating borders that divided ethnic groups and natural resources. The Berlin Conference of 1884-1885 arbitrarily split Africa among European powers, dividing approximately 236 ethnic groups across multiple countries, disrupting traditional governance and social cohesion. The Maasai people were split between Kenya and Tanzania, the Anyi (Akan) between Ghana and Côte d'Ivoire, and the Chewa among Mozambique, Malawi and Zimbabwe.

This fragmentation has left a legacy of weak intra-African trade, which according to the United Nations Conference on Trade and Development (UNCTAD) accounts for around 16.6% of total exports, compared with 68.1% in Europe and 59.4% in Asia. Despite its vast resources and growing workforce, many African countries continue to prioritise external partnerships - such as trade with Europe, the USA or Asia - over continental collaboration, further hampering the continent's ability to assert its place in the global economy.

The continent, comprising 55 countries, remains shackled by colonial-era boundaries and fragmented infrastructure that continue to hinder the free movement of people and goods. Despite the African Continental Free Trade Area (AfCFTA) promising to unlock a market worth \$3.4 trillion, boost intra-African trade by 52% through tariff reductions, and potentially lift 30 million people out of poverty, the continent's infrastructural deficiencies and outdated policies continue to impose severe restrictions on mobility and economic integration.

The fragmented transportation networks across the continent epitomise these silos. Although Africa is home to 15% of the world's population, it

accounts for only 3% of the global air service market, with only 7% of global rail lines located on the continent despite its size. Intra-African travel remains prohibitively expensive, with airfare often surpassing flights to Europe or the Middle East. According to the African Civil Aviation Commission, only 35% of Africa's major cities are directly connected by air routes, forcing travellers to frequently transit through non-African hubs such as Dubai or Paris for intra-African journeys.

The challenges extend beyond aviation. The African Development Bank (AfDB) estimates that over 60% of Africa's roads are unpaved, making cross-border trade costly and time-consuming. The absence of harmonised transport policies further complicates logistics, with trucks facing delays of up to a week at border crossings due to bureaucratic red tape. This inefficiency adds a 40% premium to transport costs in Africa compared with other regions, eroding the continent's competitiveness in the global market.

Restrictive visa policies continue to curtail intra-African travel, reinforcing the colonial mentality of fragmentation. A 2023 report by the AU and African Development Bank revealed that only 28% of African countries allow visa-free travel to citizens of other African nations compared with 75% of European countries offering similar privileges within the EU. In contrast, non-African nationals, such as Europeans or Americans can travel freely across much of the continent, while an African passport holder still faces significant hurdles when attempting to do the same.

The African Union's African Passport initiative launched in 2016, seeks to address these barriers, but has been met with slow implementation stemming from national security concerns and bureaucratic inertia. While 32 member states have signed the protocol, only four - Mali, Niger, Rwanda and São Tomé and Príncipe - have ratified it. Meanwhile, nations such as Benin, The Gambia, Rwanda, Seychelles, Ghana and Kenya (in January 2025) have embraced visa-free access for visitors holding other African passports.

Even beyond the tangibles, the fragmentation of Africa remains a stubborn obstacle, undermining the continent's intellectual unity and progress. An African student studying in Europe, China or America is more likely to meet students from other African countries there than colleagues in universities in Africa. Across many African universities, students from neighbouring countries are classified as international students and subjected to exorbitant international tuition fees, often denominated in US dollars. African academic institutions must rethink these divisive arrangements and adopt a more inclusive

approach—one that treats students from across the continent as equals, bound by shared aspirations and a common future. We must remove every barrier that discourages us from developing our minds together without borders.

Our integration is meaningful when it allows free movement of people, goods, services, cultures, and ideas, dismantling the colonial silos that still define our boundaries. Research by the Economic Commission for Africa (ECA) reveals that the continent's infrastructure deficit reduces economic growth by 2% annually and cuts productivity by up to 40%. Further studies project that closing this gap and effectively implementing the AfCFTA could boost intra-African trade from its current 15% to over 50% within its first decade, with a total GDP of some \$8 trillion.

Central to this vision is the development and implementation of key infrastructure projects:

- Continent-wide mobile money interoperability which will allow Africans to buy and sell across borders using local currencies;
- the Trans-African Highway network, which aims to connect major cities across the continent;
- build and complete the Grand Inga Dam hydropower plant

The European Union offers a model of integration of note. The EU's single market, with a GDP of \$18 trillion, has dismantled technical, legal and bureaucratic barriers, fostering fluid interactions among member states. This integration has encouraged business expansion, heightened competition and reduced costs, introducing benefits such as a 40% reduction in airfares and a fivefold increase in intra-EU trade over the past three decades.

The African Union articulates a bold vision through "The Africa We Want" Agenda 2063 for "an integrated, prosperous and peaceful Africa." For AfCFTA to work and work for the people, it must be manifestly impacting lives by 2031, within its first decade. This is why we created the Africa Prosperity Dialogues series. A platform that brings together the business actors in Africa and Global Africa to think, plan and leverage resources to work together, with support from the policymakers and other stakeholders, to build with urgency Africa's single market. We use our gathering to review progress made, commit to things we must do over the next year(s) and set out from here to get them done, with the Africa Prosperity Network secretariat supporting the AfCFTA secretariat with advocacy and lobbying to get things moving.

While mobilising political will matters, collective private sector commitment is crucial. Economic integration means more business opportunities, more youth employment and more state revenue, bringing shared prosperity across a confident Africa with elevated global influence. The time for action is now. Let businesses make Africa's single market their business - showing ourselves and the world we mean business!

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Towards Africa's Dream of Regional Integration

By Nkosazana Clarice Dlamini-Zuma, Chair of Advisory Council, APN

In recent years, the call for regional integration in Africa has gained momentum, with infrastructure development emerging as a critical catalyst for change. The continent is rich in resources and potential, yet many African countries remain economically isolated due to inadequate internal and intra-regional infrastructure. With Africa standing at a crossroads and the African Continental Free Trade Area (AfCFTA) now operational, the promise of regional integration is no longer an abstract hope but a tangible reality that could boost intra-African trade by 81% by 2035.

Regional integration is not merely an economic necessity; it is one of the pathways to Africa's collective prosperity and self-reliance. The AfCFTA, bringing together 55 countries in a single market of 1.3 billion people with a combined GDP of \$3.4 trillion, has the potential to drive industrialisation and create millions of jobs. The benefits extend beyond commerce to enhanced political cooperation, improved infrastructure and harmonised policies facilitating ease of doing business across the continent.

However, significant challenges remain. Critical among these are infrastructural deficits requiring \$130-170 billion annually in investment, with a funding shortfall of \$68-108 billion. Poor transport and logistics networks continue to hinder cross-border trade, with road freight tariffs twice those in the United States and manufacturing energy costs four times higher than global averages. Furthermore, inconsistent regulatory frameworks and bureaucratic bottlenecks present additional challenges to businesses seeking continental expansion.

Improved transportation infrastructure is essential for connecting landlocked countries to coastal markets. The East African Community (EAC) has made significant strides in enhancing its road and rail networks, leading to increased trade volumes among member states. The African Union's Agenda 2063 envisions seamless transportation networks enhancing trade and free movement, ultimately contributing to AfCFTA's goals.

Reliable energy infrastructure is crucial for industrialisation. Countries such as Ethiopia, Kenya and Morocco are investing in renewable energy projects to provide consistent electricity and attract foreign investment. The East African Rift's geothermal potential spans 5,900 kilometres across multiple countries. Morocco's Koudia Al Baida Farm, the continent's oldest utility-scale wind farm, is being complemented by new facilities in Tangier and Tarfaya. Kenya's Lake Turkana Wind Power project, set to be Africa's largest wind farm, will produce 310 MW of power while creating jobs and reducing emissions.

Africa cannot achieve integration in isolation. Mobilising global African investment and fostering strategic partnerships are essential to financing the continent's development agenda. The private sector has a critical role in funding infrastructure projects, scaling up manufacturing capabilities and enhancing value chains across agriculture, energy and technology. Regional Economic Communities (RECs) are vital in facilitating investment-friendly environments and driving cross-border integration.

Advancements in communication technology can bridge gaps between nations, fostering innovation and collaboration. The Trans-African Highway Network aims to connect major cities, promoting cross-border trade and tourism. However, member states must address funding, governance and political stability challenges. Public-private partnerships offer one solution, while regional development banks provide necessary financing. African remittance inflows, accounting for 5.2% of the continent's GDP, represent another potential funding source.

Infrastructure development is creating pathways for economic integration and collaboration across Africa. With strategic investment in infrastructure, enhanced by initiatives like BADEA's \$50 billion investment fund, we can pave the way towards a more interconnected future. The potential for growth is immense and, with strategic planning, cooperation and trust, Africa can emerge as a formidable player on the global stage.



By Sidig Faroug Eltoum
CEO, Africa Prosperity Network

A Unified Africa: The Absolute Will

By Sidig Faroug Eltoum — CEO, Africa Prosperity Network

Africa's true potential lies not in its abundant resources alone, but in its ability to unite as one powerful force. A wise Arabic proverb reminds us that "Spears refuse to break when bound together, but when separated they break one by one." This sentiment echoes in Ghana, where they say "A bundled broom is extremely difficult to break, but a single strand breaks easily." These age-old wisdoms underscore a universal truth: only through unity can Africa thrive.

Challenging Colonial Legacies

The borders dividing Africa today were drawn by colonial powers, serving foreign interests while fragmenting communities and cultures. These divisions extended beyond geography into language—categorising Africa as francophone, anglophone, lusophone or arabophone—further isolating us from each other. Colonial education systems exacerbated this fragmentation by prioritising the training of elites to serve foreign powers rather than empowering Africans to serve their communities.

This colonial legacy continues to suffocate Africa's economic potential. Today, intra-African trade remains at just 17% of the continent's exports, compared to 59% in Asia and 68% in Europe. High transportation costs and inefficient border processes inflate expenses by 30-40% compared to other regions, severely hampering our global competitiveness.

The AfCFTA: Catalyst for Transformation

The African Continental Free Trade Area (AfCFTA) represents an unprecedented opportunity for transformation. Uniting 1.4 billion people across 55 countries, it creates the world's largest single market by membership, with a combined GDP of \$3.4 trillion. The AfCFTA promises to boost intra-African trade by 52% by 2030, potentially lifting 30 million people out of extreme poverty.

Yet realising this potential requires more than agreements on paper. The continent faces an annual infrastructure investment requirement of \$130-170 billion, with a critical funding gap of \$68-108 billion. Addressing this deficit through strategic investments in transportation, energy and digital infrastructure is essential for translating the AfCFTA's promise into reality.

Reclaiming Our Social Diversity

Our diversity, once exploited to incite division, must now become our strength. Modern technology is

already bridging traditional barriers—mobile money systems and digital payment platforms are facilitating seamless cross-border trade. The Pan-African Payment and Settlement System (PAPSS) demonstrates how innovation can unite our economies, while initiatives like the One African Network have reduced roaming charges by 70% in East Africa.

Infrastructure: The Foundation of Unity

Several transformative projects are already reshaping Africa's connectivity:

- The Trans-African Highway Network spans 60,000 kilometres, connecting major cities
- The Lobito Corridor links Angola, DRC and Zambia, facilitating mineral trade
- East Africa's Standard Gauge Railway has revolutionised regional transport
- Nigeria's Lekki Deep Sea Port promises \$361 billion in economic impact over 45 years
- Google's Equiano subsea cable is expanding high-speed internet access

These initiatives are complemented by ambitious energy projects like Ethiopia's Grand Renaissance Dam and the Democratic Republic of Congo's Grand Inga Dam project, which could power the entire continent.

Financing Africa's Future

The Arab Bank for Economic Development in Africa's (BADEA) bold \$50 billion funding initiative signals growing global confidence in Africa's potential. Combined with the G7's Partnership for Global Infrastructure and Investment pledge of \$600 billion globally, these investments can accelerate our journey toward integration and prosperity.

The Path Forward

The AfCFTA is more than an economic agreement—it is Africa's declaration of unity and purpose. By dismantling barriers and embracing our diversity, we can create a continent where borders connect rather than divide. As our wise proverbs remind us, our strength lies in unity. Together, we can build an unbreakable Africa, bound by shared purpose and collective strength.



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The Africa Prosperity Network

The Africa Prosperity Network (APN) is a not-for-profit organisation committed to mobilising private sector leadership for the collective progress and shared prosperity of Africa and, by extension, Global Africa. APN's Africa Prosperity Dialogues (APD) provide a trusted convening platform for finding and sharing results-oriented solutions to the challenges facing the African continent and securing broad commitment to Africa's economic integration.

Our vision is to be the leading network driving Africa's economic transformation and shared prosperity, championing the creation of the world's largest single market and advancing Africa's competitiveness in global markets and for the dignity and shared prosperity of Africans.

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Profiles of Advisory Council



**DR NKOSAZANA CLARICE
DLAMINI ZUMA, SOUTH AFRICA.**

Dr Nkosazana Clarice Dlamini Zuma was appointed as Minister responsible for Women, Youth, and Persons with Disabilities on 6 March 2023 in South Africa. She served as Minister for Cooperative Governance and Traditional Affairs from 30 May 2019 to 6 March 2023 and Minister of The Presidency from 27 February 2018 to 25 May 2019. Dr Dlamini Zuma was elected as the first woman to lead the African Union Commission on 15 July 2012 and served until 30 January 2017.



AMBASSADOR (DR) AMINA MOHAMED, KENYA

Ambassador Dr Amina Mohamed has had a distinguished career in the Public Service spanning over thirty-five years. She served in three Government Ministerial portfolios and was Cabinet Secretary at the Ministries of Foreign Affairs and International Trade; Education, Science and Technology; and Sports, Culture and Heritage. She was also Permanent Secretary for Justice, National Cohesion and Constitutional Affairs, ASG/Deputy Executive Director for the UNEP. Before that, she was Ambassador/Permanent Representative to the UN, WTO and the Conference on Disarmament in Geneva, Switzerland.



**MADAM PATRICIA POKU DIABY,
CÔTE D'IVOIRE & GHANA**

Madam Patricia Poku Diaby is currently Ghana's richest woman. She is also among the ten richest persons in Ghana. She is an astute businesswoman with operations in both Ghana and Côte d'Ivoire, a cocoa merchant and the CEO of Plot Enterprise Ghana Limited. Madam Patricia Poku Diaby is the founder and chairperson for the board of directors of two cocoa-sourcing companies in Ghana and Côte d'Ivoire.



MR JOSHUA SIAW, UNITED KINGDOM

Mr. Joshua Siaw is a distinguished legal professional and Partner/Director at White & Case LLP's Africa Practice Division. He is known for his exceptional legal acumen, leadership, and dedication to advancing the legal landscape in Africa. Mr. Joshua Siaw's contributions have been instrumental in positioning White & Case LLP as a prominent player in the African legal sphere. His career spans various sectors, providing counsel on complex legal issues.

Profiles of Advisory Council



DR EUGENE OWUSU, GHANA

Dr Eugene Owusu is a prominent International Policy and Development Management expert with over 25 years of experience, primarily with the United Nations, with a focus on Africa's complex political, development, and humanitarian challenges. He served as the UN Assistant Secretary-General, Deputy Special Representative, UN Secretary-General and Humanitarian Coordinator, and UNDP Resident Representative, impacting diverse development initiatives. He currently serves as the Special Advisor to the President of Ghana on the Sustainable Development Goals (SDGs).



**DR CESAR MBA ABOGO,
EQUATORIAL GUINEA & MOZAMBIQUE**

Dr Cesar Mba Abogo is an accomplished development expert and Country Manager at the African Development Bank (AfDB) in Mozambique, recognized for his dedication to fostering socio-economic progress and sustainable growth. He served as Minister of Finance, Economy, and Planning in the Republic of Equatorial Guinea from April 2019 to October 2020.



MS CHRISTAL M. JACKSON, UNITED STATES

Christal M. Jackson is a venture partner, consultant to individuals, corporations, and organisations and executive coach, while maintaining her commitment to helping improve education, health, and economic opportunities for communities of colour. She is currently the Chairperson for the Africa-America Institute.



DR AMANY ASFOUR, EGYPT

Dr Amany Asfour is an Egyptian economist and businesswoman. Appointed in 2021 as the President of the African Business Council (AfBC), Dr. Asfour leads the council; an independent private-sector institution of the African Union. She is also the President of the African Alliance for Women Empowerment (AFRAWE), the Egyptian Businesswomen Association (EBWA), and the Founder and Honorary President of Business and Professional Women-Egypt (BPW-Egypt).

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The Angels, Pagans and Demons of Africa's Infrastructural Architecture: How Do We Succeed?

By Godlove Lartey Asirifi, Chief Research and Finance Officer, APN

Imagine a continent where goods, services, information, and people flow seamlessly across borders; where trade corridors connect bustling ports to hinterlands brimming with potential; where innovation and investment are fuelled by interconnected infrastructure. This vision, at the heart of the African Continental Free Trade Area (AfCFTA), hinges on a singular foundation: infrastructure.

Africa's infrastructural landscape is at a crossroads. For decades, the continent's promise of economic integration and prosperity has been tethered to the dream of better roads, railways, ports, and digital networks. Yet, the journey to realising this vision has been both illuminating and fraught, populated by angels—those who champion progress, pagans—who resist change out of fear or ignorance, and demons—forces that actively undermine development.

The stark reality is evident in the numbers. African countries lag significantly behind their peers in infrastructure coverage. According to the African Development Bank, the continent faces an annual infrastructure financing gap of \$100 billion, with approximately \$31 billion needed for maintenance alone. Paved roads, mobile phone connectivity, and power generation reveal the most pronounced disparities compared to other low- and middle-income countries.

The Angels: Champions of Progress

Africa's angels are its visionaries, reformers, and entrepreneurs. They are the engineers of the AfCFTA, which seeks to unite a fragmented continent into the world's largest free trade zone of over 1.4 billion people from 55 countries. These angels embody a relentless optimism that Africa can harness its resources and people to build a better future.

Projects like Morocco's Noor Ouarzazate Solar Complex—the world's largest concentrated solar farm—showcase the continent's potential to lead in green energy. The Grand Inga Dam project in the Democratic Republic of Congo promises to light up millions of homes, while digital initiatives like Google's Equiano cable are expanding connectivity.

The World Bank estimates that closing Africa's infrastructure gap could increase GDP growth by as much as 2.6% annually. The African Development Bank suggests that bridging infrastructure deficits could lift millions out of poverty, increase GDP by up to 2% annually, and reduce business costs by as much as 40%.

The Pagans: Fear and Ignorance

In Africa's quest to build interconnected economies, "pagans" represent stakeholders hindered by fear of change or ignorance of progress benefits. These include communities resistant to displacement for infrastructure projects or governments clinging to outdated operational models.

Regional competitions, political instability, and a lack

of harmonised policies often result in duplication, delays, and underutilised investments. Roads leading to nowhere, ports without complementary railways, and power plants unable to connect to national grids exemplify inadequate planning. While foreign investment is valuable, over-reliance can sideline local professionals and contractors, stunting homegrown industries.

The AfCFTA aims to address these challenges by creating a single market that could boost intra-African trade by 52% by 2035, potentially generating economic opportunities that transcend current fragmented approaches.

The Demons: Short-term Mindset and Exploitation

Demons represent the forces of corruption, exploitation, and short-term greed that derail infrastructural ambitions. Corruption siphons billions from infrastructure budgets annually, with contracts awarded through favoritism rather than merit. External forces contribute to exploitative loan practices that can lead to crippling national debt.

Power infrastructure epitomises these challenges. At least 30 African countries experience regular power outages, forcing nations to resort to costly emergency power solutions. This energy deficit is more than an inconvenience—it's a critical barrier to industrialisation, trade, and innovation.

The Path Forward

Success requires a coalition of angels to inspire, pagans to embrace change, and vigilance to cast out destructive demons. Regional cooperation must take centre stage. Initiatives like the Trans-African Highway and the Lagos-Abidjan Corridor demonstrate the power of integrated efforts.

Public-Private Partnerships (PPPs) offer a viable solution. Successful examples like South Africa's Gautrain rail system and Kenya's Mombasa-Nairobi Standard Gauge Railway showcase the potential of well-executed collaborations. The African Union's Agenda 2063 provides a blueprint for harmonising efforts, emphasising integration and sustainability.

Critically, Africa must invest in local talent. Infrastructure development should prioritise knowledge transfer, job creation, and strengthening domestic industries. Technical education and vocational training are essential for developing the next generation of African infrastructure professionals.

Conclusion

Africa's infrastructure story is one of contrasts—immense potential constrained by systemic inefficiencies, yet vibrant possibilities waiting to be unleashed. The continent can shape its narrative from dependency to dynamism. The angels, pagans, and demons of Africa's infrastructural architecture are all part of the same story.

The world is watching. Africa's time is now.

Paving the Way for a Prosperous Africa: The Role of the Pan-African Payment and Settlement System in Realising the African Continental Free Trade Area's Full Potential

By Mike Ogbalu III, CEO PAPSS

The advent of the African Continental Free Trade Area (AfCFTA) is a historic milestone, aiming to redefine trade across the vast landscapes of Africa by creating a unified market for 1.4 billion people. However, for AfCFTA to reach its full potential, it must be supported by robust infrastructural advancements, particularly in financial transactions. This is where a secure and interoperable Pan-African Payment and Settlement System (PAPSS) becomes key to fostering economic integration.

Currently, intra-African trade is significantly hampered by the reliance on non-African currencies in trade transactions, which introduces unnecessary complexity, cost, and delays. This dependence not only diverts our financial resources but also makes our economies vulnerable to external financial shocks. PAPSS is strategically designed to mitigate these critical challenges by enabling seamless transactions in African currencies, thereby enhancing the efficiency of cross-border trade.

The immediate benefit of adopting PAPSS is the marked reduction in transaction costs and processing time. By facilitating payments in local currencies, we eliminate the need for costly currency conversions that traditionally consume a significant portion of cross-border transaction expenses. This approach makes goods and services more competitive and accessible across the continent, creating a more dynamic and integrated economic landscape.

Moreover, PAPSS is pivotal for boosting economic inclusivity. By simplifying the transaction process and reducing financial barriers, smaller enterprises—which often struggle with currency risk management—are empowered to engage more confidently in cross-border trade. This grassroots-level economic empowerment has the potential to drive broader economic development and stability across African nations.

Security and interoperability remain at the core of PAPSS, ensuring that it not only facilitates but also comprehensively protects trade activities. With advanced security protocols, the system provides assurance to all parties about the safety of their capital and financial data—a critical foundation for building trust in cross-border economic relationships.

As we continue to discuss infrastructure investment at platforms like the Africa Prosperity Dialogues, it is imperative to highlight and support the development of PAPSS. A functional, efficient, and secure PAPSS is more than an enabler—it is a critical infrastructure that will be instrumental in ensuring the success of the AfCFTA, ultimately transforming the way Africa trades with itself and with the global economy.

About the Author

Mike Ogbalu III is a distinguished Electrical/Electronic Engineer and Fellow of The International Academy of Cards and Payments. With over 15 years of banking experience and extensive expertise in payments technology, he leads PAPSS in transforming Africa's continental financial infrastructure.



The Long Road Home: Africa's Journey from Political Dreams to Economic Integration

By Toma Imirhe

After some false starts during the early years of political independence, Africa has opted to take the prudent option of working towards business integration through the establishment of a single market for goods, services and investments, rather than pursuing the wider, but far more complex and daunting path of including political and macro-economic integration on the agenda. This is for good reason.

Political integration, the ambitious goal of Ghana's first President, Kwame Nkrumah, has been roundly rejected by most African leaders since then, despite their empty rhetoric to the contrary. Indeed, their reluctance was the primary stumbling block to early attempts at Africa's pan continental integration, which was why the various sub regional groupings that have emerged over the past half decade have all focused on economic rather than political integration.

Today, the African Continental Free Trade Area (AfCFTA) presents a transformative opportunity, uniting 1.4 billion people across 55 countries in a \$3.4 trillion single market. Yet the experiences of sub-regional groupings have taught African countries that macro-economic integration remains premature; there has been little concrete talk of a common currency, and even a pan continental common tariff for imports from outside Africa is still quite some distance away. This is sensible since none of the various sub regional groupings have got very close to meeting even primary economic convergence criteria.

But despite these constraints, Africa's business integration activities offer not just huge direct economic benefits - with potential to boost intra-African trade by 52% by 2035 - but lots of social and socio-economic gains too, ranging from governance through socio-economic inclusion and justice to skills and technology transfer. Holistically, all these benefits will make African countries more competitive within the emergent global community of nations.

Central to this will be the peer comparisons and reviews that will inevitably result from increased trade and investment relationships among African countries. Two decades ago, the African Union introduced formal peer reviews of political, economic, social and legal governance, but unsurprisingly this was discontinued after a few years, subsumed by poor governance practices and civil strife. Yet as African countries seek to position themselves as trade counterparties and investment destinations within a growing single market increasingly patronized globally, they will have every incentive to prove themselves responsible members of the international community.

This transformation demands world-class infrastructure. The continent currently faces an annual infrastructure financing gap of \$68-108 billion. African

countries must develop airports, seaports (inland ports for land-locked countries), roads, railways and digital infrastructure. Current inefficiencies inflate transport costs by 30-40% compared to other regions, while road freight tariffs are twice those in the United States.

Putting such infrastructure in place would create direly needed jobs in a continent where over 60% of the population is under 25. The intra-African economic activity would help make increased employment levels sustainable while encouraging mobility of investors, business service providers, and professionals. Although there remains inordinate national and ethnic mistrust in much of Africa, as entrepreneurial mobility increases, countries will learn how exceptional talent generates the highest economic productivity.

This mobility inevitably brings skills transfer, as evidenced when Ghanaians learned underground gold mining from South Africans and enhanced their oil and gas capabilities through Nigerian expertise, while sharing waste management practices with other nations. South Africa's manufacturing sector, which contributes 14% to its GDP, offers valuable learning opportunities for sub-Saharan Africa.

At the heart of unlocking these benefits lies the need for physical and digital infrastructure to facilitate enhanced intra-African trade and investment. While such infrastructure may not always deliver immediate returns for private investors, recent initiatives like BADEA's \$50 billion investment fund demonstrate growing recognition of its strategic importance. African governments and development partners must keep their eyes on the long-term gains to be derived, beyond shorter-term commercial viability.

About the Author

Toma Imirhe is a distinguished financial journalist and economist with a rich, diversified professional background spanning economic research, investment banking, and financial reporting across Nigeria and Ghana. Shaped by his international life experiences and a deep commitment to pan-Africanism, he has become a passionate advocate for Africa's economic integration, arguing that a unified continental market is the key to unlocking the continent's tremendous economic potential.



Infrastructure Reimagined: Redefining Growth for Women-Led Businesses in Africa

By **Tonisha Tagoe, CEO Ladies Entrepreneurship Club**

The conversation about scaling women-led businesses in Africa often circles around known infrastructural deficits: energy, connectivity, transportation, and access to finance. While these are critical issues, the real challenge lies in reshaping how we think about infrastructure itself—not just as a foundational enabler but as a dynamic, strategic asset for inclusive growth.

The Invisible Opportunity in Data Infrastructure

Beyond physical roads and fibre optic cables, Africa's data infrastructure is an underleveraged asset. Women-led businesses are generating massive amounts of data, from digital sales platforms to mobile payment systems. Yet, this data remains fragmented, siloed, and largely inaccessible for analysis or strategic use. Governments and private actors must create open data ecosystems that aggregate and democratise access to this information. Imagine what could happen if an entrepreneur in rural Ghana could benchmark her pricing strategies against aggregated market data from across West Africa.

An investment in platforms that centralise data and use AI to generate actionable insights could become the "digital highway" that levels the playing field for women-led SMEs, providing them with a competitive edge.

Energy and Connectivity: From Passive Access to Entrepreneurial Tools

Rather than treating energy and internet access as static utilities, these infrastructures should be positioned as tools for entrepreneurial innovation. Decentralised renewable energy systems, for instance, could be integrated with IoT (Internet of Things) technologies to optimise agricultural supply chains. A woman farmer in Kenya could access weather forecasts, soil data, and real-time irrigation controls on her phone, powered by off-grid solar.

Similarly, connectivity must extend beyond "last mile access." Regional governments should push for smart city initiatives in secondary urban centres, where tech-driven public services can catalyse entrepreneurial activity. Imagine community-wide 5G-enabled hubs in smaller cities, enabling not just internet browsing but high-tech manufacturing, AI-driven business solutions, and global e-commerce access.

Logistics Redesigned for Micro-Entrepreneurs

The logistics challenge is often discussed in terms of improving ports or highways. But for women entrepreneurs, many of whom operate at micro and

small scales, solutions need to focus on hyper-local logistics. The rise of drone delivery systems and gig-based logistics platforms like Kobo360 show the potential for cost-efficient solutions tailored to small-scale businesses. A reimagined logistics ecosystem could prioritise infrastructure like shared urban distribution centres, enabling female entrepreneurs to collaborate, pool resources, and reduce costs.

Rethinking Financial Infrastructure: Beyond Loans to Ecosystems

While fintech has democratised access to credit, its impact remains constrained by narrow implementation. A more transformative financial infrastructure would integrate fintech with supply chain financing, insurance products, and blockchain for transparent cross-border trade. What if female entrepreneurs exporting goods under AfCFTA could use a blockchain-powered ledger to prove creditworthiness, unlocking better financing terms? Development banks and fintech innovators must collaborate to create these ecosystems, turning financial systems from mere lenders into partners in scaling businesses.

A Governance Model for the Future

Finally, infrastructure planning must move beyond isolated projects and embrace a governance model that prioritises sustainability, inclusivity, and long-term vision. Governments must incentivise Public-Private Partnerships (PPPs) not just with tax breaks but by aligning them with gender-specific targets under frameworks like AfCFTA's Protocol on Women and Trade. A transportation corridor or digital platform that doesn't explicitly include female entrepreneurs in its design or implementation isn't just incomplete—it's a missed opportunity for exponential growth.

The "Magic Pill" Perspective

In truth, there is no singular magic pill to solve the infrastructural challenges faced by women-led businesses. But by thinking holistically—viewing infrastructure not as standalone assets but as interconnected systems designed with inclusivity in mind—we can chart a more ambitious path forward. It's not just about building infrastructure; it's about building a better context for entrepreneurship to thrive.

By investing in bold, systemic solutions that go beyond the obvious, Africa can ensure that women entrepreneurs are not just participants in the economy but leaders driving its transformation.

About the Author

Tonisha Tagoe has made significant contributions to business, education, and women's entrepreneurship and across multiple sectors. As the CEO of the Ladies Entrepreneurship Club (LEC), an Associate Dean in academia, and a recognised authority in corporate training, she champions sustainable development through technological innovation and strategic leadership.





BADEA

Arab Bank
for Economic
Development
in Africa



**BADEA
AT A
GLANCE**

OVERVIEW

The Arab Bank for Economic Development in Africa “BADEA” is an independent international financial institution established in 1974 and commenced its developmental activities in 1975 from its main headquarters in Khartoum, Republic of Sudan.

SHAREHOLDERS

18

ARAB COUNTRIES, MEMBERS OF THE LEAGUE OF ARAB STATES (LAS), SIGNATORIES OF BADEA'S ESTABLISHING AGREEMENT ON 18 FEBRUARY 1974.

CAPITAL

BADEA'S AUTHORIZED CAPITAL IS

US\$ 20 BILLION,
AND SUBSCRIBED CAPITAL IS

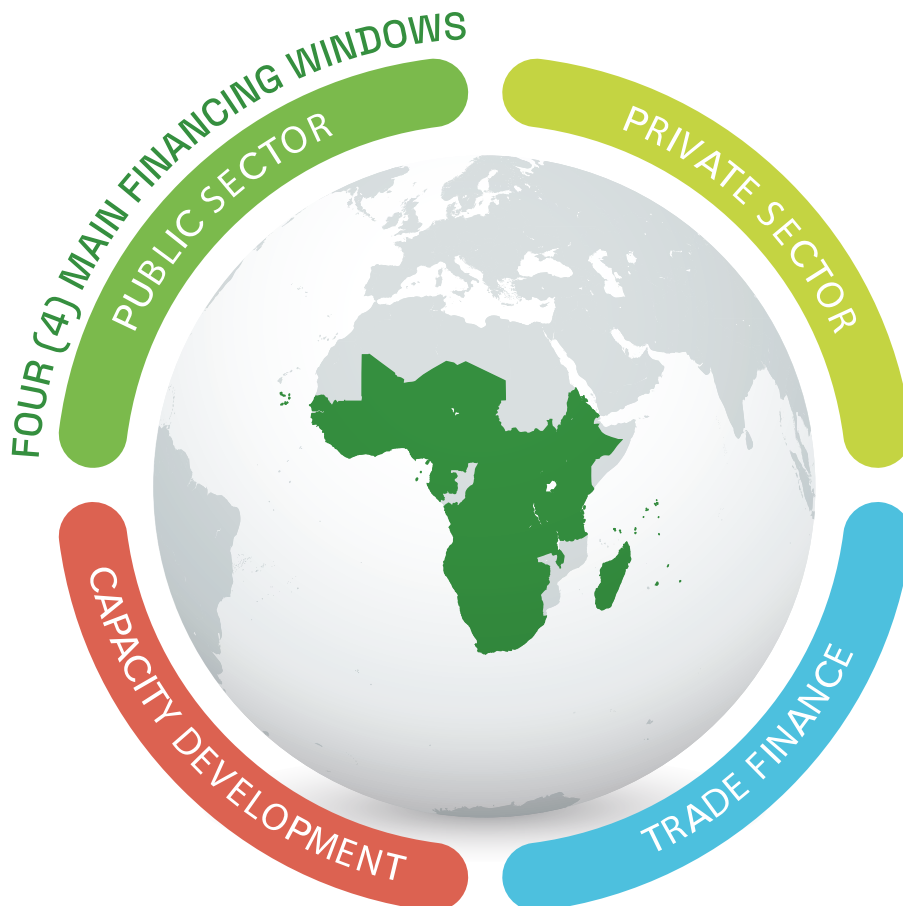
US\$ 10 BILLION.

OBJECTIVES & BENEFICIARIES

FOSTER ECONOMIC, FINANCIAL, AND TECHNICAL COOPERATION BETWEEN ARAB COUNTRIES AND AFRICAN COUNTRIES.

THE ELIGIBLE COUNTRIES FOR BADEA'S FUNDING ARE THE

44 AFRICAN COUNTRIES
THAT ARE NON-MEMBERS OF THE LEAGUE OF ARAB STATES.



BADEA 2030 STRATEGY

VISION

TO BE THE LEAD PLATFORM FOR ARAB- AFRICA ECONOMIC COOPERATION FOR DEVELOPMENT

MISSION

TO PROMOTE ARAB-AFRICA ECONOMIC COOPERATION THROUGH FINANCIAL ASSISTANCE, INVESTMENT AND CAPACITY DEVELOPMENT

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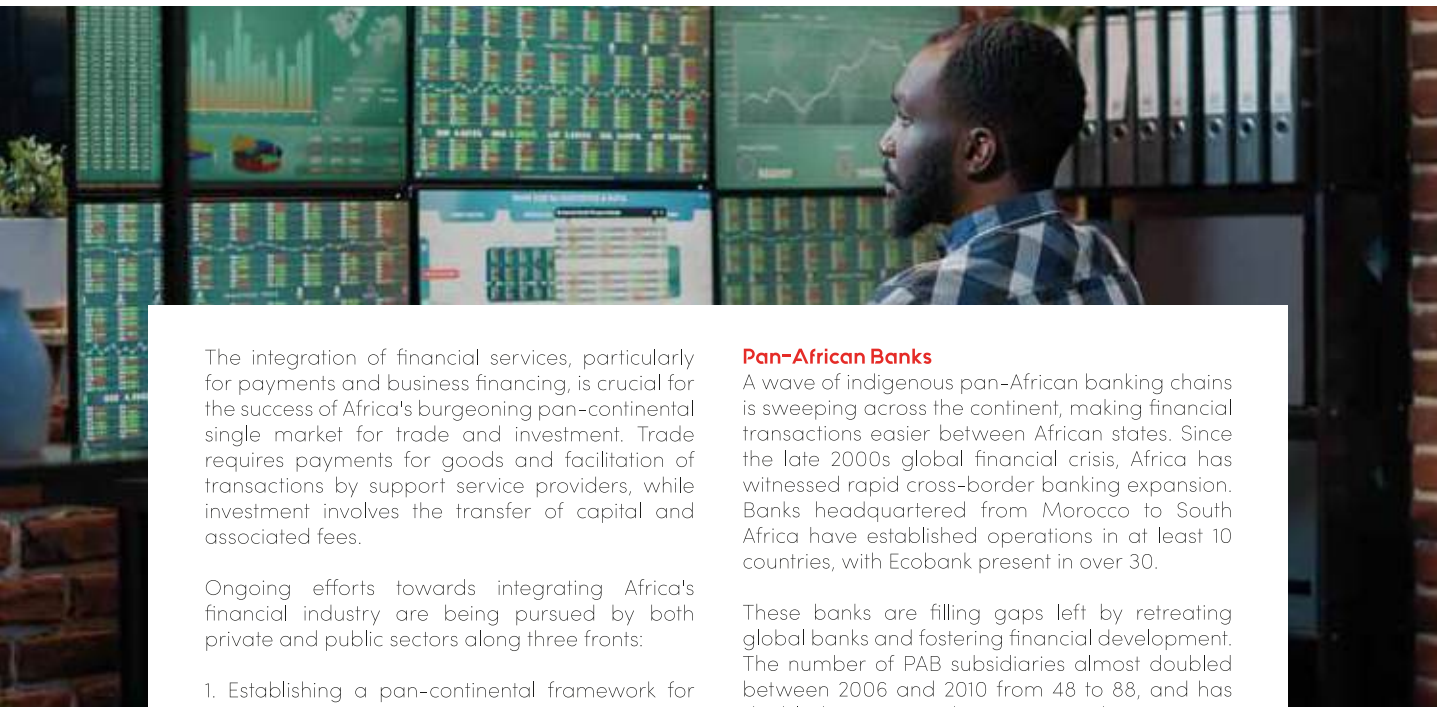
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Advancing Africa's Financial Integration for a Unified Market

By Toma Imirhe



The integration of financial services, particularly for payments and business financing, is crucial for the success of Africa's burgeoning pan-continental single market for trade and investment. Trade requires payments for goods and facilitation of transactions by support service providers, while investment involves the transfer of capital and associated fees.

Ongoing efforts towards integrating Africa's financial industry are being pursued by both private and public sectors along three fronts:

1. Establishing a pan-continental framework for trade transaction payments
2. Growth of indigenously owned Pan African Banks (PABs) enabling cross-border transactions
3. Expanding role of regional development finance institutions to mobilize medium to long-term finance

Pan-African Payment & Settlement System

The Pan-African Payment and Settlement System (PAPSS), developed by Afreximbank, is transforming cross-border payments across Africa. Prior to PAPSS, over 80% of African cross-border payment transactions originating from African banks were routed offshore for clearing and settlement, costing the continent some US\$5 billion a year in fees.

PAPSS allows traders to pay for imports and receive payments for exports in their local currencies, making every intra-African trade payment akin to a domestic transaction. This removes constraints posed by limited access to increasingly expensive US dollars or other international currencies. Estimates suggest PAPSS could save Africa up to \$5 billion annually in currency convertibility costs.

Wamkele Mene, Secretary-General of the AfCFTA Secretariat, asserts that PAPSS will lead to efficient cross-border transactions and put Africa on a new economic trajectory. PAPSS is set to deliver harmonisation through standardised rules, formats, governance, and procedures. Full implementation of PAPSS is projected to increase intra-African trade by 52% by 2022.

Pan-African Banks

A wave of indigenous pan-African banking chains is sweeping across the continent, making financial transactions easier between African states. Since the late 2000s global financial crisis, Africa has witnessed rapid cross-border banking expansion. Banks headquartered from Morocco to South Africa have established operations in at least 10 countries, with Ecobank present in over 30.

These banks are filling gaps left by retreating global banks and fostering financial development. The number of PAB subsidiaries almost doubled between 2006 and 2010 from 48 to 88, and has doubled again since then. However, this expansion must be accompanied by stronger supervision and cross-border cooperation to avoid systemic risks.

Regional Development Finance Institutions

Africa's return to its pre-pandemic position in the multilateral order is neither suitable nor sustainable. It's time to envision a new role for pan-African development finance institutions.

The African Development Bank (AfDB), with total loans around US\$30 billion as of 2020, can play a limited role on its own given Africa's annual infrastructure financing needs of US\$68-US\$108 billion. A transformative approach is to leverage partnerships with other institutions like Afreximbank, Africa Finance Corporation (AFC), and regional development banks. Collectively, they have tens of billions in assets that could be leveraged to mobilize more adequate financing.

Afreximbank alone has assets exceeding \$20 billion. The AFC has an investment portfolio of over \$6 billion covering 30 African countries. BOAD, the West African Development Bank, approved projects totaling over \$6 billion between 2015-2019.

Empowering these institutions is overdue. Shareholders must ensure they are adequately capitalized to secure affordable market financing. Innovative strategies are also needed to mobilize domestic resources by engaging the private sector, as African institutional investors' assets under management topped US\$1 trillion before 2020. Pension funds in 10 African countries had assets exceeding \$300 billion in 2020.

Africa urgently needs transport infrastructure to support pan continental trade

For Africa's single market to succeed, exporters and importers on the continent have to be able to move their goods to where they are needed and from where they are produced. The opportunities are many but prudent strategy is needed.

By Toma Imirhe

Perhaps the biggest challenge facing the full implementation of the African Continental Free Trade Agreement (AfCFTA) is the continent's lack of adequate infrastructure for moving goods across regions. For example, most would-be exporters and importers wishing to take advantage of duty-free trade in goods of African origin still struggle with how to move goods between production sites and markets. With road freight tariffs twice those in the United States and transport costs inflated by 30-40% compared to other regions, the infrastructure deficit severely hampers trade potential.

This is primarily the result of Africa's colonial history, which prioritized trade between each African state and its colonial masters rather than trade with each other. Even after political independence swept across Africa during the 1960s and 1970s, neo-economic colonialism persisted. Trade relations with erstwhile colonial masters simply spread to other countries on that same continent. Since then, the United States, the former Soviet Union and Asia have increasingly participated, with Japan initially leading but recently ceding ground to China's strategic, state-supported approach to expanding commercial relationships across Africa.

While these external trade and investment relationships have played out, intra-African commerce has barely grown beyond sub-regional trade activated by various preferential trade and investment pacts. This has created a chicken and egg situation. Some economic analysts argue that low trade volumes – barely 17% of Africa's exports are between African trade counterparties – have not provided an incentive for cross-border transport infrastructure investment. Others insist that infrastructure inadequacy has stifled intra-African trade volume and value.

The development of sub-regional preferential trade regimes, backed by cross-border investments supported by sovereign governments and multilateral development institutions, has helped establish significant infrastructure within Africa's regions. Thus, it is possible to transport goods between countries within West Africa, East Africa, Southern Africa or North Africa, partly because distances within a particular sub-region are much smaller, but also because those regions have developed cross-border road, air, maritime and rail connections.

But even these sub-regional achievements have

severe limitations due to colonial heritage. Despite rhetoric from the Economic Community of West African States (ECOWAS), the colonial divide between anglophone and francophone members has delayed crucial infrastructural transport projects such as the Trans West African Highway, meant to link all cities along the sub-region's coastline. Air transport links between coastal states and Sahel states remain sporadic. More tellingly, there is still no shipping line specializing in regular maritime cargo services between West African seaports despite decades-old duty-free trade agreements.

The AfCFTA framework recognizes the importance of various sub-regional groupings as building blocks for a trans-continental market. Some analysts recommend applying this same strategy to transport infrastructure by leaving intra-regional cross-border infrastructure to respective regional groupings, allowing the African Union to focus on infrastructure linking regions.

This presents major challenges. The logistics, technical engineering hurdles and financing requirements for trans-regional infrastructure are formidable. Moving goods between West and East Africa, or from North Africa to Southern Africa, involves greater difficulties than cross-border movement within regions. With African governments lacking necessary finances, private investment becomes crucial – meaning infrastructure must be commercially viable.

Encouragingly, progress is underway. The Tanzania Standard Gauge Railway connects Tanzania, Burundi and the Democratic Republic of Congo, while the Lobito Corridor Railway project links Angola, Zambia and the DRC. In West Africa, plans include the Trans-ECOWAS railway from Lomé to Côte d'Ivoire, and Ghana and Burkina Faso's joint railway development from Tema through Mpakadan and Tamale to Paga.

But these capital-intensive projects take time. The fastest route to enhancing bulk cargo capacity may be expanding maritime freight capabilities. The Federation of West African Chambers of Commerce and Industry (FEWACCI) suggests getting shipping lines to serve all African seaports with cargo services, while countries arrange inland haulage using domestic and transit trade frameworks.

Whichever strategies are adopted, transport infrastructure linking the continent must be prioritized if the African single market is to fulfill its objectives. With the AfCFTA creating a unified market of 1.4 billion people and \$3.4 trillion GDP, addressing the \$68-108 billion annual infrastructure funding gap becomes imperative for realizing Africa's trade potential.

Digital Infrastructure: Building Africa's Connected Future

By Toma Imirhe

Alongside the inadequacy of physical infrastructure required to meet dramatically increased volumes of intra-African trade over the coming decades, there are accompanying limitations posed by insufficient pan-continental digital connectivity. This poor connectivity limits the physical movement of goods, the connection between suppliers and demand, and the services component of the emerging single market. Including both intra and inter-continental investment.

Pan-African digital connectivity efforts aim to improve internet access and affordability across Africa, including projects to connect African countries, improve digital skills, and create an inclusive digital ecosystem. With Africa's digital economy expected to grow to over \$300 billion annually by the 2030s, cross-border movement of data is essential to many aspects of this growth, particularly e-commerce and digital trade.

Digitalisation and data-driven digitally enabled international trade have transformed how economies function. They benefit consumer welfare by providing access to a wider range of goods and services at lower costs. Micro, Small and Medium Enterprises (MSMEs) are potentially major beneficiaries if they can access disruptive technologies like cloud computing, global e-commerce marketplaces, and enhanced data-enabled trade logistics.

At the continental level, the African Union Commission's Digital Transformation Strategy for Africa (DTS), 2020 to 2030, aims to induce policy coherence and regulatory harmonisation. The DTS guides a common, coordinated response to reap the benefits of technological advances and digitalisation, highlighting e-commerce, digital trade, and financial inclusion as basic enablers of the Digital Single Market (DSM).

The African Continental Free Trade Area (AfCFTA) provides a mechanism through which the Protocol on Trade in Digital Services promotes free trade and ensures a fair digital economy. The negotiations, ongoing since 2019, focus on promoting digital adoption, reducing costs, and providing a competitive playing field for African countries. Beyond coordination issues and unequal capacity of member states, multiple obstacles hinder achieving the 2030 vision, including fragmented data ecosystems, digital divides, and informal markets.

The immediate challenge is the sheer lack of infrastructure for pan-continental digital connectivity. Physical and electronic infrastructure must support digital identification, document exchange, payment and online trade. This includes reliable power supply, internet connectivity and secure data storage. While wireless infrastructure offers flexibility for rural areas, it is less stable than wired infrastructure, which better supports data-intensive applications.

The scale of the challenge is stark: As of 2022, only 40% of adults in sub-Saharan Africa were connected to mobile internet services. In areas with mobile connectivity, 44% remained unconnected due to affordability and access barriers. Only 20 million sub-Saharan African households had wired internet connections. Nearly 500 million African citizens lack formal identification, and in 2018, only 43% of African adults had access to formal financial services.

However, progress is evident. Financial coverage has doubled over the past decade, largely due to advances in financial technologies that circumvent traditional banking requirements. These services have expanded the market through improved affordability and accessibility. Initiatives like the Pan-African Payment and Settlement System (PAPSS) promote central bank collaboration, institutionalising commitments made by African countries.

Studies reveal the economic impact of broadband deployment creates jobs directly through infrastructure development and indirectly through increased productivity and innovation. According to the World Bank, every 10% increase in broadband penetration in low and middle-income countries results in a 1.38% GDP increase.

Despite current infrastructure challenges, an additional 300 million people are expected to come online by 2025. Increasingly, it is "things" rather than people who are connected - the internet of things includes sensors, voice-activated devices, geospatial instruments, and machine-to-machine communications. The intelligence of the network resides in the "cloud" rather than devices themselves. Therefore, to harness benefits from digital transformation, abundant, low-cost connectivity is essential as broadband drives productivity, innovation and growth.

From Primary Production to Processing Power: Africa's Agricultural Industrialisation Imperative

By **Kweku Adoboli**

Africa stands at a critical juncture in its agricultural transformation journey. With 60% of the world's uncultivated arable land and an agricultural sector that employs over 60% of its workforce, the continent holds immense potential. However, realising this potential requires a fundamental shift from smallholder farming to large-scale commercial agriculture supported by modern processing capabilities.

The Scale Imperative

Current agricultural systems, dominated by smallholders farming on less than three hectares, cannot meet the demands of modern food processing facilities or achieve the economies of scale needed for global competitiveness. The African Development Bank's analysis shows that modernising and scaling production could increase yields by 150-200% while reducing post-harvest losses from the current 40% to below 10%.

Success stories across the continent demonstrate the transformative power of scale. Ethiopia's commercial wheat programme has expanded from 5,000 hectares in 2021 to 500,000 hectares in 2023, significantly reducing import dependence. In Ghana, large-scale rice initiatives have more than doubled yields from 2.5 to 6.5 tonnes per hectare.

Infrastructure: The Missing Link

Supporting infrastructure remains crucial for success. Currently, only 6% of Africa's cultivated land is irrigated, compared to over 40% in Asia. Post-harvest losses, estimated at \$4 billion annually, persist due to inadequate storage facilities. Processing capacity remains limited, with Africa processing less than 10% of its agricultural output. Transport costs run 63% higher than global averages, eroding competitiveness.

The BADEA-led Arab-Africa Financial Consortium's \$50 billion investment fund signals growing recognition of this opportunity. However, the African Development Bank estimates that annual investments of \$145 billion are needed across farming transition (\$45 billion), processing facility development (\$30 billion), supporting infrastructure (\$55 billion), and capacity building (\$15 billion).

Building Human Capital

Successful transition requires significant upskilling across the value chain. Only 3% of Africa's agricultural workforce has post-secondary agricultural training, compared to 15% in Latin America. Modern farming methods, business management skills, and digital technology adoption must be prioritised. Processing facilities need expertise in quality control, food safety standards, and industrial operations.

Tanzania's Southern Agricultural Growth Corridor (SAGCOT) demonstrates how this can work. The initiative has successfully transitioned 28,000 smallholders into commercial agriculture, increasing average incomes by 65% since 2016. In Nigeria, the Dangote Group's rice initiative has integrated 35,000 smallholders into commercial production chains, achieving 120% yield improvements.

Employment Creation Through Value Addition

Large-scale farming and processing creates significant employment opportunities. Commercial farming operations typically generate 35-50 direct jobs per 100 hectares. Modern processing facilities create 100-150 direct jobs each, with 200-300 additional indirect jobs in support services. These operations also create 15-20 skilled management positions, providing career pathways for Africa's youth.

The Path Forward

Success requires coordinated action from governments, development partners and private sector players. Policy frameworks must support land consolidation and commercial farming while ensuring smallholder interests are protected through outgrower schemes and cooperative models. Investment in processing infrastructure must be matched with market linkage development and export channel creation.

Africa's agricultural industrialisation represents a \$1 trillion opportunity by 2030. With strategic investment and coordinated action, the continent can transition to competitive commercial agriculture while maintaining inclusive growth. The prize is not just food security, but Africa's emergence as a major global food supplier, processing its own agricultural output and creating millions of jobs across the value chain.

This transformation will require bold leadership and unprecedented collaboration. However, with the right investments in scale, skills and infrastructure, Africa can realise its potential as a global agricultural powerhouse.



Diaspora-Accelerated Transformation: Reimagining Africa's Economic Future

By Glenn Singleton

Africa's rich resources and burgeoning youth population have long been recognised as assets. However, the continent remains hampered by external dependencies and insufficient local ownership. A shift in focus is urgently needed, and the African diaspora holds a critical key to unlocking the continent's potential.

The vision of making 80% of businesses on the continent black-owned is achievable through deliberate partnerships between African governments and global African diaspora communities. These partnerships must be backed by policies prioritising inclusion, investment ease, and long-term sustainability.

Since first visiting Ghana in 2004, I have experienced a transformative journey of rediscovery. By 2019, I was organising heritage tours bringing African Americans face-to-face with their ancestral lands. In 2022, gaining Ghanaian citizenship and being enstooled as the Development Chief of Apirede in Ghana's Eastern Region solidified my connection to the continent.

Agriculture presents a compelling opportunity. With vast tracts of arable land, Africa could lead global food production. Diaspora investments in modern farming techniques, food processing, and export infrastructure could unlock sectoral growth while addressing global food security challenges. Similarly, Africa's tech industry—driven by innovative youth—offers prime opportunities for diaspora professionals to share expertise and funding.

Through my company, Door of Return, Ltd, I am currently exploring partnerships to help local businesses, such as a small chocolate company, penetrate global markets like the United States.

Challenges persist. Bureaucratic hurdles, complex land ownership laws, and restrictive investment policies often deter diaspora involvement. Streamlining these processes is essential. Offering incentives like tax breaks, co-investment programmes, and clear legal frameworks can significantly enhance diaspora participation.

Offering citizenship to people of African descent—as Ghana is currently doing—could encourage more individuals to make the continent their home, increasing cultural exchange, knowledge-sharing, and economic investment.

Skills transfer is equally crucial. The diaspora comprises professionals with expertise in finance, engineering, healthcare, and education. By mentoring local entrepreneurs and sharing best practices, we bridge knowledge gaps and cultivate innovation.

Recent discussions have focused on developing major historical and cultural architectural projects. For instance, reimagining the W.E.B. Du Bois Centre in Accra as a regional Pan-Africanism centre could create a Smithsonian-like concept with a regional perspective.

However, such undertakings require cross-border considerations, particularly regarding regional travel for global Africans. A regional investment promotion agency could provide advisory services and permit access for such projects.

Access to low-risk regional projects through public-private partnerships, government-approved channels, and platforms providing support to global African investors will be critical.

The opportunities exist. The time to act is now.



About the Author

Glenn Singleton is an Educator and founder of Courageous Conversation USA and Door of Return Ghana Ltd. He is also the Nksoohene (Development Chief) of Apirede Traditional area, Akuapem North Municipality of the Eastern Region of Ghana.

Powering Africa's Industrial Revolution: The Critical Role of Regional Power Pools

By Toma Imirhe

The Industrial Challenge

A major thrust of the African Single Market being created by the African Continental Free Trade Agreement (AfCFTA) is the desire to industrialise the continent. So far, the continent has been at a disadvantage in this regard for a number of reasons, one of which is insufficient energy to power up its industries. In recent years even major African economies such as South Africa, Nigeria and Ghana have been hindered by inordinate power shortages in their efforts to step up their industrial output. This – along with other constraints such as lack of technological skills and foreign exchange to import the requisite production machinery, as well as lack of affordable long term capital to build factories – has largely restricted Africa to being an exporter of primary commodities and an importer of manufactured goods.

Africa's Energy Paradox

But this situation is incongruous since Africa is well endowed with both fossil fuels – oil and gas – and renewable energy sources such as solar power, wind and biomass, in quantities large enough to power up the continent's industries to levels where they can compete with their counterparts on other continents, at least within Africa itself, if not on those competitors' home turfs. The expectation is that if African manufacturers can secure enough power to produce goods, the preferential trade framework created by AfCFTA offers the potential for them to be cost competitive within the continent.

The Power Pool Strategy

To get sufficient power, Africa is developing sub-regional power pools which can utilise the huge power generating feedstock in certain parts of the continent to produce enough energy to power up the entire continent. The continent has an estimated 10 terawatts of solar potential and 350 gigawatts of hydropower capacity yet to be developed.

Importantly, this strategy would not only fuel Africa's crucial industrialisation efforts; it would also extend access to power to rural communities that so far have not been effectively serviced by national power grids, thereby unleashing the economic production potentials of those vast areas.

The Continental Master Plan

Creating a long-term continent-wide interconnection of Africa's energy infrastructure requires a planning process to increase regional electricity interconnections. The Continental Master Plan (CMP) provides a strategic roadmap for connecting Africa's five power pools: Central African Power Pool (CAPP); North African Power

Pool (COMELEC); East African Power Pool (EAPP); Southern African Power Pool (SAPP) and West African Power Pool (WAPP).

Regional Power Pool Progress

Southern African Power Pool (SAPP)

The SAPP, created in 1995 as the first African regional power pool, has achieved an installed power capacity of over 71 GW and energy consumption of about 353 TWh/year. Though the region's major sources of energy are coal and hydropower, alternative options including solar and wind energy generation are being explored for economic and environmental benefits. Angola and Tanzania are blessed with natural gas, and South Africa has the highest wind potential, with biomass resources concentrated in Mozambique, Swaziland, Zambia, and Tanzania. All countries in the pool have substantial potential for solar energy.

West African Power Pool (WAPP)

The WAPP, established in 1999 by ECOWAS across fifteen members serving over 400 million people, has a total installed capacity of about 23 GW and energy consumption of about 58 TWh/year. Nigeria, with a generation capacity of 16,384 MW and an energy access rate of 55.5%, is a major financial contributor. The major generation source is natural gas, followed by hydropower. Nigeria and Ghana are the major contributors of natural gas, which generates electricity through thermal power plants.

Central African Power Pool (CAPP)

The CAPP, created in 2003 with ten member countries serving over 190 million people, has an installed generation capacity of about 7,500 MW. The region depends heavily on hydro energy resources with an estimated capacity of over 650 TWh.

East African Power Pool (EAPP)

The EAPP, established in 2005 with eleven member countries serving over 520 million people, has a total installed capacity of over 64 GW and energy consumption of approximately 491 TWh. Hydropower is the region's primary energy source followed by geothermal and then oil and gas.

Infrastructure Development Programme

Through full implementation of the Programme for Infrastructure Development in Africa (PIDA) energy sector program, Africa would reap savings on electricity production costs of \$30 billion a year through power interconnectors. These would integrate the African power market through its sub-regional Power Pools and enable large-scale hydropower generation projects. Power access is projected to rise from 39% to nearly 70% by 2040,

providing access to 800 million more people.

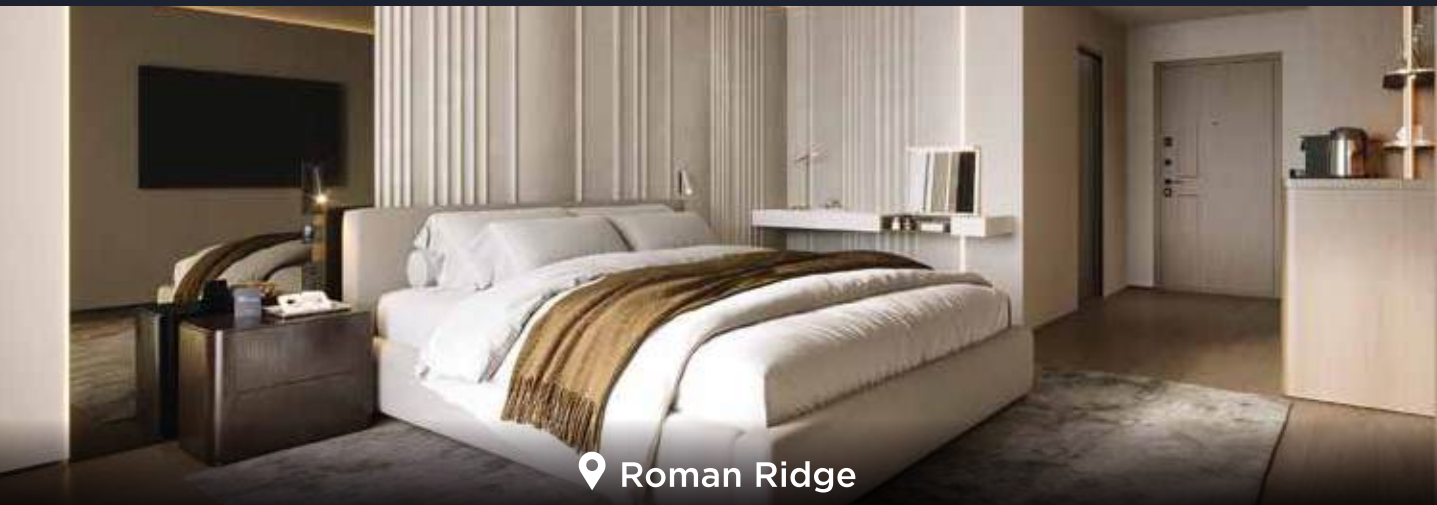
Key Challenges

But meeting those projections remains severely problematic. Key challenges include recurrent shocks in oil and gas markets, inefficient supply and consumption practices, growing demand, unstable rainfall patterns, limited generation capacity and lack of inter-connectivity of power grids.

Behind the under-exploitation of energy resources lies limited capacity to mobilise financing for investment, especially from private sources, owing to policy, institutional and regulatory issues which need to be addressed to create the necessary enabling environment for investments.

The Path Forward

The essential benefit of regional infrastructure is to make possible the formation of large, competitive markets in place of the present collection of small, isolated, and inefficient ones. Regional infrastructure does this by providing lower-cost energy for agricultural, industrial, mining, and communications development. While greater integration will lower fuel costs, it requires greater capital investment in large-scale power plants.



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Timeline of Interoperability Advocacy

In a continent where mobile money has revolutionised financial inclusion, scaling up interoperability to facilitate cross-border transactions is critical to achieving economic integration and sustainable development. The Africa Prosperity Network (APN), with an overarching goal of contributing to the acceleration of the AfCFTA's push for a single market for goods and services, offers a historic opportunity for African nations to enhance trade, create jobs, and improve living standards.

The cross-cutting nature of digital technologies and the diversity of actors involved in digital cooperation require synergies and aligned follow-up. To fully realise the potential of the AfCFTA, it is imperative to develop a robust, interoperable mobile money ecosystem that enhances economic activities and reduces transaction costs significantly across the continent. Models such as the mBridge, the Pan African Payments and Settlements System (PAPSS) and the digital protocol initiatives of the African Continental Free Trade Area (AfCFTA), demonstrate the substantial benefits of interoperable digital currency platforms that have showcased their ability to facilitate efficient, real-time financial transactions

across multiple jurisdictions.

Building on the success of these platforms, APN's 2024 flagship Symposium – on the theme *Scaling Up Interoperability: Using Mobile Money to Buy and Sell Across Africa* – convened industry leaders in the private and public sectors, regulators & policy makers, telecommunication & mobile operators, financial & fintech institutions, and stakeholders from across the continent. The discussions focused on knowledge sharing and developing strategies to enhance mobile money interoperability to boost intra-African trade, and help achieve the AU's Agenda 2063 for a prosperous and united Africa.

APN's advocacy work on interoperability of payments began in 2023 and has continued through 2024. The following chronological lowdown of the Network's advocacy work in interoperability of payments, bringing our efforts – in advocating for and implementing solutions that enhance payment system interoperability across the continent – to the fore.



TIMELINE OF INTEROPERABILITY ADVOCACY:

1

November 2023: Research

November 2023 saw marked significant progress in understanding the dynamics of interoperability across Africa, with a detailed research initiative exploring the current landscape of mobile payment systems.



The research identified key bottlenecks, including fragmented regulatory frameworks, lack of harmonised standards, and infrastructure gaps that impede seamless cross-border transactions. The research provided a roadmap for aligning these systems with the African Union's Agenda 2063. It underscored the critical role of technology and regulatory harmonisation in driving economic integration. Leveraging the AfCFTA's Digital Trade Protocols as well as models such as the Pan-African Payment and Settlement System (PAPSS), the proposed action plan outlined actionable strategies to deepen financial inclusion and foster intra-continental trade.

2

November 2023: Consultant Engagements

The Africa Prosperity Network (APN) engaged a diverse range of consultants to bolster its interoperability agenda. These experts came from sectors including financial technology, regulatory affairs, and trade development.



Their remit included advising on best practices, identifying quick wins for scalability, and crafting strategies to align payment systems with the broader objectives of the African Continental Free Trade Area (AfCFTA) ahead of the Africa Prosperity Dialogues (APD) 2024. This collaborative approach sought to overcome technical, legal, and logistical challenges while ensuring both private and public sector entities work towards shared objectives under the APD 2024 theme: Delivering Prosperity in Africa: Produce, Add Value, Trade.

3

November 2023 Panel Constitution

To facilitate practical dialogues and coordinated efforts, APN established a high-level panel comprising representatives from the African Union, regional economic communities, Central Bank, telecommunications operators, and fintech innovators.



This panel was tasked with defining interoperability priorities for 2024, setting measurable goals, and ensuring alignment with the Peduase Compact. The panel's deliberations has guided the policy and technological developments required to establish a unified payment ecosystem across Africa.

4

November – December 2023: Engaging Partners

November and December marked the launch of a wide-ranging engagement campaign aimed at galvanising support for interoperability.



This initiative targeted key stakeholders, including telecommunications companies, financial institutions, policymakers, and trade organisations. Through webinars and bilateral meetings, among others, the transformative potential of interoperability was brought to the fore, including strategies to reduce transaction costs, eliminate technical barriers, and enhance user confidence in digital financial systems. These engagements laid the groundwork for collaborative dialogues to achieve seamless cross-border transactions in Africa.

5

December 2023 Highlights: Articles Commissioning

As part of its advocacy efforts, APN commissioned a series of thought leadership articles from renowned experts in finance, technology, and trade for both its 2024 Magazine and Compact document.



The articles explored the intricacies of mobile money interoperability, examining its potential to revolutionise trade, enhance financial inclusion, and support small and medium-sized enterprises (SMEs). The aim of the articles has been to explore the attendant developmental power of interoperability on the continent's diverse economies while informing policymakers, business leaders, and the general public on its transformative impact.

6

January 2024: Africa Prosperity Dialogues (APD 2024)

The Africa Prosperity Dialogues 2024's agenda to advance interoperability on the continent was marked by high-level discussions that focused on the role of mobile money systems as enablers of financial inclusion and economic growth.



An outcome document that led to an initial policy proposal that was dubbed "The Peduase Compact" included formal commitments from stakeholders to progress towards a fully integrated African payment system.

TIMELINE OF INTEROPERABILITY ADVOCACY:

7

February 2024: 37th Ordinary Session of the AU Assembly: Championing Interoperability

At the 37th Summit of Heads of State, the African Union's Champion for Financial Institutions in Africa, Ghana's President Nana Akufo-Addo called on African leaders to adopt and prioritise digital solutions that support economic integration.



With the increased awareness and political commitment towards a unified digital market, interoperability took a centre stage at the Summit. Alongside a strong advocacy effort, this call, alongside the launch of the Alliance of African Multilateral Financial Institutions, became one of the major takeaways for the far reaching media networks present at the 37th Summit.

8

March 2024: Barcelona MWC24

The Mobile World Congress in March provided a springboard for reaching out to key stakeholders (including African Telecommunications regulators and policy makers, GSMA, Smart Africa, telecommunications operators, and trade organisations) for support.



The meeting presented a strong platform for forging practical partnerships to enhance advocacy for the harmonisation of telecommunications policies and regulations for implementing interoperability across the continent. Partnerships formed were instrumental in strengthening collaborations to accelerate the continent's push towards a unified digital payment ecosystem.

9

April 2024: High-level Sub-Committee Engagement

In April, a dedicated sub-committee on interoperability convened to evaluate progress made during the first quarter of 2024.



The committee was made up of representatives from the African Union, major Telcos, regional Fintech associations, regulators and policy makers, researchers, among others. Their recommendations provided the framework for subsequent engagements with regional and international stakeholders, in an effort to ensure that the interoperability agenda remains on track.

10

May 2024: Two conference partnerships — 3i Summit & Africa Softpower Summit

Among other arrangements, APN's partnership with 3i Summit in Accra, Ghana, in May focused on "Interoperability of Data: Digitalising Inter-African Trade" as a panel discussion.



The panel addressed technical and regulatory challenges in implementing interoperability, with participants sharing expertise and identifying synergies for joint initiatives.

AfricaSoft Power Summit, which took place in Kigali, Rwanda, zoomed in on innovative payment solutions to enhance connectivity and interoperability across Africa. The partnership strengthened APN's influence in covering more ground in the advocacy for digital financial policies, following partnerships with key stakeholders in the fintech and telecommunications sectors.

11

March, April, May 2024: Sector-Specific Engagements: ICT, Telcos, and Policymakers

Recognising the pivotal role of telecommunications, APN hosted meetings dedicated to ICT, Telcos, and policy makers.



The meetings explored opportunities for harmonising technical standards, addressing regulatory discrepancies, and fostering innovation in digital payments.

12

March-April-May: Engaging AU & Governments

High-level consultations with the African Union and Governments focused on aligning interoperability initiatives with broader policy objectives. These discussions prioritised securing political commitments and mobilising resources for key projects.



TIMELINE OF INTEROPERABILITY ADVOCACY:

13

July: Interoperability Symposium

The various meetings and engagements culminated in the high-impact, major mid-year symposium on interoperability, organised by APN in Accra. Bringing both continental and international actors together, the symposium focused on scaling up mobile money interoperability to boost intra-African trade.



The event aligned with the AfCFTA's digital trade protocol and fostered collaborations to build a seamless and inclusive interoperable payment system across Africa with the objective of building the world's largest single market.

14

July: 6th Mid-Year Coordination Meeting of the African Union

Coming at the heels of the grand success of the Interoperability Symposium (Themed: Scaling Up Interoperability for Economic Integration: Using Mobile Money to Buy and Sell Across Africa), a policy proposal carved out of the symposium's outcome document was made at the Midyear Summit of the African Union in Accra, Ghana.



Headlined as the Draft Resolution for Advancing Interoperability in Payment Systems Across the African Union, and presented by the African Union's Champion for Africa's Financial Institutions, H.E. Nana Addo Dankwa Akufo-Addo, President of the Republic of Ghana, the Africa-wide policy proposal — which has since been tabled for adoption at the 38th African Union Summit of Heads of State in 2025 — pushes for regulatory harmonisation across the continent, an urgent need for transformation, fostering Public-Private Partnerships, and a call for investments.

15

July & August 2024: High level meeting with PAPSS & partnership with APN's Global Africa Forum

Following APN's mid-year symposium, the Network's advocacy team met with their counterparts from the Pan African Payments and Settlements System for discussions on the advancement and practical solutions for cross border interoperable payments structures.



This behind-closed doors meeting was an opportunity to see the expanse of work done and agreements signed with a majority of Central Bank across the continent to enhance intra African digital payments in local currencies without the need for foreign reserve currencies. In August, PAPSS partnered APN for the Global Africa Forum in New York on the sidelines of the United Nations General Assembly, where advocacy for interoperability of payments continued.

16

November 2024: BrijX Platform launch

After APN's Interoperability Symposium, the Network began partnership talks with Brij Technologies to launch its BrijX Currency Swap B2B Digital Platform — an online marketplace supporting real-time direct currency swaps across Nigerian and Ghanaian mobile money accounts.



The BrijX platform is a Business-to-Business (B2B) marketplace that offers a direct swap between Ghanaian Cedi and Nigerian Naira for individual citizens and for small and medium businesses. BrijX unleashes trade without the need for Forex or other financial products unavailable to most. Supported by the Bank of Ghana, the Central Bank of Nigeria and Afreximbank, among others, BrijX offers a scalable solution to interoperability challenges.

This 360-degree chronology of interoperability events at the Africa Prosperity Network represents a unified vision for a digitally connected Africa in line with AfCFTA's Digital Trade Protocol. It is an effort that advances economic integration and prosperity for all.

Digital technologies are dramatically transforming our world, offering immense potential benefits for the well-being and advancement of people, societies, and our planet. To harness these opportunities, the Symposium actively engaged with stakeholders, key Central Bank and Development Banks on the continent, Academia, telecommunications regulators, and Companies, Fintech firms, National Security Agencies, Traders, Trade Agencies and Trade Associations, SMEs, among others. Under the patronage of the Presidency of the Republic of Ghana, the Symposium was convened in partnership with the AfCFTA Secretariat, United Nations, The Bank of Ghana (BoG), AfreximBank, The Ministry of Communication and Digitalisation, the National Communication Authority (NCA), The National Security of Ghana, Telescel, MTN, Safaricom, GIPC, Smart Africa, AfDB and BlueSPACE Financial CLOUD.

Africa's 4th Industrial Revolution

Author: Edward K. Brown of the African Centre for Economic Transformation

As the world enters the Fourth Industrial Revolution of artificial intelligence, robotics and the internet of things, the challenge for Africa is providing its youth with the knowledge and skills needed for the emerging world of work. The continent has one-fifth of the world's population aged under 25 and a working-age population that could reach 600m by 2030 – the largest in the world and the youth will form 37 percent of that population (a bigger proportion than in China). With the right education, training and job-creating policies, this fast-growing population could be a great asset for socio-economic transformation.

But to harness this potential demographic dividend, Sub-Saharan Africa (SSA) must make rapid progress in seizing opportunities and overcoming challenges. At the dawn of a 4th Industrial Revolution (4IR) that will feature artificial intelligence, robotics, 3-D printing and the "internet-of-things" (IoT), Africa is far from being ready for the new challenge. This revolution will affect jobs in all sectors, but in phases and to different degrees. Africa is not going to become automated suddenly, but the coming global impact of 4IR makes more urgent the economic transformation SSA already needs in order to maximise its advantages and realise its potential.

The basic policies for transformation include diversification, export competitiveness, higher productivity and technological upgrading. Progress will depend on committed governance, stronger institutions, and how quickly SSA can produce a much better educated and skilled workforce and create decent jobs that keep pace with workforce growth. All this has to be achieved in the new context of climate change and in some parts of the continent an actual climate emergency, demanding policy attention and public investment to sustain progress in all areas of socio-economic activity.

Challenges and opportunities

Africa's approach to the future of work has to begin with current realities. These include "jobless growth", infrastructure deficits, limited use of modern technology and a workforce that is over 80 percent active in the informal sector, with women overrepresented. Agriculture remains dominant in many countries. In others, services take the biggest share of gross domestic product (GDP). Missing from the usual structural transition is the non-extractive industry, especially manufacturing, which in SSA provides only 6.5 percent of total jobs and in many countries, less than 10 percent of GDP.

Workforce quality is another issue – less than a third of adults have finished primary school (compared with nearly all adults in industrialised countries). While around 30 percent of lower secondary school age children enroll, just 35 percent of them complete it (and these averages mask big differences between middle-, low-income and conflict-affected countries). In the school system, there is low proficiency in reading and mathematics, low enrolment in science, technology, engineering and maths (STEM) and a low proportion of university students per population.

Students are among the 10–12 million youth who enter the SSA workforce each year, yet only three million formal jobs are created (AfDB, 2017). For those who get a job these days, there is often a mismatch between their skill sets and employers' current needs. In future, this mismatch will get worse, with more job-seekers even less prepared for jobs, which, with technological change, require high levels of critical thinking, writing and other soft skills.

The list of Africa's challenges is long. The focus, therefore, must be on the strategies, planning and implementation that will transform economies and create decent jobs. Agriculture may be the easiest path to industrialisation through agro-processing, with the abundance of low-wage labour and land. Modernising agriculture means boosting productivity and strengthening linkages with other sectors to improve food security, reduce food imports and increase exports. Modernising agriculture also stimulates production and service activities along the value chain, providing jobs for young people and higher incomes across the economy.

The advent of the African Continental Free Trade Area (AfCFTA) should spur SSA to capitalise quickly on its opportunities. The continent may have a decade to boost manufacturing before the cost of robots falls enough to replace human labour in some sectors. Even then, SSA will need to grow and maintain labour-intensive production into the future. With the value of SSA food and beverage markets projected to reach US\$1 trillion by 2030, countries can already make inroads into lucrative regional markets by raising production and productivity with upgraded labour-force skills, technology and infrastructure. Basic conditions for the above include better access to land, security of land rights and access to credit and technology.

Besides agro-processing, there is growing opportunity in wood products, garments and leather for labour-intensive local and regional market-focused manufacturing as AfCFTA develops. Automation will come faster in the automobile, electronics, extractives and construction subsectors. These are capital intensive but can create indirect jobs through stronger links to other sectors and promotion of local content and value addition. For example, manufacturing can provide inputs for the extractives sector and spur entrepreneurship and job creation.

Services may benefit most from 4IR. Already the fastest-growing sector for job creation in most African economies, it could grow by 3.8 percent each year to 2030. But the sector needs modernisation, with upgraded skills and infrastructure to promote 4IR-induced and ICT-based job opportunities, from mobile payments and vending to customer service, sales and human resourcing jobs. 4IR may also hasten formalisation. Fast-growing mobile banking opens up opportunities for self-employed workers and makes it easier for them to access credit and make payments, including taxes. ICT platforms can also help develop business models amenable to increased youth participation. Examples include linking farmers to

markets and service providers (rental of tractors and other equipment) and assuring the packaging and food safety standards that enable access to lucrative international markets.

Keys to the Future for Africa's Youth

The key to unlocking Africa's potential is a better educated and more highly-skilled workforce. This requires systemic changes from kindergarten onwards. The essential ingredients include: greater access to early childhood education; an emphasis on ICT skills and critical thinking from primary level onwards; much higher participation in STEM; much higher participation in upgraded technical and vocational education and training (TVET); and investing in well-paid teachers trained to work with modified curricula to prepare students for the new world of work. Teachers also need training to provide gender-sensitive pedagogy to keep girls in schools.

Countries need to work towards the African Union Agenda 2063 target of 70 percent of high-school graduates entering tertiary education, with 70 percent of them graduating in science and technology related subjects (compared with the current SSA average of 8 percent). This means raising the quality of early STEM teaching and the number of teachers, and expanding access to cost-effective online learning where ICT can deliver STEM subjects through virtual laboratories and simulations, instead of resource intensive, on-site labs.

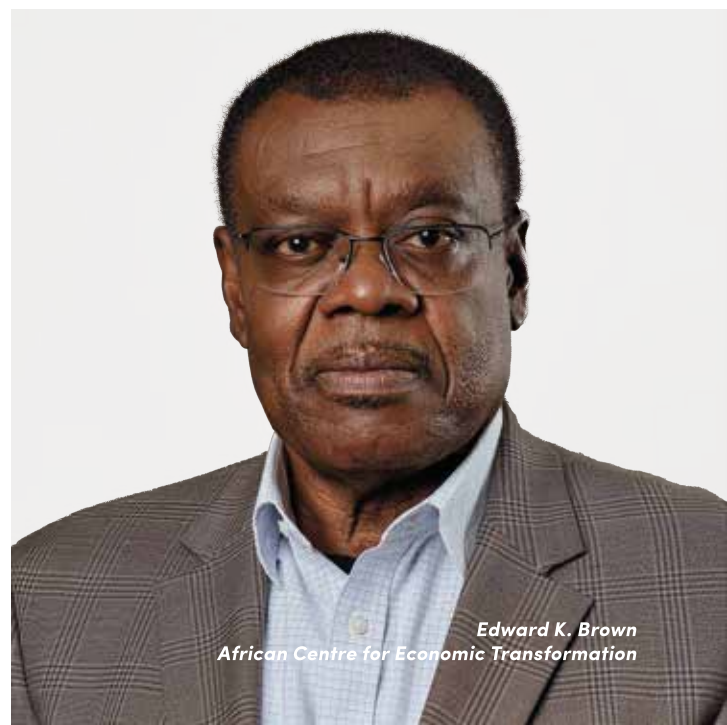
TVET reform is also critically important, not as a standalone, but as part of a wider economic strategy that focuses on priority sectors and needs, with clear implementation plans that include monitoring and evaluation. Efforts are underway to improve TVET in SSA in terms of modern facilities, better pedagogical skills and more practical experience among TVET trainers. Private sector engagement in designing and delivering TVET is crucial for quality and relevance. TVET must be demand-driven and responsive to market situations. Besides industrial attachments and apprenticeships, students need entrepreneurship training and business literacy. Governments are also looking to the private sector to help fund TVET costs through taxes and levies. The goal is to prepare better-educated youth for productive, formal and informal self-employment, especially along the agribusiness value chain.

SSA has been advised to attain universal lower secondary education, then prioritise the quality and relevance of upper secondary and TVET, before gradually expanding uptake to meet labour demand. It is also recommended that trade-offs must be identified and adapted to specific country circumstances.

Africa's youth are both an asset and a time bomb. At current trends, nearly half of these vibrant young people will be unemployed, discouraged, or economically inactive by the end of 2025. A well-publicised fraction is migrating, often by dangerous routes, to search for jobs. More disturbingly, some 40 percent of youth joining rebel and terror groups reportedly cite the lack of economic opportunity as the key motivation.

The lessons for SSA are clear. The demographic dividend is not automatic; it requires strong institutions, policies to create productive jobs and a workforce with appropriate skills. SSA needs to create about 20 million jobs each year until 2035, double the number created in the last five years. It will also need to boost female education and higher labour force participation by women in formal sector jobs as these help lower fertility rates and spur the demographic transition. Currently females are overrepresented among youth not in education, employment or training.

Africa must prepare for two game-changers: climate crisis and technological revolution. Overcoming the challenges and taking advantage of the opportunities will demand new and higher levels of clarity and commitment from national and regional leadership.



Edward K. Brown
African Centre for Economic Transformation

SELECTED INFRASTRUCTURE PROJECTS IN AFRICA



Africa's Mega Infrastructure: Building Tomorrow's Connections Today

Africa's Mega Infrastructure: Building Tomorrow's Connections Today

Across Africa, an unprecedented transformation is underway. From the Mediterranean shores to the Cape of Good Hope, from the Atlantic coast to the Indian Ocean, visionary infrastructure projects are reshaping the continent's economic landscape. These roads, railways, dams, pipelines – they represent Africa's bold march toward self-determined prosperity.

The continent's infrastructure initiatives embody a clear vision: an integrated, connected Africa where goods, services, and people move seamlessly across borders. With total investments exceeding \$130 billion, these mega-projects are designed to overcome historical barriers, unlock natural resources, and harness renewable energy potential that could power not just Africa, but parts of Europe and the Middle East.

Each project tells a story of innovation, resilience, and cooperation. The African Atlantic Gas Pipeline demonstrates how Nigeria and Morocco's partnership can revolutionize regional energy distribution. Ethiopia's Renaissance Dam showcases how domestic resources and willpower

can create Africa's largest hydroelectric plant. The Lobito Corridor illustrates how strategic railway infrastructure can transform mineral-rich regions into engines of economic growth.

These projects are creating opportunities for Africa's growing population, fostering regional integration, and positioning the continent as a global economic powerhouse. As these ambitious initiatives progress, they're creating hundreds of thousands of jobs, transferring vital technical skills, and laying the foundation for sustainable industrialization.

The following pages showcase some of Africa's most transformative infrastructure projects. Each represents a crucial piece in the continent's journey toward economic integration and shared prosperity. Together, they paint a picture of an Africa that is actively building its future.

*Combined investment value: \$130+ billion
Total distance covered: 14,000+ kilometers
Population served: 400+ million
Projected annual economic impact: \$300+ billion
Environmental impact: 150+ million tonnes CO2 reduction potential]*



NORTH AFRICA

African Atlantic Gas Pipeline (AAGP): Stretching over 7,000 kilometers along Africa's Atlantic coast, this ambitious \$26 billion initiative represents one of Africa's most significant energy infrastructure projects. Launched in 2016 through a visionary partnership between Morocco and Nigeria, the AAGP will connect 13 nations, including the ECOWAS coastal countries and three landlocked states - Burkina Faso, Mali, and Niger. The project aims to revolutionize Africa's energy landscape by monetizing Nigeria's vast natural gas resources while reducing harmful gas flaring. Upon completion, this transformative pipeline will not only facilitate regional energy integration but also position Africa as a major gas supplier to European markets, potentially generating annual revenues exceeding \$15 billion and creating over 200,000 jobs across participating nations.

WEST AFRICA

Trans-West African Coastal Highway: This monumental transportation artery spans 4,560 kilometers, connecting 12 coastal nations from Mauritania to Nigeria. With 83% of the route already paved, this ECOWAS and NEPAD initiative represents a triumph of regional cooperation. The African Development Bank-funded project includes strategic feeder roads linking landlocked Mali and Burkina Faso to coastal ports, effectively reducing transit times by up to 50%. The highway system has already catalyzed a 30% increase in intra-regional trade since its inception and is projected to boost regional GDP by 5% annually upon full completion.

Abidjan-Lagos Highway Project: This groundbreaking \$15.6 billion infrastructure marvel will transform West African connectivity through a 1,028-kilometer six-lane motorway linking five major cities: Abidjan, Accra, Cotonou, Lome, and Lagos. Currently handling 75% of West Africa's trade volume, this corridor serves over 40 million people across five countries. The project, scheduled for completion in phases between 2024 and 2028, will reduce travel time from 3 days to 8 hours between Abidjan and Lagos. Economic impact assessments project the creation of 50,000 direct jobs and up to 300,000 indirect employment opportunities, while facilitating over \$200 billion in annual cross-border trade by 2030.



EAST AFRICA

Grand Ethiopian Renaissance Dam (GERD): Standing as Africa's largest hydroelectric power plant, this \$5 billion engineering masterpiece on the Blue Nile River represents Ethiopia's commitment to energy independence. Completed in 2023, the 145-meter-high dam generates 5.15 gigawatts of electricity, enough to power 60% of Ethiopia with surplus energy for export to neighboring countries. Remarkably, Ethiopia funded this transformative project internally through innovative financing methods, including government bonds and voluntary salary contributions from citizens. The dam's 74 billion cubic meter reservoir capacity enables year-round irrigation for 300,000 hectares of farmland, boosting agricultural productivity and food security across the region.





CENTRAL AFRICA

Grand Inga Hydropower Project: Set to become the world's largest hydroelectric scheme, this \$80 billion project in the Democratic Republic of Congo will harness the Congo River's power to generate 42,000 MW of electricity. Upon completion, Grand Inga could provide 40% of Africa's electricity needs, potentially preventing 100 million tonnes of carbon emissions annually. The project's phased development approach includes sophisticated transmission infrastructure connecting major industrial hubs across Africa, promising to revolutionize the continent's energy landscape while creating an estimated 150,000 direct and indirect jobs during construction.

SOUTHERN AFRICA

Lobito Corridor: This strategic railway corridor connects Angola's Port of Lobito to the mineral-rich regions of the DRC and Zambia, spanning over 1,300 kilometers. With an investment of \$3.8 billion, this project exemplifies modern Africa's pivot toward sustainable infrastructure development. The corridor reduces transport time for mineral exports from 45 days to just 9 days, unlocking access to an estimated \$100 billion worth of mining resources. Recent modernization efforts have incorporated advanced digital tracking systems and expanded port facilities capable of handling 3.6 million tonnes of cargo annually, positioning the corridor as a vital link in Africa's global trade network.



Bridging Africa's Infrastructure Gap: Financing the Future of Trade

By Toma Imirhe

Africa's trade infrastructure deficit is a formidable challenge, with annual financing needs estimated at USD130–USD 170 billion and a funding gap of 68–108 billion. The African Continental Free Trade Area (AfCFTA) agreement underscores the urgency for robust infrastructure development to enhance intra-African trade. Despite efforts by regional bodies like the African Development Bank (AfDB) and initiatives such as the Programme for Infrastructure Development in Africa (PIDA), the gap persists, largely due to limited domestic funding and rising public debt levels.

The Cost of Poor Infrastructure

The costs of using infrastructure services in Africa are significantly higher than in other regions. Energy costs for manufacturing enterprises are up to four times higher, road freight tariffs are double those in the United States, and travel times along critical export corridors are triple those in Asia. Telecommunications costs are also steep, with mobile and internet services costing about four times as much as in South Asia, according to a 2023 African Development Bank report. Poor infrastructure quality has resulted in a 40% loss in productivity and a two percentage point reduction in annual economic growth, as highlighted by the African Union in 2023.

AfCFTA: A Catalyst for Change

The AfCFTA aims to boost intra-African trade by eliminating tariffs on 97% of goods and addressing non-tariff barriers. Studies, including a 2023 World Bank report, suggest that removing non-tariff barriers could have a more significant impact than tariff reductions, as non-tariff trade costs in Africa are equivalent to 292% of tariffs levied on goods.

Transportation infrastructure is a core component of these non-tariff costs. Key infrastructure needs for AfCFTA's success include:

- **Roads and Highways:** Expanding and upgrading networks for better connectivity.
- **Railways:** Developing efficient cargo and passenger rail systems.
- **Ports and Harbours:** Modernising seaports for improved maritime trade.
- **Airports:** Upgrading facilities to handle increased cargo and passenger traffic.

Funding Challenges

Financing such projects, especially cross-border initiatives, has been challenging for African governments. In 2021, the average tax-to-GDP ratio for 33 African countries was 15.6%, well below the averages for Asia-Pacific (19.8%) and Latin America (21.7%). The fiscal deficit in sub-Saharan Africa widened from 4.8% of GDP in 2021 to 5.2% in 2022, with 22 countries at high risk of debt distress, according to the World Bank.

Bilateral infrastructure lending from traditional partners

like China has also declined. In 2022, Chinese loan commitments to Africa fell to their lowest level since 2004. With potential cuts in U.S. spending under the Trump administration, Africa must look inward for solutions.

African Development Bank's Role

The African Development Bank (AfDB) has been a key player in bridging the infrastructure gap. Roads carry 80% of goods and 90% of passenger traffic in Africa, yet the continent faces a significant road infrastructure deficit, contributing to low intra-African trade, which accounts for just 18% of total goods traded.

Between 2004 and 2022, the AfDB provided over \$13 billion to finance regional road corridors, resulting in 18,022 kilometers of climate-resilient highways, 27 one-stop border posts, and 18 bridges. Notable projects include:

- **Mombasa-Nairobi-Addis Ababa-Djibouti Corridor:** Over \$1 billion in funding has increased Ethiopia's trade competitiveness through the port of Mombasa, boosting bilateral trade with Kenya by 400%.
- **Nacala Corridor:** \$420 million financed 950 km of roads linking Zambia and Malawi to Mozambique's Nacala Port, reducing transport costs by 15–25%.

AfDB President Dr. Akinwumi Adesina emphasizes the need for collaborative financing, industrial zones around corridors, and one-stop border posts to reduce travel times. The AfDB has invested over \$44 billion in infrastructure over the past seven years, but more is needed.

Geopolitical Funds: A New Frontier

With African governments facing fiscal constraints, geopolitical funds offer an alternative. These funds, driven by strategic geopolitical objectives, include China's Belt and Road Initiative (BRI), the European Union's Global Gateway Initiative (GGI), and the G7's Partnership for Global Infrastructure and Investment (PGII). These initiatives present unique opportunities for Africa, aligning with AfCFTA's goals.

A Collaborative Path Forward

To navigate these challenges, a collaborative approach involving African governments, private sector entities, and international partners is essential. African governments must create enabling environments, while the private sector should engage early in projects and form strategic alliances. Intermediaries like the World Bank and AfDB play a crucial role in fostering transparent and sustainable funding mechanisms.

Africa's journey towards robust trade infrastructure development, supported by private sector dynamism and strategic international investments, is not only feasible but imperative for its economic transformation. By leveraging these opportunities, Africa can unlock its potential and pave the way for a prosperous, integrated future.

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Emphasising Engineering and Technology Education to Make Africa Competitive in Manufacturing and Infrastructure Delivery

By *Kweku Adoboli*

Africa's path to global competitiveness in manufacturing and infrastructure delivery hinges critically on strengthening its engineering and technology education. With the continent requiring annual infrastructure investments of \$130-170 billion and facing a funding gap of \$68-108 billion, developing local engineering talent and technological capabilities has become an urgent imperative.

The stark reality is that Africa contributes only 3% of the world's engineering workforce despite having 16% of the global population. According to UNESCO data, sub-Saharan Africa produces only 2.4 STEM graduates per 1,000 inhabitants, compared to 24.7 in the United States. This gap severely hampers Africa's ability to drive industrialization, infrastructure development, and technological innovation.

However, the rapid growth of Africa's EdTech market, projected to reach \$5.37 billion by 2024, presents a transformative opportunity. Digital learning platforms and satellite-enabled connectivity are breaking down traditional barriers to education access. Companies like UAE's Space42/Yahsat and other satellite internet providers are making it possible to deliver high-quality educational content to even the most remote rural schools, potentially reaching over 100 million previously underserved students.

The integration of artificial intelligence in education is proving particularly revolutionary. AI-powered adaptive learning platforms can provide personalized instruction at scale, helping students learn at their own pace while ensuring no child is left behind. These systems can identify learning gaps, adjust teaching methods in real-time, and provide detailed analytics to help teachers optimize their instruction - all at a fraction of the cost of traditional methods.

Several African nations are already making notable strides in transforming engineering education through technology. Rwanda's Kigali Innovation City and Kenya's Konza Technopolis demonstrate how purposeful investment in technology education infrastructure can create hubs of innovation and learning. South Africa's manufacturing sector, contributing 14% to GDP, offers valuable lessons in building engineering capacity to support industrialization.

The African Development Bank's \$456 million investment in establishing 76 Centers of Excellence across 20 countries is another positive development. These centers are projected to produce 6,300 master's and 1,750 PhD graduates, with engineering disciplines accounting for 69% of master's enrollments.

To accelerate progress, African nations must prioritize several key areas:

Modernizing Engineering Curricula: Engineering education must evolve beyond theoretical knowledge to emphasize practical skills, innovation, and entrepreneurship. This includes integrating emerging technologies like artificial intelligence, robotics, and digital manufacturing into coursework. Industry participation in curriculum development ensures relevance to market needs.

Digital Infrastructure Development: Investment in digital infrastructure is crucial. The combination of satellite internet, mobile devices, and cloud computing can create virtual classrooms and laboratories accessible to students anywhere. This democratization of engineering education could dramatically increase the pipeline of technical talent.

Strengthening Industry-Academia Partnerships: Collaboration between universities and industry players is vital for providing students with practical experience through internships, cooperative education programs, and industry-sponsored projects. Such partnerships also facilitate knowledge transfer and research commercialization.

Regional Centers of Excellence: Establishing specialized regional centers focusing on specific engineering disciplines can optimize resource utilization and foster knowledge sharing across borders. This approach has proven successful in sectors like renewable energy and telecommunications.

The Africa Continental Free Trade Area (AfCFTA) presents a unique opportunity to accelerate these reforms. With its potential to boost intra-African trade by 52% by 2035, AfCFTA creates demand for engineering talent to support increased manufacturing and infrastructure development.

Success stories are emerging. Ethiopia's Grand Renaissance Dam project has significantly enhanced local hydroelectric engineering capabilities. Morocco's renewable energy program has built substantial expertise in solar and wind technologies. Nigeria's Dangote Refinery project has developed specialized engineering skills in petrochemical processing.

The path forward requires sustained commitment from governments, educational institutions, industry players, and development partners. By leveraging technology to democratize engineering education while building physical infrastructure, Africa can create an inclusive pipeline of technical talent needed to drive manufacturing competitiveness and infrastructure delivery. This investment in human capital, supported by technological innovation, will be crucial for realizing the continent's aspirations for economic transformation and sustainable development.



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Building Africa's Infrastructure: The Key to Continental Economic Integration

By Toma Imirhe



Africa's journey toward economic integration, though belated, has never been more crucial. The transformation of the Organization of African Unity into the African Union, supported by an expanding network of stakeholders and institutions, marks a significant shift in the continent's approach to unity and prosperity.

This institutional framework, including regional economic communities like ECOWAS, EADC, and SADC, alongside the African Development Bank and Economic Commission for Africa, has laid the groundwork for the African Continental Free Trade Area (AfCFTA). The AfCFTA represents the world's largest single market by both geographical expanse and population, encompassing 1.4 billion people with a combined GDP of \$3.4 trillion.

The pace of Africa's socio-economic integration is accelerating, particularly now that political integration has been deprioritised. Progressive policies are emerging, with countries like Ghana, Kenya, and South Africa moving toward visa-on-arrival systems for African citizens. This evolution coincides with the rise of indigenous African multinationals across sectors including financial services, telecommunications, manufacturing, and retail, challenging traditional foreign-owned corporations through their superior understanding of local markets and cultural dynamics.

However, these African enterprises face significant constraints due to inadequate physical and digital infrastructure connecting various jurisdictions. The infrastructure deficit, requiring annual investments of \$130-170 billion with a funding gap of \$68-108 billion, forces many transnational firms to operate as siloed holding companies with subsidiaries in different countries, limiting potential synergies and economies of scale.

The imperative for continental interconnectivity through robust infrastructure - seaports, airports, roads, and railways - cannot be overstated. Currently, intra-African trade accounts for just 17% of the continent's exports, compared to 59% in Asia and 68% in Europe. This low figure represents significant economic leakage, as trade benefits are shared with partners outside the continent

rather than retained within Africa.

A groundbreaking solution to this challenge is the Pan-African Payment and Settlement System (PAPSS), which minimizes dependence on US dollars for trade transactions. Through PAPSS, central and commercial banks can net off import and export values, enabling most intra-African trade to be conducted in local currencies. This innovation is particularly crucial given the recent surge in dollar value against African currencies and persistent hard currency shortages in many nations.

Trade-focused infrastructure development offers multiplied benefits, supporting not just terminal points but all territories in between. For instance, the Lagos-Abidjan highway benefits multiple West African nations, while proposed railway networks connecting Egypt to Tanzania could transform East African commerce. Similarly, enhanced maritime routes along Africa's western coast could revolutionize trade efficiency from Dakar to Cape Town, eliminating costly border delays.

The economic impact of improved infrastructure extends beyond trade facilitation. The World Bank estimates that closing Africa's infrastructure gap could increase GDP growth by 2.6% annually. The African Development Bank suggests this could lift millions out of poverty and reduce business costs by up to 40%.

Infrastructure development has catalyzed prosperity across the Americas, Asia, Europe, and Oceania. Africa's turn has come, but success depends on strategic investment in trade and investment facilitation infrastructure. With initiatives like BADEA's \$50 billion investment fund and the AFD's commitment of €150 billion for African infrastructure, the continent stands at the threshold of transformative change.

The path forward requires coordinated action from governments, development institutions, and private sector partners. Only through such collaboration can Africa build the robust infrastructure network necessary to realize the full potential of continental economic integration.



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