

New York Forum Africa 2014 :
« Africa is not tomorrow. It is today ! »
Youssou N'Dour, former Minister of Tourism and Culture
Senegal

Libreville, May 28th - Five presidents shared the stage to open the third New York Forum Africa in Libreville, Gabon, last Friday, May 23. The two African heads of state, President Ali Bongo Ondimba from Gabon and President Paul Kagame from Rwanda, were joined by three former Latin American Presidents: Vicente Fox, President of Mexico, Jorge Quiroga, President of Bolivia, and Alejandro Toledo, President of Peru.

H.E. Ali Bongo Ondimba, President of the Gabonese Republic, welcomed more than 1,600 participants to the meeting, declaring, "*The African continent needs to undergo transformation.*" Richard Attias, founder and chairman of the New York Forum Africa added that only an inclusive vision of the economy can provide to Africa the stability it needs to attract foreign investments and leverage its key asset, its human capital.

Public and private sector participants from Africa demonstrated clearly that they were ready to ramp up transformation in every sector, and eager to learn how to accelerate change, benefiting from foreign experience. Foreign participants answered to this call by sharing their own return on experience and "best practices" all along the forum. But many African participants from public as private sectors demonstrated that they were advanced in driving change in countries such as Gabon, Rwanda, Equatorial Guinea as well as in financial services and new businesses.

Four major new projects were signed during the official opening of The New York Forum Africa in the presence of H.E. Ali Bongo Ondimba, President of the Gabonese Republic and H.E. Paul Kagame, President of Rwanda. The deals, which were between governments and with the private sector, will create more than a billion Euros of new investment and thousands of jobs.

I. Transforming the collective vision and mindset inside and about Africa

The collective mindset must change in Africa

President Bongo, a passionate football fan, offered an extended metaphor centered on the sport and national economies.

“There’s no major football club in the world without Africans in their team. But when those stars come home, they score fewer goals. It’s a question of organization. All of the strategic elements that apply to football apply to the worlds of business and economics.”

President Bongo stressed that it is vital that African leaders *“act by anticipating, rather than just following and reacting to a passive fate.”* He repeated that changing mindset was a collective responsibility and action.

Paul Kagame, President of the Republic of Rwanda, said that *“it is vital for leaders to have a clear vision. But there is an overriding factor in creating change. Before the activities, there is the mind.”*

He insisted: *“The mind not only of the leaders, but of the citizens. It’s very important that it all has to start with the mind, which drives the change.”*

Governments and public administrations have to accept and drive change

“Implementation requires something that many times sounds like an insult – bureaucracies,” said Former President of Bolivia, Jorge Quiroga. *“You need competent civil servants who are employed based on their skills, not on who they know or who they are related to. Would you get on an airplane where every time they changed the owner, they changed the pilot?”*

In many sessions and workshops the efficiency and the transparency of the public administration, and the willingness of civil servants to develop "best practices" and learn, were said to be a key levers to succeed in driving social and economic change.

The vision of the international community about Africa is changing

Many financial experts say that the foundations for investment are good in Africa, with a very attractive steady growth in many countries. Africa is rich, said many observers and natives, because of its natural resources, but also its human capital (60% of the Africans are young), and its unused financial assets, added Carlos Lopes, Executive Secretary of the UN’s Economic Commission for Africa, in a conversation with Richard Attias.

Foreign investors are changing their vision on Africa and are considering to invest substantially in the continent, provided governments build up the needed security. The recent and dramatic events in Nigeria and Cameroun are showing that the international community is now considering that security in Africa is not a regional but a global threat and issue.

Besides education, the professional media plays a major role in changing the vision and the mindset about Africa.

During the media session, Youssou N’Dour, former Minister of Tourism and Culture from Senegal, said that *“the media is not a toy”*. Journalists have to be protected and the job professionalized. *“Africa needs its own medium to communicate its ideas to the rest of the*

world," he added. He announced the creation of a \$500 million fund dedicated to training professional journalists and asked the audience to cooperate by investing.

Richard Attias reminded that the journalists have a responsibility to carefully select the information they decide to publish. They must do thorough investigations to distinguish real news from rumors. The advice was directed towards African media but also non-African media writing about Africa. He stated that media are an efficient lever to help drive change, but that they have to use their strong power of influence with a great sense of responsibility, and in a professional, transparent and ethical way on complex and sensitive issues.

II. Transforming human capital in skills and jobs

Access to education is at the core of economic development

Chess Grandmaster Garry Kasparov played chess with six young children and announced that his African foundation has signed an agreement for the development of chess playing in Gabon. He commented that talents exist in each and every country in the world: what makes the difference, he said, is access.

"First, it is important to build the infrastructure of human capital," confirmed former president, Alejandro Toledo. *"I know that it's not politically very profitable, because that investment is by definition medium- and long-term. But without a strong infrastructure of human capital, we cannot walk forward to realize our vision."*

During the first ever African Citizens' Summit, the results of the first pan-African survey on Generation Y were revealed to the participants and an audience of 600 young students and entrepreneurs. More than 5,000 young educated and connected Africans aged between 15 and 26 answered the online survey.

An optimistic young generation wants to live in Africa but 62% of them state that they prefer to study abroad. Young Africans are concerned by the low quality of the education systems, the poor efficiency of public administration, the risk of unemployment and the difficult access to jobs and funds to finance companies. After open debates with the Head of States, a selection of young representatives attended a workshop dedicated to answer to four questions on the best way to access to employment, the quality of education and training, the choice of working for oneself or the State and their role as citizens in a modern Africa.

Their recommendations will be communicated to the African Head of States after the end of the forum.

Access to vocational training as well as international standard education through partnerships with foreign universities and schools was a continuous thread of discussion through the NYFA. Rwanda has signed a partnership with the prestigious university of Carnegie Mellon in the United States. French Minister Laurent Fabius said that Africa had to develop "des Grandes écoles" in partnership with France. Investors insisted also on the fact that 2 to 3 years

diplomas after A level were highly required to fuel the economy. And the role of digital networks in reaching out local students was also a topic that came up many times.

Simon Toutoume Emame, Gabon's Minister of Labour, Employment and Professional Training, signed an agreement with Larbi Bencheikh, Director General of OFPPT in Morocco, to develop vocational and professional training. This will create a Microsoft IT Academy and many certification centres certified by Microsoft in Gabon, as well as training and certification for 5,000 competencies a year.

The role of young women was another continued theme during the forum.

President Toledo earned particularly enthusiastic applause when he spoke about women in society.

"I have learned that when investing in women, the returns are much higher than investing in men," he said. *"The best administrators over scarcity are women."*

Auma Obama, founder of the Sauti Kuu Foundation in Kenya said on the last day: "we have to socialize boys and girls to be equal - make it practical and realistic."

III. Transforming nations in integrated economies

Economies should be more integrated

African governments should cooperate better and develop an integrated vision of their economies, said many participants, in order to plan long-term strategies for their own countries, based on their proper competitive advantage. Integrating economies on a regional basis seemed to many to be the way to increase the capacity of the continent to value its participation in the global value chains.

"We're very good about setting up infrastructure to export to other countries," President Quiroga said. *"But we're not very good at developing links with one another. How many pipelines do you have inside Africa? How many electrical power grids do you have?"*

"The quicker you integrate the economies of Africa and work together, the better," said President Vicente Fox. He pointed out that many Mexicans worried that the North American Free Trade Agreement, NAFTA, would harm the nation's agriculture. Now, he said, Mexico provides 75 percent of the US's fruits and vegetables and the trade balance is favourable to Mexico.

The role of the state is to help economic integration at each and every level

The role of the state is not to hinder trade and investment through over-protective rules, but to create a stable, positive and integrated ecosystem for business while building up social infrastructure and a long term industrial strategy, insisted private as well as public

participants. Many investors stressed that the instability and the lack of efficiency, more than the level of taxes per se, was the first obstacle to attract foreign investors.

But they also say that the foundations are good in Africa with a very attractive steady growth in many countries. Speakers from the finance sector commented that intra-African capital flows were increasing both in volume and value, and that foreign investors were changing their vision on Africa and considering huge investment in the region, provided governments provide much-needed security, stability and level of economic integration. Cross-border investment must be increased especially for economic infrastructure in energy, transportation, and digital networks. New resources such as new energies have to be developed.

Governments should then cooperate better and develop an integrated vision of their economies, as well as long-term industrial strategies for their own countries, based on a thorough analysis of their competitive advantage in global value chains, said investors.

Cooperation among emerging regions is also a path towards economic integration

President Toledo said that The New York Forum Africa could be the beginning of something important.

“Why can’t we have a summit of Africans and Latin Americans and share,” he said. *“Don’t just look at Europe and United States and China.”*

“The 21st century is the century of Africa,” declared President Fox. *“The usual leaders, notably Europe and the United States, are tired and are not pulling the wagon at the speed that is required. New engines are coming to take over the responsibility, and I have no doubt Africa is one of them.”*

IV. Transforming resources in profitable industrial assets

Building up local infrastructure and equipment to transform natural resources

The challenges African countries face in achieving total local transformation of mineral resources were made clear in a session at The New York Forum Africa on Saturday, May 24.

“It’s a global phenomenon that every country that is producing has the aspiration to add value,” said Mike Elliott, global mining and metals sector leader, EY. He also commented that the investment market was very difficult for transformative services and equipment for the time being.

Ebenezer Essoka, Vice Chairman Africa, Standard Chartered Bank, noted how capital intensive the mining industry was, necessitating long-term investments and bond financing. Public/private partnerships, such as the one between the government of Botswana and DeBeers to create Debswana, were a model, he said.

Fabrice Nze Bekale, CEO, Société Equatoriale des Mines (SEM), declared that Gabon has set out on a path to raise dramatically the added value it can provide in its extractive industries. Gabon is the world's fourth largest producer of manganese. Gabon's plans to process manganese includes a training school, so the essential skills for the facilities will be developed alongside the physical plant. Work on manganese processing facilities will begin in the next year. Comilog, which operates the manganese mine at Moanda, is working closely with SEM on the project.

Nze Bekale insisted that cycles go up and down and that Gabon would not wait to build up its competitive advantage through adding value to its natural resources.

Signing international public and private partnerships

Laurent Fabius, Minister of Foreign Affairs and International Development for France, and Akagha Mba, Minister of Economy for Gabon, signed an agreement for a EUR 200m investment in infrastructure and sanitation. The project will protect 100,000 homes that are threatened by flooding in Libreville, and will regenerate a significant area of the city.

Serge Toulekima, CEO of Gabon Oil Company, and Ho Joon Shin, Vice President of Samsung C+T in Korea, to build a new, more efficient refinery in Mandji in Port Gentil. This will create 400 new direct jobs and 3,000 new indirect jobs.

An agreement was signed between Akagha Mba, Minister of the Economy in Gabon, and the representative of the African Development Bank in Tunisia to create a SME incubator in Gabon.

Simon Toutoume Emame, Gabon's Minister of Labour, Employment and Professional Training, signed an agreement with Larbi Bencheikh, Director General of OFPPT in Morocco, to develop vocational and professional training. This will create a Microsoft IT Academy and many certification centres certified by Microsoft in Gabon, as well as training and certification for 5,000 competencies a year.

Developing sovereign funds to build trust

Sovereign wealth funds can be key factors in long-term development and build trust, agreed a panel of SWF leaders and Anas Alami, Managing Director of Morocco's Groupe CDG, the Morocco's state investment company. The five were speaking in a plenary session at The New York Forum Africa in Libreville, Gabon on Saturday, May 24.

"Sovereign wealth funds are the only investments that look specifically at the long term," said Serge Mickoto, CEO, Gabonese Strategic Investment Fund. *"We're looking at 15 to 20 years. It's the first step to show you have confidence in your own country."* Gabon's fund was created by a law passed in 2012, and its objective is to have an intergenerational link in investment.

Estanislao Don Malavo, Presidential Advisor of the Government for Financial Agencies and of the CEMAC, Equatorial Guinea, said his country had embarked on an ambitious programme of nearly 1,500 infrastructure and investment projects. Equatorial Guinea's SWF provided funds for investment and, crucially, will smooth the diversification of the country's economy.

But sovereign funds are not sufficient. Africa also needs independent expertise to mitigate the risks of handling public money as well as a co-investment from the private sector to fund mega projects in infrastructure.

Acquiring the complex skills of project finance management

Thierry Déau, head of Meridiam, a leading long-term independent investor in public infrastructure spoke on a panel on Public and Private Partnerships and project finance engineering.

Infrastructure projects are industrial assets and have to be managed as such from the stage of the project design, working jointly with and on behalf of public authorities, he said. A comprehensive risk analysis, including financial, operational, social and environmental parameters, is key as well as creating the appropriate balance in risk sharing between the public sector and the private sector. This is the condition for the projects to be bankable.

The profitability for the investors and the States and the benefits for the community will also depend on the formation and the leadership of the project consortia and the expertise in managing the special purpose vehicle supporting the infrastructure asset over the long term. These are complex skills that must be acquired through cooperation with trained and experienced experts.

V. Transforming creativity and innovation in successful SMEs

Leveraging creativity and innovation

Many sessions and workshops were dedicated to creativity, innovation and the key issue of raising funds for start-ups and SMEs.

President Ali Bongo stated: *"our challenge is to create a new class of Gabonese entrepreneurs."*

Both President Bongo and Jeff Martin, Founder of Tribal Brands Inc, said that future of innovation is in Africa and Middle East. *"We have to encourage inverse innovation. For too long, people have believed that innovation can only flow from north to south,"* said Dr Ola Orekunrin, Founder of Flying Doctors Nigeria, which provides urgent air ambulance services to leading health institutions, insurance and private companies.

"Africa needs to invest in the knowledge economy," insisted Michel Sidibé, UNAIDS Executive Director. "Research, development & innovation should not be held hostage by the developed world."

The principle of creating a quality Brand for Africa was also discussed in a dedicated session.

Securing investment for Start-ups

During the first ever Money Talks session at The New York Forum AFRICA, one SME from Kenya secured an investor live on stage. Yariv Elbaz, founder of YCAP, declared "I'm investing" live on stage when he heard the concept of a mobile phone charger that fits in a shoe, presented by Am-utua founder Anthony Mutua and his colleague Neema Wawuda.

Elbaz also confirmed that he would help find investors for the other two inventors who presented live on stage, Khaled Saleh from Mubser in Egypt, and Abdou Maman from Tech-Innov in Niger, as well as offering to give them advice on their product development and marketing.

Conclusion

The Third edition of the New York Forum delivered on its promise to be a catalyst for extended cooperation and a strong lever for transformation.

During the closing session on Sunday, May 25, former President Toledo of Peru ended an emotional speech by giving President Bongo his tie as a sign of hope for Africa.

President Bongo concluded that this year's New York Forum Africa had demonstrated that transforming Africa is not happening tomorrow - but right now.

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