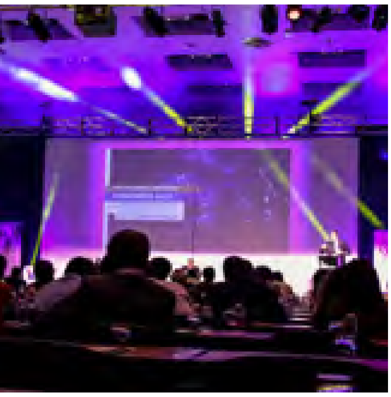
THE GLOBAL BUSINESS ROUNDTABLE

WORLD CONGRESS REPORT

2018



The Global Business ROUNDTABLE

IN ON AFRICA IOA

Connecting Africa's Potential

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LETTER OF **WELCOME**

GBR Chairman

The Global Business Roundtable (GBR) was established in 2009 and started its first operations in Sandton, Johannesburg and since then it has grown to be in more than 80 countries around the world covering all major continents including Africa, Asia, Europe, Middle East, North America, South America, Caribbean Islands as well as Indian Ocean Islands. GBR's large footprint is in Africa where it is present in 43 countries in all 5 African Regional Blocks namely SADC, East Africa, West Africa, Central Africa and North Africa.

OUR MISSION

GBR focuses on the holistic development of people in the following areas: Spiritual Development, Business Development (including Trade & Investment), Family & Society, Science & Technology, Education & Intellectual Development, Sports, Arts & Culture, Leadership, Governance & Politics and Media & Communications.

GBR FOOTPRINT AND GROWTH STRATEGY

GBR's network and footprint continues to grow annually and it has planned that GBR would have representation of no less than 100 countries by 2020. This growth is propelled by a number of initiatives which include the following:

- Direct launch of GBR branches by leaders and members in different town, cities, suburbs, villages, townships, etc., and by the International office as well as GBR special envoys.
- GBR Media – Broadcasting of GBR TV programmes titled, "A New Thing" on many national, regional and private television networks such as TBN, One Gospel, Swazi TV, RTM, Zodiac TV and many others. Such programmes are also broadcasted on radio, produced and distributed via print media. Through GBR TV, GBR has been able to reach approximately 200 million viewers weekly on different TV & Radio stations, on different days of the week across the globe.

GBR PLATFORM

GBR is currently building a GBR digital & online platform that will comprise of a Central database which will be segmented into a local, national and global database. This will be used to convey and share information about meetings, events, opportunities etc. The Platform will also have different portals to facilitate various kinds of opportunities to members and people within the platform.

GBR LEADERSHIP ACADEMY

Through the GBR Leadership Academy which was launched in 2016 and started its operations in May 2017, GBR Leadership Academy has trained many leaders from across different Nations such as South Africa, Lesotho, Swaziland, Tanzania, Nigeria, Zimbabwe, Malawi and Botswana. The Academy focuses on the holistic development of leaders with a strong focus on technical competence, all rounded leaders as well as ethical and God-fearing leaders. The Academy focuses on the following topics: Understanding the Global Business Roundtable (GBR) and the Global Fund for Jesus (GFFJ), how to manage a GBR chapter, the characteristics of a GBR leader, essential Leadership behavioural competencies, organisational competencies and skills, people management, project management, corporate governance and ethics, budgeting & financial management principles, investments, and lastly the seven mountains.

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GBR WORLD CONGRESS & TRADE & INVESTMENT SUMMIT

GBR Annually hosts the World Congress for Trade & Investment during March/April. The Congress is designed to focus exclusively on business as well as Trade & Investment opportunities available for corporates, SME's, governments as well as financial institutions.

It is a global networking platform that brings together all members of GBR, global leaders in business, government, politicians and other thought leaders from across the globe. This has become a global network platform which facilitates Trade & Investment opportunities, business to business matchmaking and links entrepreneurs with opportunities and investors.

The Congress in addition to normal plenary sessions will also include country specific or sector specific roundtable discussions. Some of these roundtable discussions will be broadcast on different GBR Television and Radio Channels.

The theme of the Congress "Africa – the next frontier for Economic Development" includes the following Trade & Investment Summits: SME Summit, Africa – Asia Summit, Africa – Europe Summit, Africa – Americas Summit and Intra-Africa Summit.

The Congress will see participation by various government departments and embassies from across the globe. The Public and Private sector entities, Captains of Industry, Trade & Investment Agencies, Former African Heads of State, Small and Medium size businesses, Chamber of Commerce and professionals from various industries. The Congress includes exhibitions by various stakeholders. The key sectors of focus at this year's congress are Infrastructure, Energy, Mining, ICT, Financing, Education, Healthcare, Asset Managers, Transport, Tourism, Agriculture, SME's and others.

IN ON AFRICA (IOA) REPORT & PARTNERSHIP

This year GBR in partnership with IN ON AFRICA have decided to collaborate on the Africa report that will add value to our members and delegates by giving more insight, business intelligence and well researched information on various African countries.

In line with the 2018 World Congress theme "Africa – the next frontier for Economic Development," we thought it was important to produce a practical tool that will help those wanting to invest and expand their business in Africa. The publication is a 40-page document that will be released annually at the GBR World Congress and Trade & Investment Summit and is designed to position GBR as a Thought Leader on matters relating to Business, Trade & Investment in Africa.

This being our first publication on doing business in Africa, we would like to express our gratitude and Thank Mr Jonathan Mundell, the CEO of In on Africa and team of researches and consultants who worked tirelessly with the GBR team which was led by Mr Ronnie Mulaudzi, the GBR World Congress Director for producing the report.

We are also grateful to the Sakhumnotho Board of Directors and Shareholders for sponsoring the research and publication of the report for the benefit of GBR members and stakeholders.

The GBR Board of Directors is honoured and privileged to present this report to you. We hope you find it useful. As you seek more information to expand your business into Africa. We believe that the report will enable you to be ahead of your competition as you seek to be part of Africa's economic growth and development.

To GOD alone be the glory
Jesus is LORD

AFRICA'S TRADE AGREEMENTS: **WHO, WHERE AND HOW**

WORKING TOWARD REGIONAL INTEGRATION: THE AFRICAN CONTINENTAL FREE TRADE AGREEMENT

Africa can harness the benefits of regional integration to catalyse economic growth. Exposing markets to one another creates opportunities for increased trade and profits for African businesses. According to the African Union (AU), intra-African trade currently accounts for a paltry 13% of Africa's total trade. However, intra-Africa trade is inhibited by issues such as high tariffs, expensive and cumbersome customs taxes and procedures, as well as a disparity in regulations and the application of standards across the continent.

The AU has placed emphasis on regional integration as part of their Boosting Intra-African Trade initiative. Noteworthy progress has been made in this regard since adopting a decision for the establishment of the African Continental Free Trade Agreement (AfCFTA), which, after years of negotiation rounds, was finally signed into force on 21 March, 2018. The AfCFTA will boast a combined population of 1.2 billion people through 55 member states, as well as a pooled GDP of US$ 2.5 trillion and an estimated growth rate twice as fast as that of the developed world.

WHAT IS THE VALUE OF THE AFRICAN CONTINENTAL FREE TRADE AGREEMENT?

- According to the Economic Commission for Africa, the AfCFTA, inclusive of provisions for the eventual elimination of tariffs for trade within the continent, can lead to a 53.2% growth in intra-African trade. Currently, the average tariff for exports within Africa is 6.1%, which essentially prevents African businesses from effectively harnessing the benefits of intra-African trade.
- The AfCFTA further aims to address non-tariff barriers through the inclusion of a "non-tariff barrier mechanism" for traders to report and receive solutions aimed at easing cross-border trade. The agreement also contains provisions on technical and sanitary standards, transit facilitation and customs co-operation. The AfCFTA further provides benefits for landlocked countries, in recognition of the higher freight costs and the impacts of transit time.
- A key aim of the AfCFTA is to facilitate increased trade and investment in industrial exports, thereby making value-added exports a viable option for African economies, many of which lack diversity and are highly dependent on extractive exports. As the continent's working-age population rapidly expands, utilising this model will become increasingly unfeasible. In the meantime, less-industrialised countries can also benefit from improved access to regional value chains for the trade of their products.
- The AfCFTA also aims to exposed small and medium-sized enterprises to regional markets and act as a springboard to global markets. Informal cross-border trade, which also accounts for a significant percentage of intra-African trade, will benefit from reduced tariffs. "Simplified trading regimes" will open small-scale traders to more formal channels and markets for trade, while services are also to be liberalised with an aim to entice continental service markets to stretch out to one another.
- Countries with agricultural exports also stand to gain from the AfCFTA. Despite agricultural product tariffs already being low, the AfCFTA aims to lower the costs on "intermediates and final goods" encouraging countries to add value to their raw materials and diversification.

While the upcoming launch of the AfCFTA heralds a new dawn for intra-African trade, the hard work of implementation and practical application is yet to follow. African governments' commitment to the implementation of the agreement in their respective countries will be integral to this venture's success. However, this success will also greatly depend on how well the agreement is received and on the buy-in from private businesses, traders and consumers alike, as well as their perceptions of this undertaking's utility.

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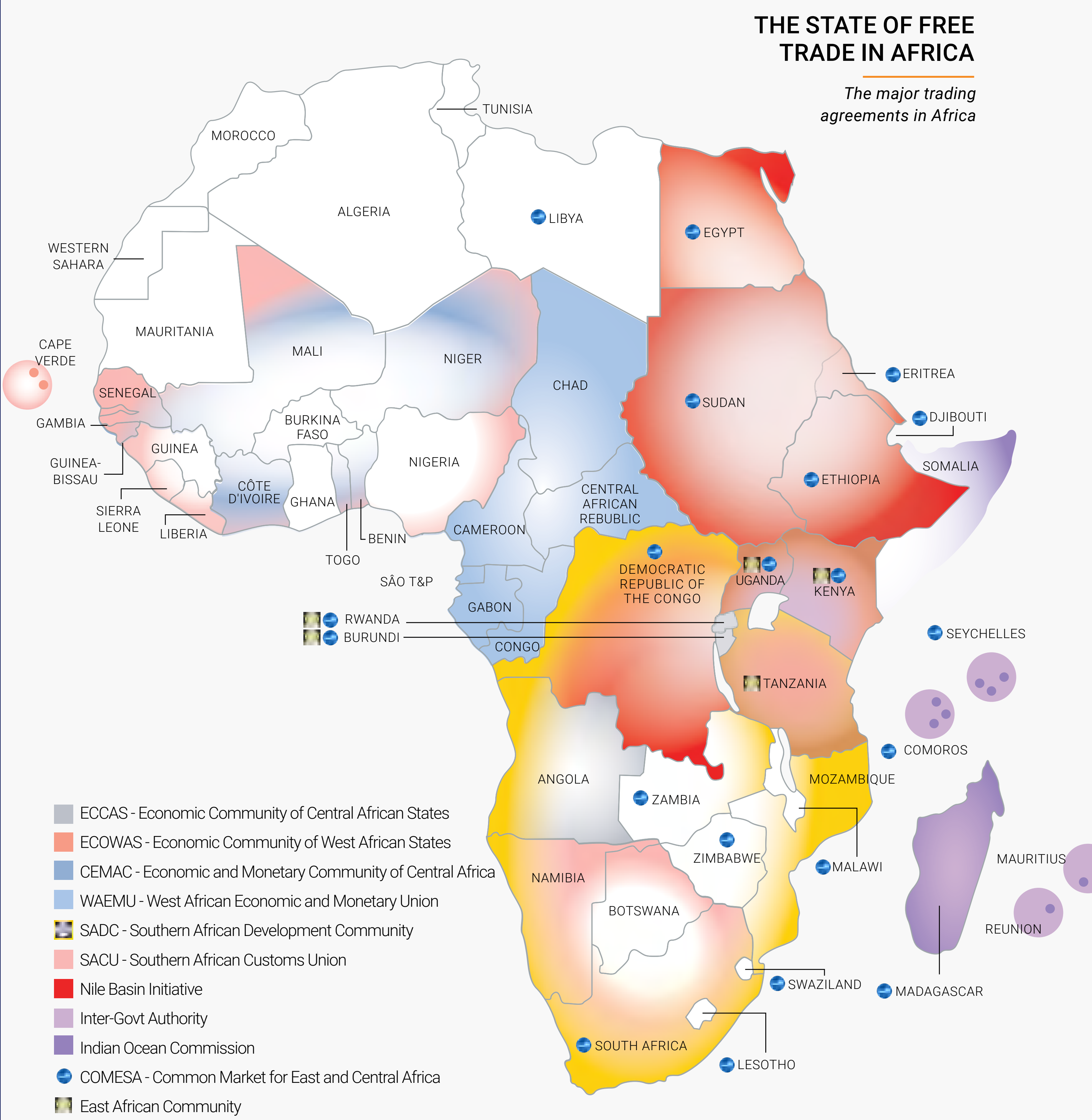


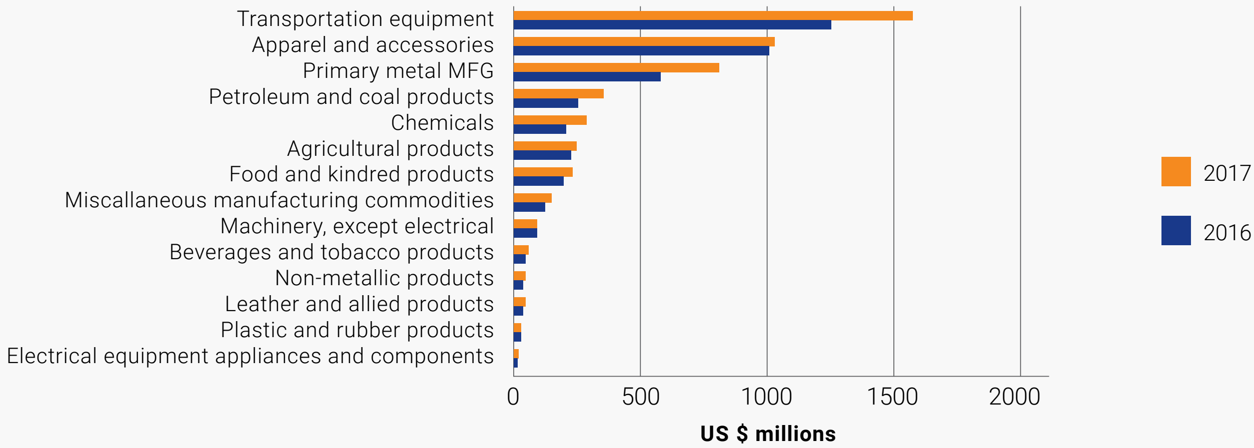
US-AFRICA TRADE:
THE IMPACTS OF AGOA

The African Growth and Opportunity Act (AGOA) is a unilateral trade agreement, enacted in 2000, with the objective of strengthening trade relations between the United States of America (US) and eligible Sub-Saharan African countries. The Act additionally seeks to promote regional integration and economic growth, by providing opportunities for increased market access and participation in global value chains to African countries. AGOA provides beneficiaries with trade preferences, such as duty-free access to the world's largest single market and granting a competitive advantage over non-AGOA exporters who may still be subject to normal tariff rates. Under AGOA, exporters can take advantage of the duty-free and quota-free benefits which are available for many products aimed at encouraging diversification, while also providing a platform for US and African businesses to forge synergetic relationships. In 2015, then US President Barrack Obama extended the federal legislation, which enforces AGOA until 2025.

EVOLUTION OF THE PARTNERSHIP

Initially, AGOA appeared to be a successful trade agreement, with African exports rising to a record high of US$ 82 billion in 2008. However, despite various inroads made, total AGOA exports have steadily contracted since 2012, hitting a low of just US$ 20 billion in 2017. Generally, diversification has not been as successful. Analysts argue that, due to the fact that exports from many African economies are largely limited to raw materials, they are unable to adequately make use of provisions in the agreement regarding semi-manufactured and fully manufactured products. Critics have further argued that the fact that crude oil continues to account for the vast majority of African exports, the benefits of AGOA are felt only by the oil and gas industries. Proponents of AGOA will, however, counterargue by noting that non-oil trade between the US and Africa has risen from US$ 13 billion to US$ 30 billion, while non-oil exports – including apparel, automobiles (primarily from South Africa) and some processed agricultural products – hit a record high in 2015 of US$ 4.1 billion.

LEADING NON-OIL EXPORTS UNDER AGOA - 2016 VS 2017



Overall, trade between the US and Africa is on the rise, though a lot is still focused on the export of raw materials. In order to benefit more, Africa needs to increase trade in fully- and semi-manufactured goods. Data courtesy: Agoa Info

SECTION 2

Non-oil trade between the US and Africa has risen from US$ 13 billion to US$ 30 billion, while non-oil exports – including apparel, automobiles (primarily from South Africa) and some processed agricultural products – hit a record high in 2015 of US$ 4.1 billion.

Policy assessment of the document also noted certain irregularities in the framework of the document. Early policy reviews of AGOA by World Trade Organisation (WTO) found beneficiary eligibility to be "not only dependent on objective criteria related to the development status of individual countries." WTO also questioned what "political and non-objective criteria" played a role in determining eligibility and benefits. Concern is high about the fact that the discretion to grant or revoke beneficiary status lies with the US president and that the lack of clear and objective criteria places beneficiaries in a precarious situation. This is even more evident when looking at international laws as AGOA is governed by national law and not WTO or international law principles. In essence, beneficiaries do not have the right to counterargue the US, should a beneficiary be deemed ineligible to participate.

South Africa was one of the countries that expressed concern with regards to the terms of trade between the nation and the US. Going forward, African countries need to become more strategic regarding the type of trade it conducts with the North American nation. Image courtesy: Flickr/GovernmentZA

AGOA BEYOND 2025

That AGOA is enacted under US Federal law and periodically relies on a bipartisan and an often adversarial government to vote on the Act's extension or even termination raises concerns about AGOA's legal efficacy. This is also particularly important in light of the new Trump administration, known for their 'America First' stance. Having already pulled the US out of the Trans-Pacific Partnership trade deal and having signalled his intentions to renegotiate other key trade deals, such as the North American Free Trade Agreement, under the Trump administration, AGOA beneficiaries have some cause for concern over the current 2025 AGOA deadline.

Africa has not featured prominently on Washington's radar, though the 16th AGOA Forum was hosted in Lomé, Senegal, on 8-10 August 2017. The forum, however, ended with no clear indication of the prospect of AGOA post-2025. Regardless of the Act's future, there have been calls for the US to move beyond AGOA and towards establishing a more permanent reciprocal relationship through the creation of free trade agreements with Sub-Saharan countries.

BREXIT: CHALLENGES AND OPPORTUNITIES FOR AFRICA

In a decision that shocked the world and sent global markets plummeting in June 2016, the United Kingdom (UK) voted to leave the European Union (EU). Though various segments of society and government eventually rallied against this motion, now commonly referred to as Brexit, the immediate impact and effect on global markets provided a glimpse into the uncertainty the EU, the UK and the rest of the world would face as both aforementioned parties seek to re-engineer the legal and economic ties which have bound them since the UK joined the European Economic Community in January 1973. On 29 March 2017, UK Prime Minister Theresa May triggered the Article 50 provision, providing official notification to the European Economic Commission of the UK's intention to leave the EU, starting the two-year time limit on completing this process.

DIRECT IMPACTS FOR AFRICA

Africa has a long cultural, economic and trade history with the UK, which will have some impact on the continent as a whole, though some countries will be more affected than others. While exports to the UK only accounted for 2.6% of the continent's total exports in 2017, some African countries are more exposed to the UK and their impending market reforms. The UK is one of Kenya's largest investment partners, while Egypt, Nigeria and South Africa are the three other most-important trade partners of the UK who will all be impacted in some manner or form, depending on policy and trade deal renegotiations. Due to existing post-colonial economic and political ties, Francophone Africa will likely feel the impacts of Brexit to a lesser extent than the rest of Africa.

Immigration was one of the key factors in the Brexit referendum decision and is one that will certainly affect policy development. A number of African countries – including Kenya, Mauritius, Nigeria and South Africa – benefit considerably from remittance flows from the UK. Additionally, the International Monetary Fund's Coordinated Direct Investment Survey notes that the UK is one of the top five economies investing in Botswana, Nigeria, Uganda and Zambia. These and other countries are likely to face investor uncertainty, given the need for the UK to give more attention to domestic policy and bilateral relationships over foreign policy and multilateral engagements.

Despite widespread protests across the UK, the 2016 referendum outcome remained one of leaving the European common market in favour of bilateral trade agreements with the block. The impact for Africa could be positive in the long term, given targeted policy development in trade relationships with the UK. Image courtesy: WikiCommons

Predictions by analysts point to immediate risks of a potential economic slowdown in the UK, which will result in decreased demand for African products to the market. A UK reduction in demand for imports from African countries will have adverse impacts on economies which have a relatively strong trade relationship with the UK. For example, in 2016, US$ 391 million of Kenya's total exports of US$ 5.25 billion were destined to the UK.

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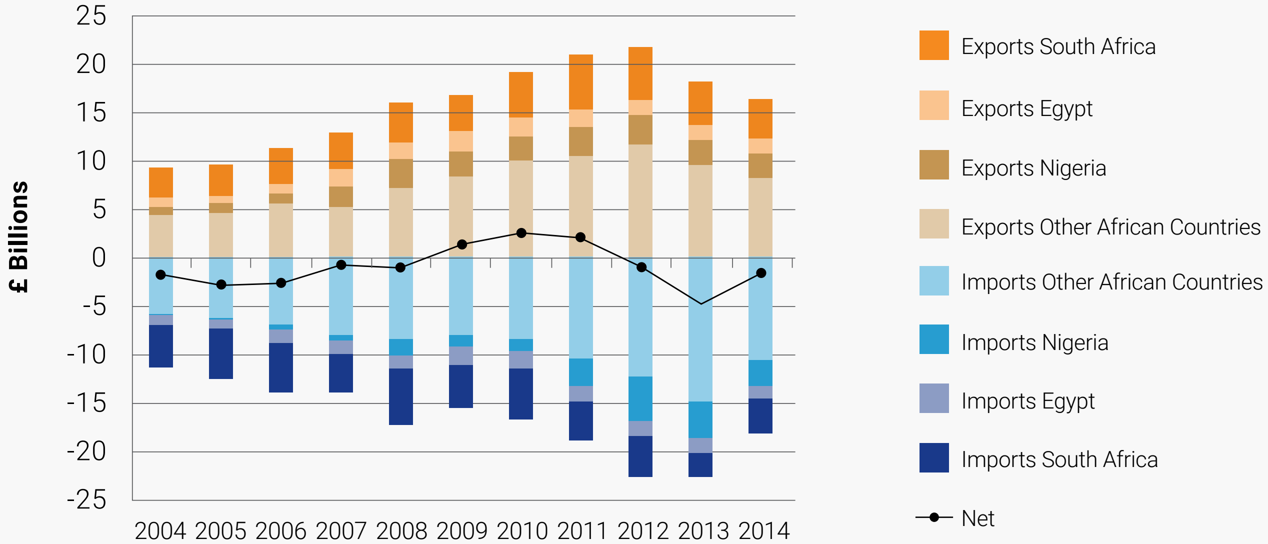
TRADE DEAL NEGOTIATIONS: WHAT ARE THE OPPORTUNITIES FOR AFRICAN COUNTRIES?

Shortly after the referendum decision, Prime Minister May established the Department for International Trade, which will negotiate trade agreements between the UK and non-EU countries. Africa's trade relationship with the UK is currently governed by their agreements with the EU. However, whether or not the EU and the UK agree on a 'soft' or 'hard' Brexit, African countries must be prepared for the eventuality that some or all of the agreements will need to be renegotiated. Hot on the heel of Prime Minister May, Minister of State for Trade Policy, Mark Price, stated in August 2017 that "the UK's withdrawal from the EU does not signify a withdrawal from the world, but an increased openness – and that long-held commitment remains steadfast."

The UK's position and need to reassert themselves in the global economy provides Africa with greater leverage in negotiating more beneficial trade agreements.

Trade analysts urge that African leaders will fare better in the negotiations by banding together under larger trading blocs – like the East African Community, the Economic Community of West African States and the Southern African Development Community – as opposed to countries separately negotiating bilateral agreements with the UK. The collective bargaining power inherent in the continent's regional trading blocs would offer greater protection and leverage in negotiating with the UK.

UK TRADE WITH AFRICA BROKEN DOWN BY COUNTRY (2004 - 2014)



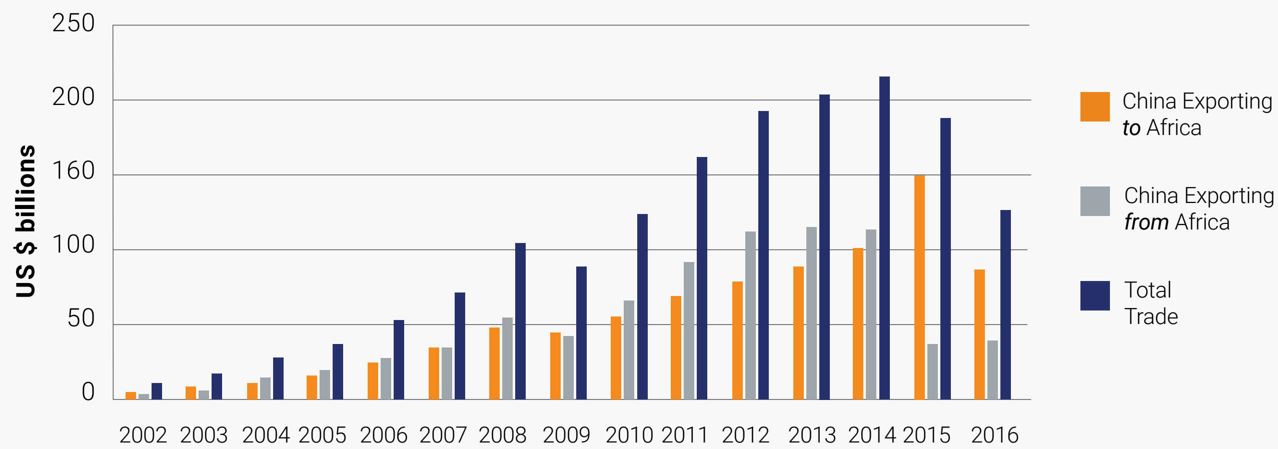
Notably, trade between the UK and key African countries is increasing. The largest trade partners on the continent include South Africa, Egypt and Nigeria. Data courtesy: Office of National Statistics

CHINA-AFRICA TRADE:
RESOURCES FOR DEVELOPMENT

To catalyse their economic aspirations in Africa, China hosted the first Forum on China-Africa Cooperation in October 2000. Attended by government representatives from the African countries whom had diplomatic relations with China, the official event laid the foundation for a close trade and investment relationship, exposing China to the resource-rich states of Africa. Since then, China has gone on to become a global economic powerhouse, as well as a significant source of investment and financing for many African countries. This growth of Sino-Africa relations was most evident in the early years of the partnership, when Sub-Saharan Africa's GDP neared 7% due to rising demand from China, particularly in terms of commodity exports. Likewise, Chinese firms have thrived on the continent in sectors such as mining, infrastructure and telecommunications. However, due to various contributing factors, this growth has waned in recent years, raising questions about the future and the value of this partnership for African countries.

TRADE RELATIONS SKEWED TOWARDS EXTRACTIVES

Despite being Africa's largest trading partner (surpassing the United States of America in 2009), the continent continues to have a worrying trade deficit with China – recording a US$ 34 billion deficit with a total trade of US$ 172 billion in 2015. Additionally, upon closer examination, a further trade imbalance exists, with an estimated 90% of Chinese imports from the continent being raw materials – such as copper, crude oil, iron and zinc – while 51% of Chinese exports to Africa are diversified to include manufactured goods, equipment and machinery. Additionally, in 2015, the General Administration of Customs of China (GAC) announced that China's total imports from Africa had amounted to roughly US$ 67 billion – a contraction of almost 40% from 2014. This is concerning for the continent as China continues to experience an economic slowdown amidst rising external debt, a global weakening in commodity prices, sustained excess capacity in heavy industry and the introduction of structural reforms aimed at stimulating domestic consumption, all of which have negatively impacted the demand for African raw materials.



Though trade has grown considerably in terms of value over the last two decades, it has been considerably skewed toward a relationship of resource extraction, in exchange for infrastructure development. Data source: UNCTAD

China's total imports from Africa had amounted to roughly US$ 67 billion – a contraction of almost 40% from 2014.

Resultantly, countries that benefit the most from China's economic expansion are now the countries that are affected the most by China's decreased demand for commodities. According to data from the United Nations Conference on Trade and Development, the top three exporters to China in 2016 were South Africa (US$ 22.2 billion), Angola (US$ 14 billion) and the Republic of Congo (US$ 2.3 billion). South Africa is one of the only countries in Africa with a diversified economy, insulating the country relatively well, particularly when compared to Angola and the Congo, whose economies are highly dependent on mineral outputs.

Nonetheless, China's influence on the continent shows no signs of waning as Africa's dependence on Chinese imports continues to grow, despite the decrease in exports to the country -– GAC data noted a 3.6% increase in Chinese exports to Africa in 2015, totalling US$ 102 billion. This highlights the need to introduce structural reforms to create a more-balanced trade relationship between Africa and China. However, no single panacea is likely to achieve this, and a range of interventions and approaches is likely required to better balance the China-Africa trade relationship.

China is not only a key trade partner to Africa, but also a major roleplayer in the continent's development through various infrastructure initiatives over the last two decades. This year will bear witness to the 7th iteration of the Forum on China-Africa Cooperation (FOCAC) will take place later in the year. Image courtesy: Flickr/GovernmentZA

THE FUTURE OF SUSTAINABLE AFRICA-CHINA TRADE RELATIONS

African economies must introduce more risk-mitigation strategies to better protect their economies from changes in Chinese policies and their impact on domestic economic growth and material demand. There is considerable benefit in diversification to include value-added aspects of raw material processing, to create a synergy with China's and the world's material import needs, as well as trends in global value chains. Another key benefit for Africa lies in the continent's burgeoning youth population, which is the continent with the youngest population. However, natural resource dependency cannot reasonably support the need to create additional employment opportunities for the youth. Consequently, the benefits of economic diversification through the transfer of technology cannot be overstated.

Political winds of change across the continent have also seen rising investment in Africa's infrastructure development. In December 2015, China's President Xi Jinping pledged US$ 60 billion for infrastructure development in Africa. However, a critique of this pledge relates to whether or not the funding will take the form of FDI or follow the current status quo, as has been common practice for Chinese investment in Africa, and be administered through concessional loans. What eventually manifests from these investments will be, in large part, dependent on how African leaders articulate, implement and negotiate for tangible, long-term, sustainable economic growth of their countries, in order to ensure they too reap the benefits inherent in both the construction and in the management of relevant infrastructure development.

GBR PLATFORM

CENTRAL DATABASE

SMALL MEDIUM ENTERPRISES (SME) PORTAL	TRADE & INVESTMENT PORTAL	PROCUR PORT
EDUCATION PORTAL	EVENTS MANAGEMENT PORTAL	GLOBAL FUNI (GFFJ) P
MEMBERS FORUM	BANKING SYSTEM	REPORTS MA PORT

EMENT TAL	MENTORSHIP / COACHING PORTAL	JOBS / EMPLOYMENT PORTAL
D FOR JESUS PORTAL	COMMUNICATIONS PORTAL	INTERCESSION PORTAL
NAGEMENT TAL	PEOPLE MANAGEMENT PORTAL	SPIRITUAL TRAINING & DEVELOPMENT

The Global Business
ROUNDTABLE

DELVING INTO INVESTMENT OPPORTUNITIES: **KEY DEVELOPMENT SECTORS**

MINING IN AFRICA – DIGGING DEEPER

Some of the world's top mining companies operate in Africa, including Anglo American, Exxaro, Rio Tinto and Vale. Currently, however, the same mining companies are faced with the challenge of improving their production strategies amidst a consistent downturn in demand for raw materials. Other large players in the African mining space – such as Acacia Resources, Impala Platinum, Palinghurst Resources, Platinum Group Metals and Sibanye-Stillwater – are all under pressure from the need to weather global market slump in the coming year. This, coupled with the increasing global drive to modernise the sector, which includes the full mechanisation and digitisation of certain operations, has placed numerous mining communities in a precarious situation. Additionally, they are left out, as large-scale mining investments have not always led to the generation of local employment opportunities nor have they contributed significantly to poverty alleviation. To decrease these challenges, many countries have initiated a strong drive to align mining policies with development goals, while looking to remain cognizant of the evolving nature of the industry.

POLICY REFORM IN THE SECTOR ACROSS AFRICA

Economies across Africa are positioning themselves to capture the potential that extractive industries will hold as global demand picks up. Among them Kenya and Nigeria have placed strong emphasis on growing the participation of the nascent mining sectors, while Tanzania has looked to institute strong policy reform to tackle environmental challenges, and issues surrounding beneficiation ahead of a cycle upturn.

KENYA

- Kenya is making regulations more flexible to attract investment to the sector.
- Strong reform of the country's mining laws saw a revision of the Mining Act in 2015 to provide a more investor-friendly environment through additional streamlining of policies.
- Revisions to the country's mining laws have now made provision for more adequate beneficiation by mining communities, with an aim to ensure more targeted development

NIGERIA

- Under pressure to institute economic diversification, the country has implemented policy reform to attract investment in revitalising the mining industry.
- Though more recent revisions to the Mineral and Mining Act did little to incentivise participation, since 2016 the stronger emphasis on diversification has seen more positive change.
- The Federal Ministry of Mines and Steel Development issued a revised sector growth plan in 2017 inclusive of strategies for rapid development, and an emphasis on midstream activities such as processing and beneficiation which include local content requirements.

TANZANIA

- In July 2017, reform of existing policies was instituted with an aim to create greater transparency and increase beneficiation.
- Greater ownership by the state and increases in royalties were just some of the effects felt, particularly within the gold mining sector.
- Though these reforms have had an initial negative effect on the industry, the current outlook is positive, with government likely to allow for flexibility depending on negotiated investment deals.

Though this modernisation of the industry will create new jobs, there is a need to attract investment towards skills development initiatives, while also loosening government regulations to provide a more conducive environment to do business.

MINE MECHANISATION AND MODERNISATION IS NEEDED GOING FORWARD

Despite the increasing policy reform within Africa's mining industry, this remains only one area which is in need of attention. The commodity price slump, due to decreasing demand on the back of a slowing Chinese economy, has pushed many mining companies across the world to tighten their expenditure and make operations more efficient and productive. The fourth industrial revolution is also being increasingly integrated into the sector, with an aim to optimise systems and evolve the industry into a leaner and more cost-effective operation. Though this modernisation of the industry will create new jobs, there is a need to attract investment towards skills development initiatives, while also loosening government regulations to provide a more conducive environment to do business.

South Africa is one country that has, in recent years, begun to place greater emphasis on mining mechanisations and modernisations. As minerals have become more difficult to access, so too has the drive towards increasing efficiency in mining operations risen. Greater rollout and implementation of mechanisation has the ability to extend the life of a particular mine. Economic viability of mining also increases, while mitigating start-up costs and lead-up time to profitability, as well as increasing safety precautions and decreasing accidents in high risk areas. As an example, the operations of Randgold Resources at their Kibali mine in the Democratic Republic of Congo have seen a 29% drop in quarter-on-quarter injuries. At present, the Kibali mine is Africa's most-mechanised mine that includes an automated ore-handling and shaft system, driverless loaders and monitoring drones. Skills development of staff is still a high priority at the mine, with mine ownership transfers expected in June 2018.

As underground mining becomes increasingly more difficult, utilising improved technologies and methods of mining will prove critical to the survival of the industry. Image courtesy: WikiCommons

ENERGY IN AFRICA – CAPTURING EXISTING POTENTIAL

Despite massive infrastructure investments made over the last two decades, Africa's energy sector continues to struggle. In 2017, an estimated 625 million Africans – or 70% of the total population of the continent – did not have access to electricity, with 25 countries experiencing frequent power crises, outages, irregular supply and surging electricity costs. Despite accounting for 13% of the world's population, Africa only accounts for 4% of energy demand, with access to electricity varying widely across the continent – 12% in Guinea against 100% in Mauritius. The electrification rate for urban versus rural Sub-Saharan Africa also remains heavily tilted toward urban areas, with 69% of urban dwellers having access against 25% of their rural counterparts.

Overall, however, generation capacity has increased by 21% to reach a total of 115GW between 2010 and 2015, with China accounting for 30% of this growth. Access to electricity has similarly risen from 13% to 27% in Ethiopia, 27% to 55% in Kenya and 45% to 56% in Nigeria. Hydropower has been one of the key development areas pertaining to increasing electricity access, with a number of African countries looking to increase the participation of this energy source. Some key examples include the planned addition of 4.8GW of new generation capacity to the Inga Dam through the Inga III project in the Democratic Republic of Congo and the Grand Ethiopian Renaissance Dam, which is currently at 63% completion and holds a projected generation capacity expected to reach over 6GW. Similarly, greater emphasis is being placed on incorporating renewable energy resources into national grids while also taking into account grid modernisation and decentralisation.

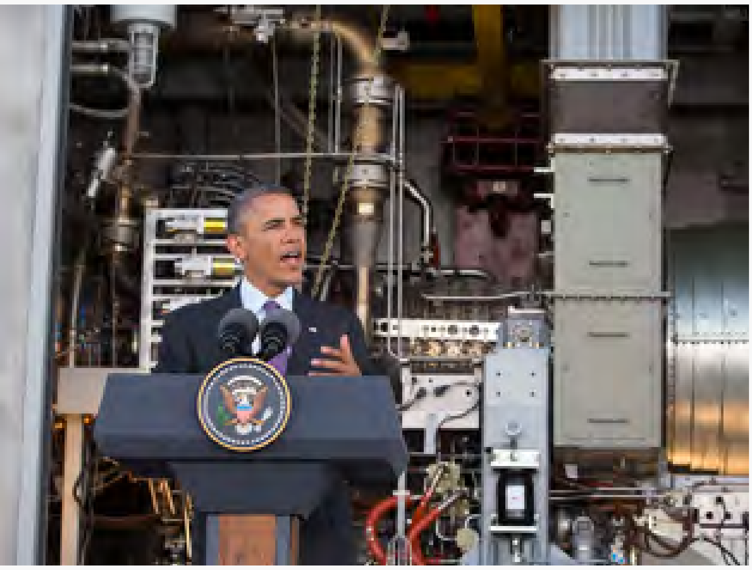
ONGOING INITIATIVES AND AREAS OF INVESTMENT

The African energy sector has been positively impacted by various international agreements and foreign investment. In 2013, then United States of America (US) President Barack Obama launched the 'Power Africa' initiative to support a joint global effort to electrify Africa. The initiative involves 12 US government agencies, numerous African governments and more than 130 private sector partners. The aim is to add 30GW of new clean electricity generation capacity and 60 million new electricity connections to households across the continent. By 2017, Power Africa had 430 ongoing projects for a total electricity capacity of 33GW. Partner entities have committed more than US$ 52 billion, including more than US$ 40 billion in commitments from private sector partners alone. In 2016, then President Obama signed the Electrify Africa Act, which would ensure the continuation of the plan.

In some variation to the US, Europe operates through multiple initiatives. The Africa-European Union (EU) Energy Partnership (AEEP) is one such initiative aimed at producing tangible results, in terms of increasing power generation capacity, and is one of the most active on the continent. One example of the initiative at work is the Geothermal Risk Mitigation Facility, launched in April 2012, backed by an initial US$ 61 million (at 2018 exchange rate) to encourage investment and public-private partnerships. The partnership is comprised of funds collected through the African Union Commission and the German development bank, Kreditanstalt für Wiederaufbau, which is working on behalf of the EU-Africa Infrastructure Trust Fund.

Hydropower has been one of the key development areas pertaining to increasing electricity access, with a number of African countries looking to increase the participation of this energy source.

The Tekeze dam project in Ethiopia is one example of the growing participation of hydropower in Africa. Image courtesy: Flickr/Paul Snook



During his visit to Africa in 2013, former US president Barrack Obama launched the Power Africa initiative aimed at electrifying the continent by 2030. Image courtesy: Flickr

Though China, too, has invested in Africa's infrastructure development more broadly, the Asian country does not publish comprehensive data on their official finance to Africa, making the tracking of China's investments in Africa's energy infrastructure more difficult. Estimates do, however, note China's finance to Sub-Saharan Africa's energy sector at more than US$16 billion over the period of 2000-2012, with 61% of this investment going toward hydropower projects.

LOOKING AHEAD

Although Africa's energy sector still has a way to go, efforts are being made to improve generation of and access to energy holistically, as there is an evident increase in the rate of electrification and total share of access. Utilising hydropower as a key source is a good strategy in the long term but should be packaged with short- to medium-term projects that increase electrification through off-grid power generation. Moving away from centralised power generation sources is an additional solution to the unequal electrification rate for urban versus rural Africa. Investments will continue to be necessary in the development of Africa's energy sector, with key international initiatives, such as Power Africa and AEEP, likely to still play a major role in this regard. However, also of importance for African states will be the development of conducive policy environments that attract investment in the right areas.

ICT IN AFRICA – GROWING TRANSCONTINENTAL CONNECTIVITY

Neil Smith is a senior consultant with IOA and has worked in the telecommunications market for the last 30 years, with experience in multiple disciplines including production, quality control, logistics. He has also been involved in business consulting and worked in over 20 countries across Africa and the Middle East on long- and short-term assignments. In 2012, he moved across to KraftTech, an independent consulting firm specialising in telecommunications and civil engineering, as a Principal Consultant.

Q&A WITH NEIL SMITH

How do you think Africa is performing in terms of Information and Communications Technology (ICT) development? Are we any closer to interconnecting the continent than we were five to 10 years ago?

There have been large increases in the number of cellular subscriptions, mobile broadband use and internet use, albeit from a small base. However, as much as Africa develops the industry, it still remains behind the rest of the world, and as fast as we grow, the rest of the world is growing faster and the gap is only increasing. Examining the International Telecommunications Union publication, "Measuring the Information Society" for 2017 shows that, of the lowest 25 ranked countries globally for ICT development, 21 are from Sub-Saharan Africa (SSA). Also, the highest ranked SSA country is Mauritius, and it is in position at 72. South Africa is only ranked 92, down from 88 the previous year. One important development in the last 10 years is the number of sea cables that have been built and are connecting the African continent to the rest of the world. Now, for the first time, there is adequate international bandwidth, and the prices of internet and other international services can come down.

**What can be done about the decreasing ICT gap that persists in rural areas?
What are some of the innovative ways in which access to such areas can be fast tracked?**

The digital divide between the metropolitan and rural areas in SSA is growing. There are several reasons for this, and every one of those reasons must be addressed before we can bridge that gap:

- There is inadequate infrastructure in these areas. This is a result of the low population densities in rural areas compared to metros, and this makes it very expensive to rollout infrastructure in terms of expected revenues.
- There is a major problem with education in rural areas, especially technical education, so people do not have the technical capacity to use anything more complicated than a simple feature phone. Illiteracy is another major issue in this regard which inhibits greater use of ICT technology.
- The young who are the most technically literate and interested in ICT are leaving the areas, making the lack of technical expertise worse.
- The price of appropriate devices for use in these areas, even the cheapest Chinese smartphones, costs around US$20 to make. Such devices are out of range for most rural people across the continent.
- The last and probably most important factor is the fact that generally people in the rural areas have no use for modern ICT, and even if it is provided, lack of adequate knowledge on operations inhibits greater uptake and use.

The only way that this divide can be addressed is by a holistic solution that includes both private industry and the government.

- The lack of infrastructure must be tackled by both government and private industry, and not only one or the other party.
- Government and private industry must rollout e-services to rural communities. The government can rollout e-health to the clinics, e-education at the schools and e-government applications. Things like e-education, internet and other services must be made available to the whole community so that they see the value in ICT and start using it for their own development.
- We cannot develop ICT infrastructure in isolation. I believe it is just part of a bucket of services that must be taken to the community. I have always had a vision of a containerised community solution that one could bring to rural areas.

SECTION 3

Now, for the first time, there is adequate international bandwidth, and the prices of internet and other international services can come down.

Where do you believe investment is most needed in further developing ICT infrastructure across the continent? Should it be focused more on evolving fixed line connectivity or moving directly to mobile?

I think that investment is needed in both fixed line and mobile. Mobile is the best access technology for African networks. It is totally uneconomical to build access networks with fixed technologies; the costs are prohibitive and the bandwidth that fixed networks can provide are matched by the new 4G and 5G mobile networks. Mobile is much cheaper as an access technology. However, to provide those high bandwidths on the access side, a fibre core network is required to carry the traffic. Resultantly, investment is required on fixed line core networks.

What are the common mistakes that are made when implementing ICT projects in Africa? Do concepts/ideas link with the reality on the ground?

I think there are a couple of key mistakes that people make when implementing ICT projects. The first is that people do not consider ICT as a part of a larger ecosystem and that is often forgotten. Yes, broadband does help develop a country's economy, but so does supplying fresh water, sanitation and reliable electricity. Also, often people forget that they are different to the people they are trying to help, in terms of culture and experiences. People forget that African people are from a community-based culture and things must be done in a certain way. We cannot bring our ideas based on first world individualistic views and presume that they will work in a community culture where the leader is the prime authority. I don't think concepts and ideas link with reality on the ground because of the previous point. We generally have very different ideas and reality to those on the ground and so we miss each other.

Providing adequate access to education through the added use of technology has mass potential to fast-track development across the continent. The greater rollout of ICT infrastructure needs to keep this objective in mind. Image courtesy: WikiCommons

With inadequate infrastructure (i.e. lack of affordable broadband, regular electricity), what do you believe is necessary to facilitate the development of successful start-ups in the ICT space?

The first thing to realise is that, generally, ICT is a very capital-intensive business, and it costs billions to set up mobile networks, and basically with the four we have got in South Africa for example, we have more than enough capacity and coverage. To go and build additional mobile infrastructure is a waste of money. What is needed is the development of small businesses to work alongside the big companies. A very successful idea that works well in India is the Geek Squad. There, small businesses generally run by a single individual, install and maintain business and home networks for private customers. They get a defined area and travel around by bicycle and look after the ICT of the people in the area. Taking the container concept explained earlier, people should be responsible for those containers in an area and maintain and service them. These containers could also be used by a community as an e-portal. They could start to develop home industries to sell through and have other community members pack and deliver goods. The basic thing that needs to be provided to build successful start-ups is seed capital, training of people in basic business skills and mentoring until they are ready to move on their own.

AGRICULTURE IN AFRICA –
STIMULATING GROWTH IN FARMING

Agriculture is central to prosperity. Many regions in the world have a diverse, modern economy due to having first established a successful foundation in agriculture. In Africa, close to 70% of the population is involved in agriculture, with smallholder farmers working on parcels of land which are, on average, less than two hectares. Africa's agricultural sector is said to be looking favourable. However, the collapse of oil prices has positioned food security and agricultural development at the forefront of political and economic agendas across the continent. Africa's food market continues to grow, with the World Bank appraising this market's worth to reach US $1 trillion by 2030 – an increase from the current US$ 300 billion. The demand for food is also projected to at least double by 2050.

Chaired by former UN Secretary General, Kofi Annan, the Green Revolution looks to stimulate sustainable growth within Africa's agriculture sectors. The progress panel convenes annually to discuss strides made toward this goal as pictured here during the 2014 meeting of organisation. Image courtesy: Flickr/Africa Progress Panel

THE GREEN REVOLUTION

The Green Revolution push is premised on the argument that Africa has massive underutilised reserves of natural resources and that sufficient food can be produced to feed a growing and increasingly urbanised population. The foundation of this approach was laid by the Comprehensive Africa Agriculture Development Programme under the auspices of the African Union in the early 2000s. As such, a common Africa-wide framework for the modernisation and commercialisation of African agriculture has emerged. This paradigm was driven by the formation of the Alliance for a Green Revolution in Africa in 2006. Green Revolution policies that are being implemented promote modern seed varieties and inputs to boost the production of marketable crops. The idea is to raise farmers' incomes and develop their country's economy in tandem with combating poverty.

Debate surrounding the ambit of commercialising and modernising African agriculture has increased in more recent years. Proponents of the Green Revolution believe that commercialising the agriculture sector will encourage and assist African farmers in transitioning from farming as a way of life to farming as a business. Opponents have dubbed this paradigm as 'imposed innovation', as the livelihoods of small-scale farmers are not entirely dependent on income but rather access to farm land, good social relations and autonomy to make decisions on how to best use available resources. African smallholders produce to feed their local communities and markets. Green Revolution policies impose on the livelihoods of farmers through reducing their level of autonomy when farming. These policies dictate which crops are to be grown in which region and aim to promote the widespread use of new seeds and input technologies.

Proponents of the Green Revolution believe that commercialising the agriculture sector will encourage and assist African farmers in transitioning from farming as a way of life to farming as a business.

EUROPEAN UNION CHICKEN DUMPING AND BREXIT

The European Union (EU) is a key market for food and manufactured products coming from Africa. Both food and manufactured products account for 51% of Africa's exports to the EU. Exports of food and manufactured products to the EU has increased continuously since 2013. Critics of the trade agreements between the EU and Africa have accused the EU of abusive agricultural trade agreements with the continent, as well as other developing regions. They hold that the EU's approach is predatory in nature and has devastated poultry farmers and producers in Africa. At the promise of barrier-free access to trade with the EU, many African countries have been persuaded to lower their own trade barriers, which protect sensitive agricultural industries, such as poultry. Resultantly, EU poultry producers dump unwanted chicken products, which are deemed to be below EU standards, in African markets. African countries who have been subject to this approach include Ghana, Senegal and, more recently, South Africa. Jobs decline as local industries are swamped by the flood of imports. What remains is the EU promotion of agricultural development in countries where the EU exporters are flooding agricultural industries with cheap imports.

The current 'Brexit' motions of the United Kingdom (UK) moving out of the single EU market provides an opportunity for African nations to collaborate by allowing them to leverage their position and collective bargaining power. In the context of the Common Agricultural Policy (CAP), African countries could be allowed to negotiate fairer trade deals. CAP aims to promote European agriculture through increasing famers' incomes and supporting the provision of public goods, such as preserving the environment. Nonetheless, CAP has been criticised for the impact that the Policy has on developing countries. Critics hold that the subsidies keep prices artificially low, mainly for grain traders, and as such, developing country farmers cannot compete. While farmers only represent 3% of the EU's population, they receive 30% of the EU's total budget through CAP handouts. The heavy subsidising of EU farmers results in negative impacts on the competitiveness of African farmers. In this context, Brexit can afford African nations the opportunity to better bargain against an isolated UK, and an EU that offers a single market reduced by the UK's absence.

ANGOLA

- In the 1970s, Angola was one of Africa's leading farming nations. By the end of the civil war in 2002, the agriculture sector was contributing just 12% of GDP.
- The Food and Agriculture Organisation at the United Nations named Angola as one of the top five nations with strongest agricultural potential in the world.
- While subsistence agriculture is the main form of livelihood for most of Angola's population, more than half of the country's food is still imported.
- The government has established several publicly announced target areas for development in this sector.

RWANDA

- In 2016, 70% of Rwandans derived their livelihoods from the agriculture sector. The sector constitutes 90% of employment opportunities in the economy.
- Rwanda's agricultural exports generated revenues amounting to over US$ 304.6 million from January to September 2017.
- Rwandan agriculture, as is the case with most tropical farming, is largely rain-fed and cycles of planting and harvesting are subject to the vagaries of nature. Droughts can exact a heavy toll, while heavy rainfall can wash away standing crops, pushing farmers deeper into poverty.

BURUNDI

- Agriculture accounts for over 40% of GDP and employs more than 90% of the population.
- Burundi's economy relies mainly on subsistence agriculture, which is less vulnerable to external shocks.
- Investment in modern processing facilities for coffee and tea would move the value chain online and create value for Burundian smallholder farmers.
- The main obstacles to agricultural modernisation are heavy land pressure in terms of agriculture, erosion, land conflicts and a lack of access to modern farming.

SMES:
DRIVING AFRICA'S DEVELOPMENT

ARTISANAL MINING AND OPPORTUNITIES FOR DEVELOPMENT

The Africa Mining Vision (AMV) is one of the main policy framework created in 2009 by the African Union widespread participation of ministers across Africa to ensure that Africa utilises their available minerals resources strategically. The AMV recognises the contribution of artisanal small-scale mining (ASM) and the effects brought about by this style of mining to the economic development of countries. Small-scale mining and artisanal mining is generally informal, and encompasses a small group or individuals and normally takes place illegally. Throughout Africa, ASM produces more than 35 different minerals, including coltan, gemstones and gold. In South Africa, an estimated 10% of gold production comes from small-scale and artisanal mining, with the government considering the formal legalisation of this portion of the mining industry.

However, ASM does have certain negative impacts. For one, this work affects the health of miners, due to the lack of safety equipment and protective clothing. Additionally, small-scale miners do not have access to the necessary mining equipment to execute the work efficiently and increase productivity through their operations. Nevertheless, where African countries have sought to legalise ASM, they have benefited. For example, Ghana legalised small-scale mining in 1989, which has since contributed some US$ 460 million to the economy.

Often times, artisanal miners have limited access to advanced equipment, and are forced to di through tonnes of rock for minimal reward as pictured above. Such technology could however increase productivity within the industry considerably, and offer employment opportunities to many. Image courtesy Flickr/Julien Harneis/International Institute for Environment and Development

By 2014, over a third (34%) of Ghana's gold production industry was operated by artisanal mining activities.

OPPORTUNITIES AND CHALLENGES IN GHANA

Ghana is one of the top mineral producers in Africa. The country deals with the production of bauxite, diamond, gold and manganese, as well as oil. Ghana is ranked the second-biggest gold producer in Africa and the tenth-biggest gold producer in the world. By 2014, over a third (34%) of Ghana's gold production industry was operated by artisanal mining activities. This portion of the sector also provides jobs to some 1 million Ghanaians and an estimated 3 million dependents. Legalisation of such mining activities has become a focal topic in the industry in recent years, as the Ghanaian government looks to formalise this area of the sector by creating opportunities for investment and access to financing.

Regulation is the first step towards achieving this goal, with concerns surrounding environmental damage and child labour, which are currently holding progress back. In partnership with government though, and while some ASM operations have started to participate through acquiring the requisite licenses, others still continue to operate unabated. In August 2017, the Ghanaian government put a temporary ban in place on the sector with an aim to reign in those that are not abiding by legislation. The hardest hit by this policy were the gold and diamond industries. By February 2018, this had cost US$ 551 million in losses, according to the Ghana National Association of Small Scale Miners.

Tony Aubbyn, Chairman of the Learning and Leadership Group, discusses small-scale mining and lessons learnt in Ghana, during an action dialogue with his Tanzanian counterparts in November 2017. Image courtesy: Flickr/International Institute for Environment and Development

CASE STUDY: THE SOLIDARIDAD NETWORK

The global Solidaridad Network, in partnership with Ghanaian leaders, launched the 'Going for Gold' partnership in early 2017, aimed at empowering women to participate in the ASM sector. This is not the organisation's first initiative in the country, who have been operating in Ghana since 2012, supporting the sustainable development of artisanal mining in the country. The Solidaridad Network has been providing support to small-scale mining through their 'Gold Programme', aimed at fostering sustainable livelihoods in mining communities. Beneficiaries, such as Dankete Mine, are able to improve safety measures, environmental impact and livelihoods in surrounding areas to the mining activities.

INDEPENDENT POWER PRODUCERS (IPPS) – GROWING ELECTRIFICATION THROUGH SMALL BUSINESS INVOLVEMENT

Dr Richard Meissner is a senior consultant at IOA, and a senior researcher in the Natural Resources and Environment Unit at the CSIR. He holds a Doctoral Degree in International Politics from the University of Pretoria. Richard specialises in the analysis of transboundary river basins focusing on the complexities and interactions between and among non-state actors, international organisations, and state/government organs.

Q&A WITH DOCTOR RICHARD MEISSNER

What is the current status of renewable energy infrastructure development in Africa? What are some of the initiatives that are starting to take shape across the continent in terms of increasing the participation of renewable energy?

Because Africa has vast renewable energy sources, the potential for renewable energy development lies across the entire continent. Nevertheless, not all countries or regions have the ability to develop their renewable energy resources for obvious reasons: they do not have the governmental and fiscal capability to kick-start renewable energy development initiatives; they do not have the know-how in terms of technological advancements; all African countries are not equally endowed with all the renewable energy resources; and then there is the traditional, politically unstable climate that could be the death knell of such developments. All these factors contribute to some African countries being better positioned to capture the renewable energy potential they hold than others. Think of the Democratic Republic of the Congo and the Grand Inga Dam in this regard.

More states are moving towards investment in low-carbon technologies and green energy. Where do you think the current investment hot spots are? Are certain countries better positioned to capture the renewable energy potential in comparison to others?

Ethiopia is investing in large hydro-electric dams to produce 'clean energy' and is also planning on commissioning waste-to-energy plants. Kenya has large sources of geothermal and hydro-electricity potential and has started an electricity grid expansion programme. The government is also planning to expand wind and solar generation. Morocco has plans to produce 42% of its energy demand from renewable sources by 2020. Rwanda has plans to develop off-grid renewable energy production, which includes solar. What is important to note about Kenya and Rwanda is that one needs sophisticated electricity grids to 'plug' different sources into. Because they have relatively less-sophisticated grids, as compared to South Africa, they could more easily establish different energy generation sources to absorb surplus energy. For instance, and according to the African Development Bank, Tanzania's Rural Energy Agency received US$ 870,000 to structure its Renewable Energy Investment Facility. This Facility would provide private sector finance to produce for investment in clean energy projects in rural areas.

What are African states doing to regulate the distribution of energy to remote areas effectively, e.g. decentralising grids to include off-grid energy generation and creating an environment that enables private sector investments?

Africa's vast geographical reach and its low population density often mean that where the energy is situated is where it is not in need. Namibia is a case in point. All its perennial rivers form the country's borders with its neighbours. The Kunene River has considerable hydropower generation potential, but Windhoek and other large cities, like Walvis Bay and Swakopmund, are situated hundreds of kilometres away. Although hydropower can be generated using the Kunene River, the electricity needs to be transported over long distances to high density population centres.

Because most African countries have immense geographical areas coupled with low population densities, there is not much room for centralised power producers to expand grids into low population density areas.

South Africa's Independent Power Producer programme has proven the feasibility of decentralising electricity supply to include renewable sources. In which other areas of Africa do you think this model could be replicated? Why is that?

On public-private partnerships (PPPs), I think where it could also work, apart from South Africa, is in countries where we start seeing a move away from conventional power production – using fossil fuels – and where private sector involvement is strongly encouraged in practice. It is important to note that to relax legislative requirements would be one step in getting PPPs off the ground. However, it is not enough and needs to be backed by practices to establish such partnerships. Here again, Kenya, Rwanda and Tanzania come to mind because they have started to practice such initiatives. Having said that, where a potential investor identifies a relaxation in monopolised-style power generation legislation and policies would not be a harbinger for such practice taking shape in future; an investor must also see some action backing up the legislation relaxing rhetoric. So, there has to be some action happening to make any (and certain) conclusions about the establishment of PPPs in renewable energy production.

In your view, what barriers do you believe pose the biggest challenges in terms of progress in the development of power and energy in Africa? What can be done to address these issues?

Because most African countries have immense geographical areas coupled with low population densities, there is not much room for centralised power producers to expand grids into low population density areas. These are particularly the case with countries situated in arid areas, like the Sahara, Sahel and Southern Africa. It is too expensive to extend electricity grids into such low population density areas because it is not cost effective, making such endeavours too expensive. These regions that I mentioned here are also 'blessed' with an abundance of solar energy. Even so, and since large power producers do not normally have an appetite for expanding energy grids, this could leave room for micro and small enterprises to penetrate the area of small-scale energy generation and distribution. This could open the opportunity for private enterprises to generate and distribute energy at a localised level or, where feasible, go into partnership with large power producers to tap into economies of scale for establishing and sustaining ventures that also generate renewable energy as opposed to conventional electricity generated by burning fossil fuels.

In implementing a decentralised power-generation model, where do you believe are the best opportunities for small businesses to become more involved? It appears that central utility service providers hold a monopoly grip on generation capacity, but is there perhaps more room to manoeuvre in the fields of transmission and distribution?

I believe rural and peri-urban areas with low population densities could hold the key for small businesses to expand into, using mostly, but not exclusively, low-tech materials instead of expensive ones, like photovoltaic cells. However, solar power is not the only renewable energy source. There could also be opportunities in the fields of wind, small hydropower schemes (in water abundant areas), geothermal (predominantly around the Great Lakes region and other areas of non-volatile volcanic activity) and ocean current energy generation (for countries with access to the sea and Africa's island states).

The Agahozo-Shalom Youth Village in Rwanda provides 8.5MW of power to surrounding areas and providing much needed off-grid electricity solutions in the country. Image courtesy Flickr/IIP Photo Archive

DECENTRALISING THE ICT SPACE

Africa is transitioning from the margins to the mainstream of the global economy. Emerging economies throughout Africa have adopted decentralisation reforms as a part of their policy agenda. Decentralisation has been described as a powerful tool to reduce poverty and create employment opportunities on the continent. This practice is also changing the way in which business is done. A survey by the Economist Intelligence Unit reveals that the use of information and communication technology (ICT) across the world has increasingly become decentralised in more recent years. The rise of the virtual 'cloud' has also accelerated this process. Decentralisation of ICT services, such as service desks and contact centres, has additionally created employment in areas where high levels of unemployment persist. Business can create significant opportunities through stimulating the development of these services in informal and rural areas. Domestic businesses can also make use of these decentralised services in tandem with supporting rural communities to create employment opportunities.

OPPORTUNITIES FOR INVESTMENT IN INFORMATION AND COMMUNICATION TECHNOLOGY

With the evolving technological landscape in Africa, a number of areas for investment exist, which could be further explored for their potential. One such area is the informal economy. The African informal economy continues to grow, with the African Development Bank estimating that 55% of Sub-Saharan Africa's economic activity is of the informal kind. Opportunity exists for start-ups in the informal sector of the economy, where services like small business banking and affordable internet access can be provided. Technological services will be decentralised going forwards, providing an opportunity for informal businesses to grow using services which are within their communities' means. Digitalisation is another area poised for growth. Large corporates are increasingly utilising cloud services to store data and handle processes. This will provide additional opportunities for small businesses to cater for different needs, while also providing partnership opportunities for larger companies that are looking to penetrate rural areas with tailored products and services.

NIGERIA

- The ICT sector is one of the largest in Africa and is driven almost entirely by mobile technology.
- Nigeria ranks number one in internet usage and eighth in the world.
- Two of Africa's most recognised e-commerce start-ups – Jumia and Konga – were founded by Nigerians.

KENYA

- Silicon Savannah is one corner of Sub-Saharan Africa's technology industry.
- In 2017, Kenya's average data connection speed was almost twice as fast as the global average at 13.7mb per second.
- Kenya managed to beat the United States, which had a much lower average of 10.7mb per second.

RWANDA

- In 2017, Rwanda's ICT sector was characterised by key technology innovations, landmark telecom deals and new broadband projects.
- A key moment was when Microsoft announced their testing of low-cost internet technology to increase the use of their digital products in the education sector in Rwanda.

The success of business investments in Africa depend on location and an appetite for risk. Investors should, however, be cognisant of the different legal and regulatory frameworks that exist across the continent.

The success of business investments in Africa depend on location and an appetite for risk. Investors should, however, be cognisant of the different legal and regulatory frameworks that exist across the continent. African governments are prone to using legislation as a means of subverting the use of the internet and social media. For example, in Nigeria, the hashtag #NoToSocialMediaBill was used to protest a proposed law that would either imprison or fine one up to US$ 10,000 if one was found posting an abusive statement on social media platforms. In Tanzania, the government used their cybercrime law to charge five people for criticising President John Magufuli on social media. The political climate in African states will also have an impact on investment. In Ethiopia, for example, investing in the country's ICT sector comes at a risk. In 2016, the government placed restrictions on internet use to crack down on anti-government protests that were organised using social media. In the same year, numerous African governments intentionally disrupted internet and electronic communication. Countries such as the Democratic Republic of the Congo, Ethiopia and Gabon have experienced shutdowns as a result.

CASE STUDY: MAWINGU, KENYA

Mawingu is a leading internet service provider in Kenya. This company is an example of where ICT service provision, such as access to the internet, has been decentralised and connection to Wi-Fi made easier in rural areas via hotspots. Mawingu, the Swahili word for 'cloud', is an innovative start-up that provides Wi-Fi connectivity to rural Kenyans. The start-up uses solar-powered Wi-Fi routers to connect villages to a wireless internet signal known as 'TV white space technology'. The signal is readily accessible yet mostly untapped. Mawingu has also been praised by the CEO of Microsoft, Satya Nadella, for the provision of affordable technology and stimulating the creation of a market for low-cost internet connectivity to rural Kenya. Mawingu sells connectivity for a fee of US$ 3 per month. Even in rural areas where finances are limited, the start-up is finding that the service fee is affordable to people and enables them to grow their own finances. Farmers in rural Kenya have also made use of Mawingu's services to check the market prices of crops. Access to the internet allows them to decipher what to grow and when to sell, essentially bypassing the charges of middlemen.

Mawingu agent, Benson Maina, standing in front of a Mawingu Solar Café in rural Kenya.

Image courtesy: Microsoft News Center

STIMULATING SMALL-SCALE FARMING – GROWING AFRICA'S FUTURE

Agriculture is a sector that is best positioned for addressing the pervasive issue of poverty that continues to plague African states. Small-scale farming has a considerable impact on poverty alleviation, as most farmers in Africa are smallholders, and increases in agricultural output assist in keeping food prices low. To date, small-scale farmers are the world's largest group of local food producers. Investments in sustainable and climate-friendly farming methods can further assist small-scale farmers in playing the fundamental role of feeding their communities. One African case where small-scale farmers have seen success is that of Zambia.

For many in Zambia, small-scale farming is a way of survival. Such subsistence farming methods will need to be gradually transitioned to upscale and participate in the development of the overall agriculture sector. Image courtesy: Zambia Daily Mail

SMALL-SCALE FARMING IN ZAMBIA

The agricultural sector in Zambia contributes about 19% to GDP, while employing three-quarters of the population. Zambia has the makings of a robust farming community, through the country's arable land, water and abundance of human resources. The country has access to approximately 40% of Sub-Saharan Africa's water resources. Domestic production is comprised of crops – such as cassava, maize, millet and sorghum – while exports are driven by beans, coffee, cotton, groundnuts, rice, sugar and soy, as well as horticultural produce. Zambia's territory is 750,000 km2, out of which 58% is classified as medium- to high-potential for agriculture production. Yet, only 15% of this land is currently under cultivation. Three broad categories of farmers exist: small-scale, medium-scale and large-scale. Small-scale farmers are usually subsistence producers of staple foods, with occasional marketable surplus. Medium-scale farmers are producers of maize and any other cash crops, generally sold to the market, while large-scale farmers produce various crops for the local and export markets. In Zambia, most farmers are subsistence or small-scale farmers. Studies demonstrate that small-scale farmers have been instrumental in food production countrywide. With sufficient support, these farmers could contribute significantly to the national food basket.

Small-scale farming in Zambia is dominated by crop production. Cattle is kept for drought purposes and normally slaughtered for home or ceremonial consumption. Animals that are smaller, such as goats, are used primarily as a source of meat for home eating. This type of agriculture is typical for both subsistence and market-related small-scale agriculture. There are many challenges that face these small-scale farmers, such as limited market access, lack of marketing infrastructure and budget, inadequate access to agricultural credit facilities and increasing food prices.

The agricultural sector in Zambia contributes about 19% to GDP, while employing three-quarters of the population.

STIMULATING SMALL-SCALE FARMING: GOLDEN LWIINDI

Golden Lwiindi is a smallholder farmer in Zambia's Southern Province. In the past five years, he has bred more than 50 goats, developed his farm, planted and sold a variety of crops, as well as bought a hammer mill. When speaking about his success, he holds that thinking of farming as a way to make money and not just as a traditional way of life is the important thing. This is to say that farmers must adopt new technologies and methods, crop diversification, good planning and record keeping. Golden has received support from the World Food Programme (WFP), which lends tractors to small-scale farmers and provides them with a market for exporting their goods.

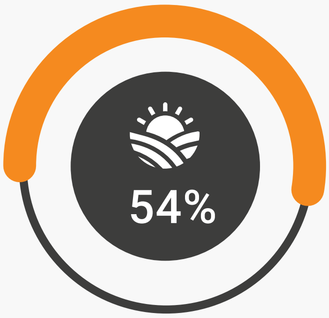
Mr Lwiindi preparing his land for the coming plantation season.

Image courtesy: WFP

ZAMBIA CROP DIVERSIFICATION

of Zambia annual public expenditure is spent on maize input

of Zambia smallholder households cultivate maize



this occupies 54% of it's agricultural land

FUTURE LEADERS – INNOVATIVE ENTREPRENEURSHIP

We brought in Lihle Mabuza, Secretary General of Global Business Roundtable (GBR) Future Leaders, to tell us more about what they do and what exciting programmes GBR youth around the world can expect in 2018.

In a nutshell the GBR Future Leaders, are young people from different walks of life around the globe concerned about realising their purpose and full potential. They believe that young people are the agents of change needed for the development of society and must therefore be equipped to take up their position in the world. Future Leaders currently have over 70 chapters in universities across the Continent and aim to grow this footprint drastically as part of Vision 2020 strategic objectives.

They have an upcoming summit in Kenya, since the event rotates on the continent annually. The 2017 event saw well over 300 youth convene in Benin Republic, Cotonou. A country interested in hosting the Summit is required to have a strong team on the ground and to provide a theme of focus which must have national and global relevance. This is to better reach out to more young people to capacitate them for the betterment of their nation whilst simultaneously sensitizing them to the mandates of the Global Business Roundtable (GBR) and Global Fund for Jesus (GFFJ). GBR Future Leaders Kenya chose the theme **"Innovative Entrepreneurship"** as an area of growth for young people in line with what they want to see in their nation but also globally.

This topic brings together numerous components that are quite pertinent to effectively position young professionals and entrepreneurs for future development. Entrepreneurship is an enabler of economic growth globally, and an effective solution to the challenges that young people face such as poverty, unemployment, and illiteracy amongst others. According to a recent release by the Africa Union Commission, 65% of Africa's total population is between the ages of 18 and 35 years. Which makes up of a very youthful population that is largely marginalised from efforts to drive democracy, peace and prosperity. The report states that exclusion is not a result of the youth's lack of voice or inability to speak out. But the problem lies with those who are meant to be listening. Through this we see that Africa is the most youthful continent which sees about 10 million young African youth enter the labour market. Therefore Africa's youth are strategically positioned to be a solution to Europe's aging work-force, providing much needed skills, amongst other advantages.

Entrepreneurship cannot be separated from innovation because an entrepreneur must always create something that will add value to its user. Innovative Entrepreneurship then means that the entrepreneur must always find ways to produce new ideas, provide better solutions and pioneer new products to meet the current global demand for innovative solutions. This is what the Summit aims to achieve and what better country to do it other than Kenya. Kenya has been viewed as a cradle of technological innovation housing the third largest technological hubs in the continent. It has also been ranked as the most innovative country in Africa hence this will be an opportunity for young entrepreneurs to learn from innovators in Kenya. In addition to this, innovators from other countries will also speak on innovation in different sectors thus creating a hub for information exchange for young entrepreneurs to learn.

People can expect to get a summit that will speak holistically about the development of all young people in the various roles they play in society. The line-up of speakers consists of experts in their fields from different parts of the globe. People can engage in networking opportunities with counterparts from different nations and establish connections with like-minded people, interact with captains of industries from various nations, strategize on how to implement what they have learnt in their nations at various levels.

The Global Business
ROUNDTABLE

7TH ANNUAL

FUTURE LEADERS

YOUTH SUMMIT

2018 in Kenya

Theme: Innovative Entrepreneurship

Date: 30 June - 01 July 2018

Venue: KICC | Nairobi City | Kenya

Program: Youth Summit 30 June 2018
Annual General Meeting (AGM): 01 July 2018

The Youth Summit seeks to address social challenges by finding innovative and creative ways of contributing to Economic growth, Job creation and Poverty reduction.

Business Development
Spiritual Development
Leadership Development
Strategy Sessions, Etc.

BE A PART OF IT.

TICKETS AVAILABLE FOR: $25 | Ksh. 2500/=

Ticket Payments can be done through M-PESA

Paybill Number: 669669
Account Number: 0021007000394

m-pesa

Exhibition Stalls available from $50 | Ksh. 5000/=

To RSVP, contact HE Mr Peter Muigai.

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#GBRFLSUMMIT2018

GBR **PARTNERS & SPONSORS**

GBR EVENTS CALENDAR

2018-19

#VISION2020

Upcoming Events

APR

17-20

Annual World Congress & Exhibition

Sandton Convention Centre, Jhb

South Africa

The diverse and content-rich programme caters for SMEs, big corporates, public sector, partners wishing to explore Public Private Partnerships (PPPs), entrepreneurs seeking finance for their business initiatives and opportunity to pre-book B2B match-making meetings.

JUN-JUL

30-01

Future Leaders Summit

30 June - 01 July 2018

KICC, Nairobi, Kenya

The Youth Summit seeks to address social challenges by finding innovative and creative ways of contributing to Economic growth, Job creation and Poverty reduction.

AUG

Women of Character Summit

Date & Venue to be Confirmed

The objective of the event is to empower women holistically under the theme: Africa the Next Frontier for Economic Development: The Role of Women in Shaping Africa's Future

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SEP

Thought Leaders Summit

Date & Venue to be Confirmed

This is a Summit which holds GBR annually in September and it brings together leaders in Business, Politics, Religion, Academia from all sectors of society to engage on issues affecting society in all the sectors and mountains of society.

DEC

ThanksGiving & Carols

Date & Venue to be Confirmed

JAN-FEB

27-03

Annual Prayer Camp & Retreat

27 January - 03 February 2019

Alpine Health Resort, KwaZulu Natal

The Annual GBR Prayer Camp is a time when the Global Business Roundtable members and leaders gather for a week of prayer and fasting,
and to share insight and experiences from their respective chapters and countries.

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