

**Economic Commission for Africa
Subregional Office for Central Africa**

**Intergovernmental Committee of Senior
Officials and Experts for Central Africa**

Thirty-seventh session
Brazzaville (hybrid), 6–10 December 2021

**Report of the thirty-seventh session of
the Intergovernmental Committee of Senior Officials
and Experts for Central Africa**



I. Introduction

1. The Subregional Office for Central Africa of the Economic Commission for Africa (ECA), in partnership with the Ministry of Economy, Planning, Statistics and Regional Integration, organized the thirty-seventh session of the Intergovernmental Committee of Senior Officials and Experts for Central Africa from 6 to 10 December 2021. The theme of the session was "Fostering leadership and transformational change for economic diversification in Central Africa".
2. The main objective of the session was to thoroughly review the state of leadership and transformational change in Central Africa, identify gaps and propose practical ways of bolstering the understanding and practice of both interlaced concepts to accelerate economic diversification in the subregion.
3. It was also to examine statutory issues related to the functioning of the Subregional Office, as set out in its activity report for 2020–2021.

II. Attendance

4. Around 100 participants took part in the session, either in person or online. The following countries were represented: Burundi, Cameroon, Central African Republic, Chad, Congo, Democratic Republic of the Congo, Equatorial Guinea, Gabon, and Sao Tome and Principe.
5. Representatives of the following institutions and organizations also took part: Economic Community of Central African States, Central African States Development Bank, Subregional Institute for Statistics and Applied Economics, Central Africa Power Pool, Africa Finance Corporation, French Development Agency, University of Cape Town (South Africa), United Nations Regional Office for Central Africa, United Nations Conference on Trade and Development, United Nations Environment Programme, Subregional Office of the United Nations Industrial Development Organization, Subregional Office for Central Africa of the Food and Agriculture Organization of the United Nations, African Development Bank, United Nations Development Programme (offices in the Congo and Gabon), Resident Coordinator offices in Cameroon and the Congo.
6. Experts and moderators from a range of backgrounds enriched the discussions through their extensive knowledge of the topics addressed.
7. The Subregional Office for Central Africa and the Minister of Economy, Planning, Statistics and Regional Integration of the Congo acted as the secretariat of the session.

III. Opening ceremony

8. The opening ceremony was presided over by the Minister of Economy, Planning, Statistics and Regional Integration of the Congo, Ingrid Olga Ghislaine Ebouka-Babackas. Addresses were delivered by the Executive Secretary of the Economic Commission for Africa, Vera Songwe; the Commissioner for the Environment, Natural Resources, Agriculture and Rural Development of the Commission of the Economic Community of Central African States, Honoré Tabuna; and the Minister of Economy, Planning, Statistics and Regional Integration of the Congo, who opened the session.

IV. Election of the Bureau

9. Participants unanimously elected the following Bureau:

Chair: Congo

Vice-Chair: Gabon

Rapporteur: Burundi

V. Adoption of the agenda and programme of work

10. The agenda and programme of work were adopted.

VI. Conduct of deliberations

11. The session was conducted in the form of hybrid plenary meetings combined with parallel meetings for more in-depth discussions. For each agenda item, a presentation was delivered and was followed by discussions.

(a) Presentation of the working paper "A trip to 2030: fostering leadership and transformative change for economic diversification in Central Africa"

12. The Intergovernmental Committee's working paper was presented by Desta Mebratu, a professor at Stellenbosch University in South Africa. Mr. Mebratu began by connecting the theme of the Committee's current session with that of the previous one. He recalled that an outcome of the thirty-sixth session had been the declaration of the decade of economic diversification in Central Africa for the period 2021–2030. He indicated that participants had unanimously agreed that the decade should be accompanied by leadership and transformational changes to achieve economic diversification. He reminded participants that, over the years, many policies, plans and strategy documents had addressed the urgent need for economic diversification in the Central African subregion. He explained that weak economic diversification had made many Central African economies heavily dependent on exports of a small basket of goods and services. He added that industrial policies to promote economic diversification would need strong leadership and suitable institutions in order to be successful. He said that leadership was less about the leader or chief executive and more about the leadership group drawn from the political and management segments of the State, the private sector and civil society who were capable of directing change towards the desired outcomes. He then listed six critical conditions for effective transformational leadership in pursuit of economic diversification: the fostering of mutual interests between businesses and ruling elites in promoting clear and strong commitments to accelerated economic diversification; creating "pockets of efficiency" between ruling elites and civil servants; building relationships of trust and institutional mechanisms that enabled learning for productivity improvements between State civil servants and businesses; building partnerships between businesses and civil society; forging trust between civil society and State civil servants; and promoting the accountability of ruling elites vis-à-vis civil society to limit extractive rent.

13. He highlighted a series of priority actions that had excellent potential to catalyse economic diversification in a changing and broader global context. The actions involved, in particular, leveraging global decarbonization for low-carbon development by accelerating the

mobilization of renewable energies; promoting the development of infrastructure for a green economy; accelerating digitalization; and redesigning financial flows, with particular emphasis on strengthening Central African financial institutions.

(b) High-level dialogue on the theme "Fostering leadership and transformative change or economic diversification in Central Africa"

14. The presentation of the working paper led to discussions as part of a high-level dialogue moderated by the journalist Novella Nikwigize. The panel members were Ms. Ebouka-Babackas; Mr. Tabuna; the Deputy Executive Secretary of ECA, Antonio Pedro; the Director of the African Centre for Cities, Edgar Pieterse; the Managing Director of Youth Employment Services Cameroon, Gilbert Ewehmeh; and Wilfred Mbacham.

15. Ms. Ebouka-Babackas shared the experience of the Congo as it finalizes its new national development plan for 2022–2026. She said that, through the development plan, her country was looking to diversify the national economy by focusing its efforts on growth sectors during the current economic and financial crisis in the Congo. The country had been able to develop the plan thanks to a participatory process involving all stakeholders: public authorities, non-governmental organizations, national institutions, the private sector and Parliament. Under the plan, the Government had prioritized agriculture, digital technology, real estate, industry and special economic zones while also seeking to develop areas of support, with a particular focus on inclusive social development. She said that the country needed well-educated young people with business skills and a business environment that would allow them to create and take advantage of opportunities. As part of its monitoring and evaluation of the plan, the Government intended to address the challenges and overcome the barriers that were obstructing the production of statistical data. She emphasized how important it was to have the same tools to compare the progress of the Congo with that of its neighbouring countries and partners. Suitable data comparison tools remained vital for good-quality comparative analysis.

16. Mr. Pedro emphasized how economic diversification had played a central role in political discourse for many years and called for a paradigm shift to end the stalled implementation of the programme. He noted that economic diversification had consolidated its place in the subregion's strategic and political frameworks since the adoption of the Douala Consensus. The Democratic Republic of the Congo-Africa Business Forum was, he said, an example of transformational leadership for economic diversification. In his view, it was important to compare the comparative advantages of each country in order to engage in productive partnerships, including financial partnerships, for successful economic diversification. He said that transformational leadership should be promoted through a combination of economic, political and social tools and guided by a sound economic analysis as part of a vision to create shared value, with all people allowed to join the discussion and make use of the opportunities available. He reported on the programme designed to mobilize the geographical information system to support planning, which allowed detailed mapping of existing resources for local and national development. The tool addressed both socioeconomic and biophysical resources and enabled much more effective planning, thus informing local, national and subregional transformational changes. He said that establishing zones for growth hubs, such as the Kribi-Edéa-Douala growth triangle, provided the potential for developing pilot spaces and showed that ambitions to industrialize individual countries and the subregion as a whole were feasible.

17. Mr. Ewehmeh described small and medium-sized enterprises as the backbone of the African economy, noting that they employed mainly women and young people, who were

vulnerable members of society. He drew attention to the specific challenges that start-ups and small and medium-sized enterprises faced in Central Africa, where greater emphasis was placed on political leadership than on economic leadership. Noting that most start-ups went bankrupt within three years, he said that they had to overcome many challenges, in particular the lack of financing, with major investors often discouraged by political instability and the shortage of infrastructure.

18. Mr. Mbacham indicated that Central Africa was accustomed to producing and marketing pharmaceutical goods, with its rich pharmacopoeia thanks to the diverse natural resources in the forests and savannah of the subregion. The African pharmacopoeia sector was run by households and cooperatives as well as foreign companies established during the colonial era. The outbreak of coronavirus disease (COVID-19), however, had raised global awareness of the problems that Africa encountered in manufacturing and marketing its own pharmacopoeia products and other pharmaceutical goods. The specific problems were weak communication and training capacities, insufficient equipment, poor access to regional and global markets for African pharmaceuticals and governance challenges in the pharmaceutical industry.

19. Mr. Pieterse noted that urbanization was taking place more quickly in Africa than on any other continent and that the African population was projected to double in the next 30 years, with millions more people living in urban areas. African cities, however, faced numerous problems that were holding back their development. Those problems included some of the highest population growth in the world, environmental sustainability concerns, the weak financing of economies and a development drive in which human capital was undermobilized.

20. Mr. Tabuna expressed the determination of the Economic Community of Central African States to account for the subregion's natural capital and its enormous potential, in particular its uranium, wind power, forests and water. He called for improvements to private sector development with enough opportunities for the local small and medium-sized enterprises sector to grow more quickly.

(c) Round table on the development and implementation of industrialization and economic diversification strategies and policies: the role of transformational leadership in Central Africa

21. Following on from the discussions raised by the secretariat's working paper, a round table was held on the development and implementation of industrialization and economic diversification strategies and policies and the role of transformational leadership in Central Africa. The round table was moderated by the journalist Armelle Nke Nga. The panellists were Anne Nga Ngo, representing the Minister of Mines, Industry and Technological Development of Cameroon; the business leader Carole Mbessa, who runs the Cameroon Business Forum; the Africa Finance Corporation energy expert Margaret Oghumu; the Minister of Industry of the Democratic Republic of the Congo, Julien Paluku; Jean Luc Mastaki, representing the Subregional Office for Central Africa; and the adviser at the Ministry of Industry and Private Sector Promotion of the Congo, Guy Gervais Bouanga.

22. Nga Ngo explained that Cameroon had adopted an industrialization master plan. The main challenges to implementing the plan were the shortage of high-quality infrastructure, the pitfalls associated with technological development, the shortcomings of the financial environment, the need for fundamental reforms (basic infrastructure, skills training, digital infrastructure), assimilation of the plan and problems related to fiscal policy for a country that

had proclaimed its desire to develop its private sector and a middle class. Cameroon had also decided that it would launch special economic zones, in particular for wood processing, with support from ECA and the Africa Finance Corporation.

23. Ms. Mbessa provided additional information by presenting the strategic lines of action of the plan, focusing on agro-industry, energy and the chemical industry. She encouraged dissemination of the plan, training, a "change of mental software", and a deepening of the financial industry to place the subregion firmly on track for inclusive industrialization. Noting that the constraints of the industry were also linked to the size of the market, she suggested paying particular attention to developing the subregional market without neglecting the potential resulting security challenges. She mentioned the leading role that Cameroon was expected to play in the subregion's economic diversification and underlined the need for a proper communication and marketing strategy to support industrialization.

24. Ms. Oghumu underlined that hydroelectric dams would need to be built for Central Africa to have better access to energy and called upon leaders to take action to finally achieve the vision of building the world's largest dam in the subregion, given the potential of the River Congo, which was supported by in-depth studies. Implementing those multilateral projects would require good coordination among countries and stakeholders, greater private sector participation and efforts to ensure the maturity of bankable projects. Developing such infrastructure required discipline, transparency, communication and a concerted participatory approach in which local communities and residents were properly involved. The private sector's financing capacity needed to be strengthened through a regulatory framework to ensure that projects were covered by legislation, since the private sector always required guarantees. All African countries needed to ensure that they established regulatory frameworks to eliminate trade barriers and corruption.

25. Mr. Paluku said that Africa was the solution to the world's problems and underlined the key role that mobilizing strategic resources in the Congo basin had to play in the energy transition currently taking place, and therefore in combating the effects of climate change.

26. Mr. Mastaki stressed that it was important to process goods locally and that the opening of markets following the launch of the African Continental Free Trade Area would create opportunities, including to sell local value added goods. In the debate on the Area, attention should be given to the physical and institutional barriers that still impeded the movement of people and goods among Central African countries.

27. Mr. Bouanga stated the view that local industry was not developed enough to take advantage of the Area and recommended carrying out a general review of the current situation in industry and the private sector. Noting that most special economic zones were still in the experimental phase, he underlined how urgent it was to develop an economic model for Central Africa at a time when the subregion was working resolutely towards launching the first special economic zones. Given how rooted the new economic zones were in the export model, it was essential to reflect on the issue of trade barriers in the implementation of the Area, since certain African countries were still tempted to protect their markets against better structured economies.

28. The following major recommendations emerged from the panellists' contributions and the round-table discussion:

- (a) African Governments need to address the challenges associated with removing obstacles to the development of the local industry through the following measures: strengthening institutional capacities in the value chain of the pharmaceutical sector and other sectors; strengthening the operational capacity of the African pharmaceutical industry; and facilitating access to international markets for African pharmaceutical goods;
- (b) African Governments are encouraged to find appropriate solutions to the challenges and obstacles that hinder the development of small and medium-sized enterprises. These include: building the capacity of small and medium-sized enterprises; implementing a guarantee policy to ensure better financing for such enterprises; facilitating their access to regional and global markets; and improving their access to basic infrastructure services (water, electricity, digital systems, roads and others);
- (c) African Governments need to address the challenges associated with urbanization and its role in supporting industrialization and the structural transformation of economies;
- (d) Efforts must be made to continue encouraging local processing by improving the development of competitive value chains rather than continuing to export raw materials;
- (e) In the area of incentives, urgent measures are needed to facilitate access to land, promote tax incentives and strengthen the capacities of financial regulatory authorities to fight corruption effectively;
- (f) Governments need to encourage career qualifications to boost the employability of young people while setting up financing mechanisms such as guarantee funds to promote youth entrepreneurship and encourage young people to work in the industrial sector;
- (g) An economic diversification framework needs to be designed and implemented at the subregional level to support national economic diversification strategies already in place;
- (h) The debate on the African Continental Free Trade Area must be inclusive and must take into account the challenges faced by small informal traders. A dialogue is needed between the public sector and the private sector to improve implementation of economic diversification strategies. Inclusive debate requires better mapping and segmentation of the private sector to improve mutual understanding of each other's challenges.

(d) Thematic group work

29. The participants were divided into five groups to discuss the following topics in more detail:

- (a) Opportunities for economic diversification driven by environmental niches: the role of national and subregional leadership in Central Africa;
- (b) The removal of funding constraints for economic diversification in Central Africa: the role of transformational and innovative leadership;

- (c) Optimizing the role of the public and private sectors in promoting economic diversification: the responsibilities of each sector and the need for dialogue;
- (d) Transformational leadership: a better mix of the political, social and economic spheres and better practices in each sphere;
- (e) The development and implementation of industrialization and economic diversification strategies and plans in Central Africa: innovations for transformational leadership.

30. The results of the group work, including recommendations, were presented and discussed in plenary.

- (e) **Presentation of the report on the activities carried out by the ECA Subregional Office for Central Africa since the thirty-sixth session of the Intergovernmental Committee and presentation of the work programme for the remainder of the 2021–2022 biennium**

31. The Office presented its results since the thirty-sixth session of the Intergovernmental Committee. In its strategic framework for 2021, the Office highlighted its ambition to achieve two results: greater economic diversification thanks to the adoption of policies and reforms; and a transition from the design to the implementation phase of the economic diversification strategies. The results are measured using the following four indicators:

Indicator 1: Number of political decisions or reforms for economic diversification to which the Office contributed. The Office contributed to three political decisions: the promotion of the Kribi-Edéa-Douala growth triangle; the adoption by certain countries, including Cameroon, of economic diversification and structural transformation as pillar 1 of the cooperation framework with the United Nations; and the inclusion of natural capital in the national accounts of Gabon;

Indicator 2: Number of initiatives or tools launched or implemented by ECA. These include the integrated planning and reporting toolkit and the introduction of the "Made in Central Africa" label to promote goods originating in the subregion;

Indicator 3: Providing Central Africa with economic and trade models. The Trade-Decision Support Model and the geographical information system for planning and for opportunity studies along development corridors were introduced in Cameroon and efforts are being made to extend them to other countries;

Indicator 4: Developing or helping to develop bankable projects to promote non-oil investment. The Office helped to develop and implement three special economic zones: one for wood in Cameroon, one for fertilizer and potash in the Congo and one for electric batteries in the Democratic Republic of the Congo.

32. The Office also presented its range of tools for carrying out analyses and building States' capacities in various areas. It highlighted the importance of the partnership that it had forged with African financial institutions for the development of special economic zones. The presentation concluded with the Office's strategic framework for 2022, which, building on the achievements of 2021, will focus on the adoption of six political changes to boost economic diversification and industrial development in Central Africa.

VII. Other matters

33. No other matters were raised.

VIII. Theme, date and venue of the next session of the Intergovernmental Committee

34. The Committee unanimously adopted, as the theme of its next session, "Next-generation special economic zones for economic diversification and industrialization in Central Africa".

35. The ECA Subregional Office for Central Africa will, in due course, initiate a consultation process to determine the venue and date of the next session.

IX. Main recommendations resulting from the deliberations and relating to the main theme of the session

36. Based on the discussions and debates that followed the presentation of the working paper for the session and the input both from the high-level panel and from the round table and thematic working groups, the Committee made the following recommendations:

(a) ECA and technical and financial partners should:

- (i) Produce reports and develop statistical platforms and tools to evaluate leadership, to evaluate dialogue between public and private entities and to inform comparative analysis as part of the subregion's economic diversification;
- (ii) Increase the visibility and enlarge the footprint of ECA by engaging with member States and/or by informing them of the main fields of expertise to encourage them to request support as and when they need it;
- (iii) Expand coverage of ECA advisory services and technical cooperation to all countries in the subregion;
- (iv) Share the studies carried out in Cameroon with indigenous peoples and ensure that their interests are not ignored in the implementation of industrialization and economic diversification strategies in the subregion;
- (v) Mobilize the private sector and civil society organizations in implementing the economic diversification programme;
- (vi) Provide technical assistance with drafting or finalizing the strategic vision documents of countries in the subregion;
- (vii) Provide technical assistance with developing and/or operationalizing the strategy to implement the African Continental Free Trade Area;
- (viii) Develop natural capital accounting and help countries to have macroeconomic models that take environmental impact into account;
- (ix) Distribute knowledge products on diversification and industrialization in Central Africa.

(b) States should:

- (i) Strengthen the energy transition by improving the promotion of renewable energy and effectively accounting for natural capital;
- (ii) Advocate fiscal policy incentives without sacrificing the mobilization of domestic resources, which is the cornerstone of self-sustained development;
- (iii) Design, develop and/or update national environmental policies and set up an environmental charter to harmonize national and subregional environmental policies;
- (iv) Address the challenges linked to removing obstacles to the development of the local pharmaceutical industry through an integrated approach covering the entire value chain;
- (v) Create an environment that is conducive to the growth of small and medium-sized enterprises and industries by removing barriers that still hinder the growth of these enterprises, which make up the bulk of the Central African economy;
- (vi) Implement ambitious innovative urbanization strategies by aligning them with the industrialization goals of the countries in the subregion;
- (vii) Create legal, regulatory and institutional frameworks as key components of the overall system that will encourage economic diversification at the subregional and national levels, thus improving the structural transformation of economies;
- (viii) Support the development of incubators and accelerators for industrial firms in the subregion, encouraging initiatives by young entrepreneurs in particular;
- (ix) Strengthen the capacity of project leaders to take advantage of existing national, regional and international financing schemes;
- (x) Create a special team to monitor and evaluate the progress of regional integration and States' implementation of the recommendations;
- (xi) Decentralize and improve business start-up procedures while encouraging entrepreneurship classes in schools;
- (xii) Continue efforts to clean up government and to make anti-corruption measures effective;
- (xiii) Introduce incentives to promote local entrepreneurship and encourage the payment of domestic debt to economic operators to strengthen their capacities;
- (xiv) Learn from successful examples of industrialization and economic development in the subregion, in the rest of Africa and further afield.

(c) The private sector should:

- (i) Strengthen corporate social responsibility and encourage businesses to share their experiences through subregional and regional business forums;

- (ii) Promote artisanal businesses to support the local manufacturing of machine tools and capital goods;
- (iii) Contribute to subregional and national policymaking for industrial development and economic diversification;
- (iv) Raise awareness among the private sector of subregional and national industrial development and economic diversification policies;
- (v) Strengthen training in inclusive entrepreneurship.

(d) The regional economic communities should:

- (i) Set up a consortium for natural capital evaluation and optimization to support diversification and industrialization;
- (ii) Encourage economic and environmental diplomacy at the subregional level to promote national champions that hold financing portfolios;
- (iii) Develop economic programmes for ecosystem services in Central Africa;
- (iv) Set a target date in the near future for making the free movement of people and goods effective, thus providing transformational leadership for effective economic diversification;
- (v) Develop a regional leadership approach based on the comparative advantages of each country;
- (vi) Create subregional special economic zones involving all community players, thus promoting better development of skills in Central Africa;
- (vii) Improve the quality of the subregion's infrastructure for transport, energy and new communications technology.

(e) Civil society should:

Show greater leadership to strengthen ethical aspects of the sustainability and inclusiveness of the subregional economic diversification model.

(f) Universities and research centres should:

- (i) Promote work related to natural capital and industrialization in Central Africa;
- (ii) Ensure that the curricula of higher education institutions are tailored to the actual needs of Central African economies.

(g) All stakeholders should:

Promote accountability at all levels of society to forge an effective coalition to support economic diversification in the subregion.

X. Adoption of the statement of conclusions and recommendations

37. Following the discussion, the secretariat presented the Committee's statement of conclusions and recommendations, which were adopted by the participants with comments and corrections.

XI. Closing

38. Upon the conclusion of the proceedings, the Committee addressed a vote of thanks to the President of the Republic of the Congo, Denis Sassou Nguesso, and to the Government and the people of the Congo for the warm reception accorded to all participants during their stay in Brazzaville.

39. The Resident Coordinator of the United Nations System in the Congo, Franck Corneille Mampouya M'bama, also addressed participants. The Director General of Planning and Development of the Congo and Chair of the thirty-seventh session of the Committee, Chris Mburu, then delivered the closing address on behalf of the Minister of Economy, Planning, Statistics and Regional Integration of the Congo.
