GROWING AFRICA

THE COUNCIL OF AFRICAN APOSTLES

2019 HANDBOOK

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Introduction

Africa has since the last decade of the 20th century been engaged in various political, economic and social reforms yielding uneven results. Despite the high levels of growth, the enduring character of the continent is high levels of poverty, inequality, continued reliance on primary commodities as generator of foreign currency, inadequate infrastructure, weak social service delivery regimes, fragile peace, and high levels of conflict ; an ongoing process of limited democratisation and high levels of indebtedness. There will be a total of 19 elections spread across the continent in 2019. The outcome of the DRC elections held in January remain contested. It is our hope that this will not be the pattern for the whole year (see sub-section on elections below).

The purpose of this handbook is to provide an overview of developments across the continent and where possible we also draw lessons from other regions. The 2019 Summit's theme is 'Growing Africa'. We will be focusing on growing Africa economically and spiritually. Development Economists have noted that Africa will need to post double digit growth of at least 20% of gross domestic product (GDP) per annum consistently over five years in order to catch up with the rest of the world. Very few countries have ever achieved such a feat. We realize the need for us as the Council of African Apostles CAA to find ways in which we can influence development processes within our countries and within the region. We also note that there is no 'silver bullet' solution to the challenges that we face. We will spend significant time deliberating on the existing and envisaged political, socio-economic and legal frameworks necessary to grow Africa.

> "The 2019 Summit's theme is
> **Growing Africa**"

We acknowledge that the continent is diverse and there is no single narrative that can provide an adequate picture. The handbook does not replace the need to read extensively about the continent, but it provides important insights for busy decision makers. We also see the handbook as providing support to the discussions held during the Summit. Where necessary the handbook should be reproduced for in-country or sub-regional discussions to provide broader context to the work of the church. In this hand book we have focused on mapping the opportunities that if adequately harnessed could contribute towards Africa's inclusive growth.

Context: Dancing on the Same Spot

There is hardly a country in Africa that can claim to have effectively delivered on the Millennium Development Goals (MDGs). While Africa is the world's second fastest growing region, its rate of poverty reduction is insufficient to reach the target set in the MDGs (Mutasa, 2015:5). Poverty reduction lagged behind economic growth for much of the MDGs period; as of 2014 approximately 50% of Africa's population was living below the international poverty line/ poverty datum line of $1.25 a day per person and the continent has experienced a steady rise in the number of people living in extreme poverty from 290 million in 1990 to 414 million in 2015. Many of those denoted as having work are self-employed or in poorly paying jobs. Africans are working to survive, but by and large, they are poor (Mills et al 2017). The African Economic Outlook (2015) reports that Africa's job creation has not kept up with existing birth rates. Only 7% of the continental population aged 15-24 had a decent job. The World Bank (2016) argues that poverty has declined but the number of poor people has increased. Whereas elsewhere, there has been a reduction of 2% in poverty for each percentage point increase in average per capita consumption. In Africa such growth has caused a reduction of just 0.69%. In part, this is down to the source of Africa's growth, which is primarily the extractive (oil, gas, mining) sector than agriculture or manufacturing (Mills et al 2017). Others (see for instance Mills et al 2017) claim that the commodity driven boom is over. Growth in 2016 across Africa was projected to be 1.4%, less than half of the 3.5% in 2015 and far below the growth trend over the previous trends. Some of the Africa Rising narrative is based on the fast pace of urbanization- but it is equally important to note that African urbanization has not correlated with economic growth on a similar scale to that experienced elsewhere. As the World Bank has put it, African cities 'cannot be characterized as economically dense, connected and liveable. Instead they are over-crowded, disconnected and costly. Some of the factors behind Africa's lack of transformation include:

INCREASING INEQUALITY

While studies show that Africa has the world's fastest rising middle class and fastest growth in dollar millionaires, it also has the highest proportion of the population living on less than one dollar a day. Africa is on one hand arguably the world's richest continent in terms of her natural resources, yet on the other, also its poorest. And while the continent is regarded as donor dependent, there is a net outflow of capital from Africa to the developed world. Each year, up to $60 billion leaves the continent through illicit financial flows and a similar amount through debt repayments and many other 'legitimate excuses' used for externalization of funds.

To understand the challenge even better, the World Bank has forecasted that by 2030, despite major efforts, some 19% of Africa's populations will still live in poverty. Those 300million people will then represent 80 percent of the global population living on less than $1.25 per day. The fundamental challenge to transforming Africa is on how to develop modern states with clear and consistent policies that can effectively deliver public goods especially in health and education. Such a modern state is also expected to create structures and incentives that promote the growth of the private sector and the enrichment of the population.

DEEPENING CONTRADICTIONS WITHIN AFRICA

Indeed, economically, Africa is a continent of contradictions. A number of wealth accumulation studies have shown that Africa has the fastest rising middle class and also the fastest growth in dollar millionaires. However, Africa remains the continent with the highest proportion of the population living on less than one dollar a day. Africa is at once arguably the world's richest continent, yet also it's poorest. The continent accounts for 13% of the world's population and just 2% of its cumulative GDP. It is the repository of 15% of the planet's crude oil reserves, 40% of its gold and 50% of its platinum. Yet the majority of Africans continue to live in dire poverty and can only dream of the services and infrastructure that other regions of the world now take for granted such as reliable electricity, portable clean water, roads, public transport, education, and healthcare. While the extent of the crisis varies from country to country, poverty and underdevelopment remain essentially the general African reality.

Perhaps the biggest contradiction of all is the fact that while the continent is regarded as poor and donor dependent, there is a net outflow of capital from Africa to the developed world, a lot of it illicitly. The report by the high-level panel on illicit financial flows from Africa concludes that annually up to $60 billion leaves the continent through illicit financial flows. We have however begun to see a consensus emerge on the need to plug leakages and improve domestic resource mobilisation. This conversation is currently at the centre of finance-for-development discussions providing an opportunity for Africa to capitalise on the moment and push for improved governance of multinational corporations operating on the continent and in the process ensure tax transparency and accountability. Still, this raises critical questions about the structure and governance of the global economic relationships and how Africa is inserted in that structure under unfavourable terms. Further, it points to the need to democratize important multi-lateral organs of the global economy such as the World Trade Organisation (WTO) to secure Africa's interest and just economic relations.

Undeniably, the stark contradictions of Africa's economy raise the fundamental question of the role of the State in presiding over the economy and promoting shared prosperity. The period of structural adjustment severely undermined the state as part of the neo-liberal package of ideas that advocated full deregulation and free markets. Today it is abundantly clear that left on their own, markets are not guaranteed to allocate resources in a way that works for everyone. Instead, what we have seen is a tendency to concentrate benefits in fewer and fewer hands resulting in serious inequality. Thus, the African state needs to be restored to its important role of anchoring a national consensus and safeguarding public interest around a transformative development agenda.

INADEQUATE TRANSITION TO DEMOCRACY

Our politics despite going through the 1990s winds of change has suffered a similar fate- lack of transformation. It remains highly exclusionary and provides limited opportunities for broad based political participation. Democratisation has mostly been reduced to the existence of political parties and the ritual of elections once every five/four years. Perhaps it is also important at this moment to flag the contestations around the idea of democracy itself. It has unparalleled global popularity today yet has never been more conceptually footloose or substantially hollow. Many African countries that claim to be democratic have not created adequate mechanisms to ensure that citizens have sufficient access to information required for making the right political decisions such as voting. Further, the platforms where the elected interact with the electorate are very limited-they are too few and where they exist, they are incapable of promoting substantive dialogue given the lack of assurance of freedoms to criticize with no repercussions. We thus face a double-edged challenge; largely Africa's political elite has appropriated democracy and, in the process, legitimised autocratic forms of rules and in many instances the ceremony of elections. Democracy instead of giving us accountable systems of government has yielded an elite based unaccountable and increasingly dynastic form of politics.

Additionally, the promise of post-colonial justice for all remains elusive. The continent has unfortunately been a hotbed of conflicts driven by a variety of factors inclusive of access to natural resources, identity (xenophobia), terror in the name of religion and brazen hunger for power. Over the years' millions of lives have been lost or maimed through state orchestrated acts of violence/terror. Attempts to bring justice to victims of terror remain limited and the processes for holding perpetrators of violence are highly contested. We are watching closely the AU led process for a transitional justice mechanism in terms of its efficacy to resolving some of the long drawn out cases of terror. Experiments have been held with the tribunal/court in Arusha trying the genocide in Rwanda and more recently there was the court in Dakar trying the former head of state in Chad. However proactive processes meant to mitigate or ensure that conflict does not cascade remain very limited.

Opportunities

DRIVERS OF CHANGE 1: SUSTAINABLE DEVELOPMENT GOALS

The recently signed to Sustainable Development Goals (SDGs) provide a framework for a new global development compact for the next 15 years. These SDGs (see Table 1 below) will be implemented alongside other regionally agreed to development frameworks, such as the AU's Agenda 2063, the recently revamped Comprehensive Africa Agriculture Development Program (CAADP), the Charter on African Youth, the Africa Mining Vision and they yet to be fully ratified African Declaration on Higher Education.

Table1 - Sustainable Development Goals

Area of Focus	Goal	Goal No.
Poverty	End Poverty in all its forms everywhere	One
Food	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	Two
Health	Ensure health lives and promote well-being for all at all ages	Three
Education	Ensure inclusive and equitable quality education and promote lifelong learning opportunities	Four
Women	Achieve gender equality and empower all women and girls	Five
Water	Ensure availability and sustainable management of water and sanitation for all	Six
Energy	Ensure access to affordable, reliable, sustainable and modern energy for all	Seven
Economy	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Eight

Area of Focus	Goal	Goal No.
Infrastructure	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Nine
Inequality	Reduce inequality within and among countries	Ten
Habitation	Make cities and human settlements inclusive, safe, resilient and sustainable	Eleven
Consumption	Ensure sustainable consumption and production patterns	Twelve
Climate	Take Urgent Action to combat climate change and its impacts	Thirteen
Marine-ecosystems	Conserve and sustainably use the oceans, seas and marine resources for sustainable development	Fourteen
Ecosystems	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	Fifteen
Institutions	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	Sixteen
Sustainability	Strengthen the means of implementation and revitalize the global partnership for sustainable development	Seventeen

*More information available on https://sustainabledevelopment.un.org/topics

We are careful not to accord the silver bullet tag to the SDGs, but instead prefer to view them as a significant broader framework with globally accepted and defined goals and targets. They also potentially provide a possibility for measuring and comparing progress on achievement of the goals using common criteria and in the process create scope for a global movement in pursuit of similar goals for sustainable development.

Mapping the Role of Churches within the SDGs Framework

Two potential focus areas loom large for the CAA: developing mechanisms for tracking of progress on implementation and also designing innovations and programs for the achievements of the SDGs. There are already a number of initiatives aligned to the achievement of SDGs in developing countries. Churches can, either in partnership with governments or working with multi-lateral agencies and Non-Governmental Organisations (NGOs), provide support aimed at (i) reducing poverty by modernising agriculture, supporting the informal sector and enhancing competitiveness within specific value chains; (ii) improve health outcomes by reducing maternal and infant mortality, improving access to essential medicines and health facilities, (iii) contribute towards providing equitable access to primary and also to tertiary education through the building of facilities, creation of scholarship funds, modernisation of curriculum and affordable technology and (iv) the strengthening of processes and policies to enhance the rule of law.

We also see a need for enhancing the churches and their related institutions' capacities to monitor the implementation of SDGs through policy analysis in order to identify gaps and incoherencies, baseline data collection and collation, crunching figures on the cost of achieving the goals in each region, understanding previous budget allocations in each goal area and determining what the amount of external resource countries will need and also creating capacities within governments to tap into different funding initiatives. We will need a more user-friendly results tracker, such as score cards, for each goal within each region and also within each country. Given the vast technological improvements since the launch of the MDGs; data collection, analysis and interpretation should be easier for the policy experts but generally citizens have been at the periphery of using data for policy advocacy. Supporting data-mining initiatives and simplifying it will go a long way in empowering citizens to play a more significant role in advocacy focused dialogues on local and global requirements for achieving the SDGs.

The success of the SDGs will hinge upon the mobilization of a global movement of advocates and can only succeed if a connection between governance and development at both national and international levels is made and also loose compacts between states and non-state actors are established to ensure buy-in, clarify the actions that need to be taken and resource allocation decisions.

DRIVER OF CHANGE 2: AGENDA 2063. FROM AID TO IMPROVED DOMESTIC RESOURCE MOBILIZATION

Despite posting some of the best growth rates Africa unfortunately remains a donor dependent continent except maybe for the few outliers. Africa has in the past received significant amounts of support through Official Development Aid (ODA) and private philanthropy. ODA related initiatives and investment towards Africa increased by 6.1% in real terms in 2013. However, there has always been a critique of ODA especially around its predictability, sustainability, and the conditions it imposes and in some cases its relevance. The Paris Principles for Aid emerged out of this critique.

At the centre of ODA is an unimaginative linear process like form of development or a 'catch-up' approach to a defined picture of the developed. In this line of thinking Africa is underdeveloped and it needs an accelerated process of growth through a process of modernisation. ODA has mostly been influenced by Modernisation theorists who sought to devise ways to transform Africa (or the 3rd world in general) into capitalist societies. They advanced a set of neoclassical economic prescriptions which reflected their unbridled faith in technology and capitalism to promote the agenda of 'progressive Africans' and 'rational economic men'. If only mainstream Western backed ODA could realize that there are many paths to attaining development rather than the straight-jacket approach based on markets and growth.

We need a new order. African countries need to, on their own, determine their growth and development trajectories without necessarily trying to mimic processes derived from the West. The AU's Agenda 2063 singles out improved domestic resource mobilization as a key pillar for Africa's sustainable and inclusive development. Furthermore, the recent adoption of the SDGs was accompanied by a robust discussion on how the various programs necessary for the achievement of the goals would be financed. Besides, Africa has for years been engaged in a process of rethinking how it can extricate itself from development aid. The inadequacy, unreliability and generally decreasing levels of development funding makes it absolutely crucial for African countries to fully explore and unlock the potential for domestic resource mobilization (DRM).

A crucial component of the DRM agenda is improved taxation. Tax is the most reliable source of public revenue for any country. Taxation can also be an effective instrument to redistribute wealth and address inequality in society. Tax also has important accountability implications as it essentially forges a social contract between government and the people and shifts the focus of accountability from donors and other external sources to the people. To enhance prospects for improved DRM in Africa there is need to urgently implement appropriate tax policies and improve tax administration capacity. Compared to the Organization for Economic Cooperation and Development (OECD) countries for example, Africa has a very low average tax ratio (taxes as percentage of GDP) – OECD countries average around 35% whereas many African countries fall well under 15%. Some low-income African countries collect as little as $11 annual taxes per person, and it is difficult to imagine any effective investment towards development that can be made with such low public revenues.

To optimise on domestic resource mobilization African countries will also need to effectively tackle the pernicious challenge of illicit financial flows (IFFs). The billions of dollars lost annually through illicit financial flows severely undermine Africa's domestic resource base and, in the process, creates costly dependence on external resources. The scourge of IFFs is greatly enabled by the opaque global financial architecture including offshore tax havens. Global financial transparency and cooperation including automatic information exchanges between tax jurisdictions is therefore crucial to stopping IFFs. African countries need to put in place comprehensive polices to curb IFFs including setting up financial intelligence and transfer pricing units and enacting laws to criminalize trade mis-invoicing.

DRIVER OF CHANGE 3: AFRICAN PHILANTHROPY

There is a growing recognition of the role that philanthropy can play in Africa's quest for equitable and democratic transformation. In past decades philanthropy (or broadly aid) was mostly viewed as a form of support from outside of the continent. Indeed, the story of Africa's liberation and even early post-independence development initiatives would have been very different if it were not for the investments made by a number of philanthropy foundations based outside the continent. However, there is a new excitement in the continent centred on the possibilities of the contribution of home-grown philanthropy actors. Many important strategy documents have been developed with consideration for the key role that philanthropy can play, at continental level in the African Unions' (AU's) Agenda 2063, in the regional SADC Industrialisation Strategy and Roadmap 2015-2063 and in national level strategies such as in Rwanda.

Philanthropy, as already demonstrated includes a broad set of players that consists of private foundations established by high net worth individuals within and outside of

Africa, community foundations and intermediaries. The sector has made important contributions in supporting efforts aimed at ensuring Africa's political, economic and social transformation. It has mostly carried out its work either by providing financial and technical support to government or civil society-based organisations such as traditional service-oriented NGOs, intermediary NGOs (engaged in policy research, advocacy, defence of human rights etc), trade unions, associations (farmers', traders, women's) and social movements. These organisations have together with their philanthropy partners made a significant contribution towards Africa's socio-economic and political transformation. Philanthropy institutions have directly or indirectly supported some big causes across Africa such as:

I. Development of public infrastructure (bridges, clinics, schools, universities)

II. Entrenching Constitutionalism across Africa (South Africa, Kenya, Nigeria, Zimbabwe)

III. Nurturing platforms that have established governance norms and frameworks for; improved transparency within the extractive sector, promotion of tax justice, aid effectiveness and equitable gender relations

IV. Defending minority rights and media freedoms

V. Voter education campaigns

VI. Successfully collaborating with the women's movement across Africa

VII. Higher Education and Public Health reforms

VIII. Partnering with social movements and progressive NGOs in the struggles for socio-economic justice and in this instance, Africans (working with philanthropy) have made a significant contribution in:

- Exposing gaps and inequalities in trade relations between Africa and others- especially during the negotiations over trade agreements with Europe
- Raising awareness on collusions between multinationals and corrupt government officials in the governance of natural resources and advocating for a more transparent framework of natural resource extraction and,
- the more recent struggles against illicit financial flows

Foundations established by Africa's high net worth individuals have shied away from sensitive issues such as governance reforms, human rights (especially political and civil) and promotion of democratisation-maybe because as part of efforts to ensure that their business are not targeted for unwarranted scrutiny by the political authorities.

Philanthropy whether by Africans or others will eventually be judged on the dent it makes against the negative indicators discussed in the preceding section. In this light, the investments made by private philanthropists may indeed look like a drop in the ocean but there is reason to believe that philanthropy by nature can be catalytic, can facilitate experimentation and incubation of ideas that would not otherwise be supported either by governments or by the private sector. Also, there is recognition that philanthropy can in certain instances play a significant role in resolving or disrupting conditions of poverty or public health. One of the most recent examples is the concerted efforts that have been made by the Bill and Melinda Gates Foundation (BMGF) and the Dangote Foundation in the fight against polio in Nigeria. The two foundations partnered to improve polio surveillance and outbreak response, developed safer and more effective vaccines, galvanized financial and political support for polio eradication efforts.

Snapshot of African Foundations

Name of Foundation	Founders	Geographic Area of Focus	Thematic Area of Focus / Public Cause
Aliko Dangote	Aliko Dangote	Nigeria / West Africa	Health, education and empowerment
TY Danjuma Foundation	TY Danjuma	Nigeria	Community Health Initiatives, Education skills training, Poverty reduction
Tony Elumelu Foundation	Tony Elumelu	Nigeria /Africa	Entrepreneurship programs and Disaster Relief
Higherlife Foundation	Strive and Tsitsi Masiyiwa*	Zimbabwe / Burundi / Lesotho/Africa	Education, Health
Motsepe Foundation	Patrice Motsepe	South Africa	Education, empowerment and development initiatives
Mara Launch Fund	Ashish Thakkar	Uganda / Africa	Entrepreneurship youth and women empowerment initiatives and scholarships
Signature of Hope Trust	Craig Featherby	CapeTown / Africa	Education, food
Mohammed Dewji	Mohammed Dewji*	Tanzania	Education, health and access to basic needs
Youth Empowerment and ICT Foundation	Jim Ovia	Nigeria	Encouraging young Nigerians to embrace information and communication technology (ICT)

Name of Foundation	Founders	Geographic Area of Focus	Thematic Area of Focus / Public Cause
Mike Adenuga Foundation	Mike Adenuga	Nigeria	Donated towards flood victims in Bayelsa state (Nigeria)
Zarima & Naushad Merali Foundation	Naushad Merali	Kenya	Construction of a fully-fledged Daycare medical centre at Kenyatta Hospital
Chandaria Foundation	Manu Chandaria	Kenya	Supports causes in education and health
Khula Sizwe Trust	Cunningham Family	Zimbabwe	Small scale agriculture

DRIVER OF CHANGE 4: AGRICULTURE IS BACK

In 2003 African heads of states gathered in Maputo committed themselves to allocating at least 10% of their budgets towards agriculture and also to ensure that the sector grows at 6% per annum. In 2013 the heads of states recommitted themselves to prioritizing agriculture as critical sector for Africa's transformation.

The return of agriculture to policy is not a coincidence- more than half of Africa's population is employed in agriculture and this trend is bound to continue given the lacklustre performance of attempts to industrialize in many countries. Despite the rapid urbanization that Africa is going through the actual population of population living in rural has increased since the turn of the century. Approximately 65 percent of Africa's poor are in rural areas and depend primarily on agriculture (FAO, 2013).

The Africa Union's Comprehensive African Agriculture Development Programme (CAADP) under NEPAD was the first Africa-wide Agricultural Development Plan (ADP) that has been wholly endorsed by African states and the international community. It was envisaged that CAADP would contribute towards the achievement of the first MDG- of halving poverty and hunger by 2015. Financially, CAADP required approximately US$179Billion spread over ten years (see Table 1 below). Unlike other development initiatives CAADP acknowledged the multiple and interlocking constraints within African agricultural systems (see the section on crisis in agriculture). In the beginning CAADP was designed around four areas (referred to as pillars within the CAADP strategy) to be supported by the increased budgetary commitments into agriculture.

Table 3: Brief Overview of the CAADP Pillars

Pillar	Targets	Budget Estimate US$
Pillar One - Extending the area under sustainable land management & reliable water control systems	Increasing the area under irrigation (new and rehabilitated) to 20million hectares	$31Billion
Pillar Two - Improving rural infrastructure and trade related capacities for market access	Improving rural road infrastructure and creations of trade related capacities	$92Billion
Pillar Three - Increasing food supply and reducing hunger	Raising the productivity of 15million small farms through improved technology, services and policies	$42Billion
Pillar Four - Agriculture research, technology dissemination & adoption	To accelerate gains in productivity	$4.6Billion

Source: Author's Summary/Reinterpretation of CAADP, 2003

When the African heads of state convened at Malabo in 2013 to review the achievements of CAADP they agreed to recommit and to expand upon the initial framing of CAADP to include both the processes necessary for success such as financing and coordination and also to include other crosscutting thematic issues such as climate change. Since 2013 the new CAADP is now framed around seven commitments as per Table 4 below.

Table 4: Reframed CAADP Pillars (2013)

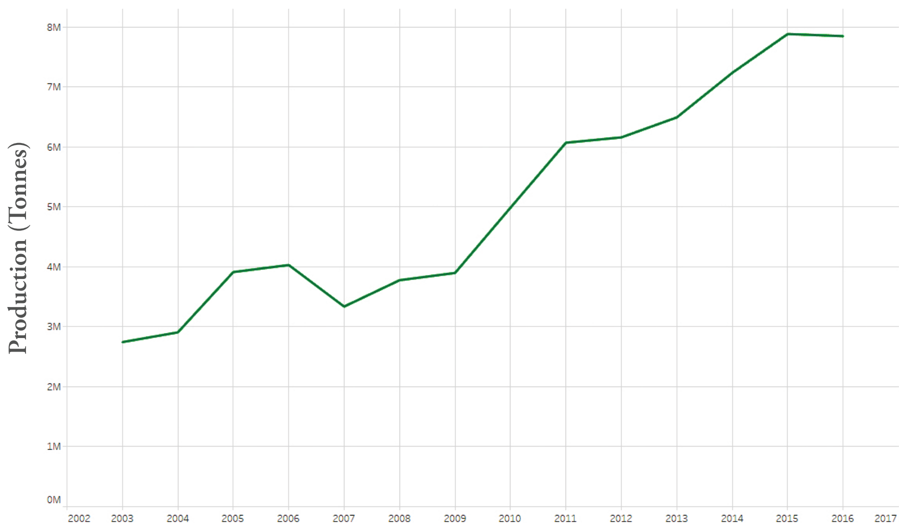
Commitment One	Recommitting to CAADP Process
Commitment Two	Enhancing Investment Finance in Agriculture
Commitment Three	Ending Hunger by 2025
Commitment Four	Halving Poverty through Agriculture by 2025
Commitment Five	Boosting Intra-African Trade in Agriculture
Commitment Six	Enhancing Resilience to Climate Variability
Commitment Seven	Enhancing Mutual Accountability for Action and Results

The commitments approach potentially provides for broadening the CAADP framework and also inserting Agriculture within broader policy concerns that include examination of mechanisms to do with investment finance, trade and also making a deliberate to consider the effects of climate change.

Progress to Date

The progress on the implementation and realization of CAADP goals has been uneven. CAADP has contributed towards the development of improved agriculture recovery strategies given the new incentives for donor funding. There has been a notable increase in the investment flows towards (i) developing technological breakthroughs such as drought tolerant maize varieties (ii) new value chain approaches that aim to improve access to markets and help farmers to raise their productivity and (iii) development of selected large tracts of land. Overall agriculture performance has been upwards for most of the countries that we have looked at and Ethiopia has been the best performer from an initial production base of around 2,743,880 tonnes of maize in 2003 to 7,234,955tonnes an increase of around 263% over eleven years. The Inaugural Biennial Review Report of the African Union Commission on the Implementation of the Malabo Declaration on Accelerated Agricultural Growth and Transformation for Shared prosperity and Improved Livelihoods (CAADP 2) has revealed that 20 countries are on track to achieve the targets that were set at Malabo.

Ethiopia Production Levels from 2003 to 2016

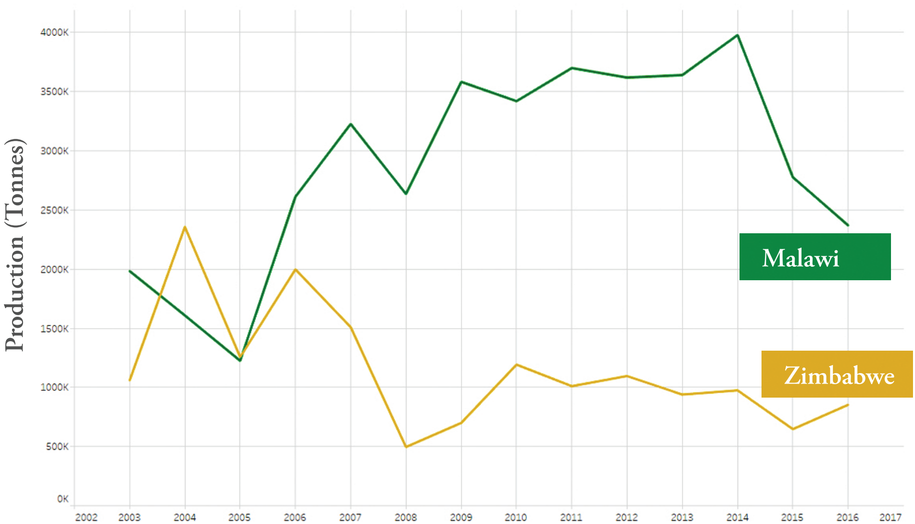


To date a few countries have been able to allocate at least 10% of their budgets towards agriculture. Countries which met the strict CAADP 10% budget allocation target were Burkina Faso, Ethiopia, Malawi and Rwanda. Despite not meeting the 10% budget allocation target, Mali achieved the CAADP target of at least 6% annual growth of agriculture value-added to GDP, registering 7.6% in 2016 for this measure (Source: Africa Agriculture Transformation Scorecard).

However, there are other countries which did not necessarily allocate 10% of their budgets consistently such as Equatorial Guinea, Egypt, Mali, Mauritania and Sudan, but were characterized by levels of allocation (above 7.5%). We considered these as part of the 10% countries in our analysis.

According to our tracker (https://public.tableau.com/profile/sivio.institute#!/vizhome/SIVIOAgricultureinAfrica_0/AfricaAgricultureDashboard) countries that have allocated an average of 10% towards agriculture in the past 15 years have achieved higher levels of productivity an average of 2.3519metric tonnes per hectare compared with 1.4131metric tonnes per hectare for those not allocating 10%. The 10% countries have also managed to produce more than their non-allocating counterparts. Interestingly the non-compliant countries utilize more land than those allocating 10% which suggests possibilities of waste and also potential for increased productivity if investments in treated seeds and fertilizers are increased to support smallholders. In many instances a comparison of two countries such as for

Malawi vs Zimbabwe Production Levels from 2003 to 2016



example, Mali and Nigeria, the 10% compliant country has a superior yield. In the case of Mali and Nigeria the yield (hg/ha) has been consistently growing in Mali whilst in Nigeria its actually coming down.

However, in some cases it looks like the growth is slowing down. Take the case of Malawi an early reformer for instance; in 2003 they were producing around 2million tonnes of maize and by 2014 they had increased to 3,978,123 tonnes only to decline to 2,369,493million tonnes in 2016. There are many lessons/ takeaways to consider but we will focus on the five that we think are critical for other countries:

Need for Policy Consistency

Most of the countries that have managed to raised levels of production have not only increased budgetary allocations but they also invested significant time in carrying out policy reforms. These reforms especially in countries like Malawi served to enhance the profile of agriculture as an important sector. Many of the countries under discussion have made consistent commitments towards agriculture for over a decade. In the process they have had to deal with shocks such as climate change, global price fluctuations and also competing interests for scarce fiscal resources. It is rare for many developing countries to stick the course for at least five years without diverting into a new fad. The data that we used demonstrated commitment beyond five years. Other non-compliant countries such as Ghana were affected by changes in government. In 2009, 2010 and 2011 Ghana was allocating at least 10% of its budget to agriculture but after that it was reduced to 7% and currently is at around 8%.

Political Will

The compliant countries are also associated with high levels of political will especially at the head of state level. Research by IFPRI suggests that countries which signed CAADP Compacts earlier (i.e. 2007-2009), were more likely to exhibit higher shares of public expenditures allocated to agriculture and ultimately larger declines in rates of undernourishment than countries which have not engaged in the CAADP process (Makombe et al, "Tracking Key CAADP Indicators and Implementation Processes."). Rwanda and Ethiopia have consistently achieved CAADP's 10% budget allocation objective. A driving factor for these countries' relative success is the long-term commitment and political will to implement the CAADP, and more importantly agricultural transformation as a vehicle for development at large. As early as 1991, Ethiopia set out a plan for Agriculture Development Led Industrialization (ADLI), which provides strategic direction and views agriculture as central to Ethiopia's development. The country has subsequently been viewed as a model for African agricultural development . Rwanda stands as the first country to sign a CAADP Compact in 2007, and to initiate the process in-country. In Malawi (one of the early adopters) the implementation of the Maputo Declaration coincided with the ascendancy to office of the late Bingu waMutharika whose campaign message had been about strengthening agriculture. Three years later production had grown from 2million tonnes to 2.6million tonnes.

Aligning with Donor Interests

The international advocacy carried out by the AU and others served to enhance the importance of CAADP as the dominant framework for agricultural recovery. Donors were mobilized to support agriculture strategies developed with the support of Food and Agriculture Organisation (FAO). In fact, the FAO played a huge role in providing technical support in the development of the strategies and also ensuring that donors' funds were channelled to meet the goals of the strategy. Since 2003 significant resources have been mobilised for CAADP's activities. The first CAADP meeting took place in March 2005 in Bamako and about 150 international delegates met to determine and agree on an action plan. Financial institutions such as the African Development Bank (ADB) committed US$150 million towards sustainable water management in order to increase food security, whereas the Italian Government pledged US$250,000.00. In 2009 6 donors namely USAID, European Commission, Governments of Netherlands, Ireland, France and Britain came together to establish the Multi-Donor Trust Fund (MDTF) under the management of the World Bank. The donor committed US$50million which would be used to fund the work of the AU Commission, NEPAD Planning and Coordinating Agency and regional bodies. Furthermore, an increasing number of donor countries also followed CAADP's lead on funding priorities. The Global Agriculture and Food Security Program insists that a country must sign a CAADP compact before applying for funds. The Table below provides a summary of direct funding that has been channelled towards CAADP related activities

Table 5: Funding towards CAADP

Source of Funding	Purpose	Amount US$
Africa Development Bank	Sustainable Water Management to increase food security	$150 000 000.00
Government of Italy	Improving rural road infrastructure and creations of trade related capacities	$250,000.00
Multi-Donor Trust Fund (WB)	Strengthen African institutions engaged in implementing CAADP related goals	$50 000 000.00

Smart Subsidies

One of the common ingredients amongst the African countries that have done well- is the allocation of subsidies towards smallholder. The debates on the sustainability of subsidies is valid but also who is not subsidizing their farmers? There is need to innovatively identify sustainable ways in which they can support smallholder agricultural producers. The World Bank (2007) recently coined the term 'smart subsidies' in an effort to differentiate the new forms of support from earlier

subsidies. Models of best-practice in this instance would be Malawi and South Africa. The Malawi government introduced a new set of bold agricultural subsidies which entailed the provision of free inputs to the smallholder sector.

These reforms were initially opposed by the donor community but recently the World Bank endorsed the input support programme. The subsidies have led to a significant boost in production to an extent that Malawi has been exporting staple grains to countries facing a deficit within the sub-region.

DRIVER OF CHANGE 5: IMPACT INVESTING A POTENTIAL GAME - CHANGER

The UN Sustainable Development Solutions Network (SDSN) concluded that to deliver on the SDGs, developing countries will need to increase their level of public and private expenditures by some US$1.3 trillion. The same study noted that many developing countries will not be able to meet these huge investment needs with their own domestic resources. The term impact investing was coined ten years ago at the Rockefeller Foundation's 2007 Bellagio conference. Impact Investing aims at generating social and environment benefits alongside financial returns.

Globally the impact investing assets have grown since then to US$77billion. The UN notes that impact investing has the potential to complement public spending and ODA by crowding-in private sector capital and skills to reduce African economies' vulnerability to external shocks, providing a market-based solution to address socio-economic needs. Over the years, there has been an increasing interest by philanthropy institutions (especially the most recent entrants into the philanthropy sector) and development finance institutions on promoting investments that have a positive social and environmental impact across Africa. However, despite its impressive growth globally we still note that impact investing, is yet to become codified in terms of practice, models and matrices of measurement across the continent. We recognize that impact investing can be a strategy for ensuring sector-wide financial sustainability and a shift towards social entrepreneurship, where modest financial value is generated as social goals are being achieved. Central to the notion of impact investment is the need for clear intention to have measurable positive social or environmental impact.

In Africa, impact investors include fund managers and asset management funds, development finance institutions, donors, private equity managers, institutional investors and foundations. Investments have tended to focus on areas such as healthcare, education and alternative finance. The figure below provides an overview of areas that have been covered by impact investing funds.

Who Needs Impact Investment in Africa?

Despite the well acknowledged diversity of the continent - her people mostly find themselves either operating in the following spaces, as family labor on their farms, as hired labor mostly in agriculture, mining and manufacturing, in the informal spaces of the economy either as producers of petty commodity goods, trading manufactured wares. There are differing levels of organization ranging from the micro, small to medium scale enterprise. It is increasingly becoming clear that initiatives aimed at enhancing broader participation in the economy have to focus on developing a deeper understanding of the institutional framework in which most of Africans are engaged and also develop products that strengthen income earning opportunities at those levels.

DRIVER OF CHANGE 6: UNLEASHING MICRO-SMALL-MEDIUM SIZE ENTERPRISES (MSMES)

In Africa, the private sector is largely made up of MSMEs. In several countries, they contribute to more than 90% of business units, more than 60% of jobs and, in some countries, about 40% of GDP. MSMEs contribute significantly to livelihoods and there is evidence to suggest that they are central to ensuring inclusive growth especially given the manner in which they utilize local labor (especially unskilled and semi-skilled) and are also a major consumer of local inputs.

However, MSMEs in Africa are often very small, operating in the informal sector, family-owned and managed or sole proprietorships, and usually with very low average life-spans. According to the AfDB (2013), many MSMEs in Africa are run by untrained entrepreneurs, who lack crucial market information. They have no other opportunity for gainful employment, and rely on these activities to survive or supplement in-kind earnings often from subsistence farming.

The African Development Bank's (2013) Private Sector Development Strategy , emphasizes the importance of MSMEs and between 2008 and 2012, 34 percent (34%) of all approved non-sovereign debt financing targeted MSMEs directly. Supporting small-scale enterprises is also among the resolutions of the African Union's Common African Position (CAP) for the post-2015 Development Agenda.

Despite the fact that MSMEs constitute a significant part of the private sector in Africa, unfortunately many policies and initiatives aimed at inclusive development do not adequately prioritize the sector. Many countries have statements in national development policy frameworks about the importance of MSMEs, but their strategies and budget allocations do not reflect the view that these formations are a crucial part of private sector led economic growth. In many cases MSMEs are viewed primarily as a vehicle for absorbing surplus labor at the bottom of the pyramid and reducing poverty instead of being seen as the engine of inclusive national economic development i.e. MSME development is treated more as a social issue (Stevenson, 2010). Governments pay more attention and allocate more resources to attracting foreign and domestic large-scale investment. Most of the incentives given to FDI are not available to MSMEs, and most Investment Promotion Agencies work essentially to attract FDI.

There is a huge gap in terms of thinking through and rolling initiatives that focus on inclusive and sustainable growth across the continent. Access to financial products such as credit, savings and insurance remain as the most significant challenges inhibiting the growth of micro, small and medium-sized enterprises … as their financing needs typically are not met by either microfinance institutions or traditional banks". Table 2 (below) sheds light on the situation of MSMEs' use of credit, and especially in Sub-Saharan Africa, where only 20.9 percent of firms have a bank loan or line of credit; and the figure drops to 16 percent for small enterprises; compared to 35 percent in South Asia, and almost 40 percent in Latin America and Caribbean.

Table 6: Indicators of firm Access to Finance in formal financial Institutions in 2011 (%)

Pillar	Sub-Saharan Africa	Latin America and Caribbean	South Asia
Firms with bank loan/line of credit	20.9	49.0	40.4
Firms with bank loan to finance investment	20.0	34.5	43.6
Firms with bank loan to finance working capital	19.5	44.5	10.6
Small firms with bank loan/ line of credit	16.0	38.9	35

Source: Extracted from the World Bank's Little Data Book on Financial Development 2014.

DRIVER OF CHANGE 7: DEEPENING DEMOCRACY

Since the turn of the 20th century, we have seen fewer military dictatorships in Africa. Coups are no longer the norm. More countries have transitioned from one political party to another through peaceful elections. We are also seeing the successful introduction of multiparty democracy and routine elections. We have moved away from de jure one-party rule. We still have challenges around the manipulation of constitutions by existing leaders in order to extend their terms, yet there are multiparty elections across the continent. It is a mixed picture, but we can say that Africa has chosen a trajectory of democratic representation. The consensus centers around electoral democracy.

In 2019, Africa will again witness a wave of democratic activity with more than 50 elections scheduled across local, provincial, legislative, and national levels. More than half of Africa's 54 countries will hold some form of election next year, meaning that investors will be on the lookout for signs of political instability, security risks, contract alteration, and changes to economic policy, or even military interventions. The last few years have taught us that elections in Africa do matter!

Most attention will be on the polls in Africa's largest economies, including Nigeria's presidential election in February and the general election in South Africa in May. Nigeria's election is more hotly contested than initially anticipated, while shifting political dynamics in South Africa may make the upcoming vote one of the most interesting in years. Some of the most fascinating polls may take place in Tunisia and even Botswana, while the Algerian elections do not seem to augur much immediate political change.

While a number of African elections are not expected to be free and fair, several votes are set to trigger peaceful and democratic transitions of government. In this special report, EXX Africa lists the elections that you should not miss in 2019 as these are likely to make a lasting impact on the political risk outlook for many years to come. Over the course of next year, CAA needs to find ways to monitor all elections across the continent.

Country	Election Type	Date of Elections	No. Political Parties	Population (Mil)	Likely Challenges
Algeria	P	17-Apr-19	12	42	An alleged internal coup suspected to have been carried out by clique led by Bouteflicka's brother.
Botswana	NA & LG	Oct-19	8	2	Harrassment of opposition politicians and journalists by state agents.
	P	1-Apr-18			
Benin	Pal & P	28-Apr-19	37	12	The political natureof the Electoral Commission.
Cameroon	NG	Oct 2019 (postponed from late 2018)	15	25	Increased instabiliy caused by Boko Haram in the North and Anglophone seperatists in the West.
Chad	N & L	May 2019 (postponed from 30 Nov 2018)	31	16	Repression of political opposition and civil society.
Egypt	L	by Jul 2019	100	100	Control from central government, lack of decentralisation and local democracy could deter quality efficient service provision.
Ethiopia	LG	2019 (postponed from 2018)	27	109	Boycott of local elections by opposition politicians because of lack of funding.
	LG	2019			
Guinea	NA	3-Feb-19	10	13	Civil unrest and political violence.
Guinea-Bissau	NA & S	10-Mar-19	21	2	Civil unrest and political violence.
	P	2019			

Libya	R	Feb-19	56	7	Armed conflict and political instability.
	P & Parl	2019 (after referendum)			
Madagascar	NA	2019	19	27	Civil unrest and political instability.
	P, R & L	2019			
Malawi	P, NA	21-May-19	15	19	Political instability.
Mali	NA	Apr 2019; Posponed from Nov & Dec 2018	9	19	Insurgency.
Mauritania	P & S	Mid 2019	14	5	Islamist undercurrent.
Mozambique	P, NA	15-Oct-19	19	31	Political violence.
Namibia	P & NA	Oct-19	10	3	Detention of activists.
Niger	L	13 Jan 2019; postponed from 8 Jan 2017	3	23	Volatility due to the presence of Boko Haram.
Nigeria	P, HR & S	16-Feb-19	48	199	Orchastrated violence from contracted mercenaries.
	G & SA	31-Mar-19			
Senegal	P	24-Feb-19	25	17	Activism by terrorist groups in neighbouring countries.
Somaliland (autonomous region)	HR & S	No date, postponed from Mar 2019	3	4	Limitted press freedom.
South Africa	NA & PL	Apr/May 2019	13	58	Growing racially based divisions within the citizenry based on racist incidents and political rhetoric.
	P by NA	2019 after May elections			
Tunisia	R & C	Oct-19	9	12	Limitted economic opportunity for women and youth.
	P	Dec-19			

A Call to Action for CAA

As the leadership within what is emerging to be the fastest growing institution on the continent- the church- there is a need to spend more time reflecting on the socio-economic and political environment in which congregants eke out an existence. Many countries such as Nigeria, Angola, Ghana, South Africa, Zambia are experiencing a reversal of the growth trend that they had become accustomed to since the turn of the century. There are many factors which explain the collapse or stagnation of these economies, many writers have cited corruption amongst the political elite. Whilst corruption plays a role there is a need to understand how the African economies are actually structured. Many countries still depend on the export of raw materials (commodities) and for more than a decade the global demands for natural resources found in Africa has been on the increase but since 2014 the Chinese and Indian economies (which have been the main drivers of the growth) are also beginning to slow down. The oil boom has also down- at the time of writing- a barrel of oil is trading at US$30,00- one of the lowest prices since the 1979 oil crises.

Bold leadership is necessary for Africa to make the fundamental shift away from the current economic structure towards real transformation. In particular, within the national space, the state has to anchor a critical national consensus and strategically marshal all available resources towards a strategy for transformation. Indeed, the state must lead and or enable the necessary planning and implementation of national strategies for transformation and coordinate within sub-regional blocks to enhance regional integration.

CONSIDER A COLLABORATIVE PAN-AFRICAN FOCUSED IMPACT INVESTING FUND

The proposed fund will primarily focus on making catalytic investments that enhance (i) the capacity and participation of MSMEs in lucrative value chains and (ii) SSEs' capacity to design and deploy disruptive innovations in social services delivery and also in ensuring environmental sustainability. Existing research has provided clues on the value chains that are amenable for MSMEs participation if their entry is adequately nurtured through the development of an ecosystem which enables access to affordable credit, technical support, innovation and an ongoing linking of production to markets. We propose for the CAA and related affiliates to support MSMEs that are focused on the following value chains; agriculture (despite the climate change challenge), aquaculture, horticulture, enhancing nonfarm based income opportunities and mining. We believe that concerted action in these value chain will contribute towards enhancing inclusion. We also propose that the CAA fund support SSEs that are focused on enhancing the delivery of the following social goods; affordable healthcare, education and housing. The fund will be made up of multiple players who share similar values and goals of reducing poverty and inequality through catalytic investments.

VIRTUAL THINK-TANK: CONNECT FAITH WITH PRACTICE

Whilst there has been a phenomenal growth of churches across the continent, there is very limited research on how these churches and their related activities have contributed towards improving the wellbeing of their congregants and also their nations. There is need to consider a think-tank process that harnesses ideas discussed at CAA Summits and spend more time exploring possibilities of carrying out experiments and creating models. The CAA has to date not yet adequately invested in processes that will enable creation of institutional memory. The proposed think-tank could provide that kind of support.

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