The AUDA-NEPAD

Welcomes you to the launch of special Report …

"Africa's path to 2063: choice in the face of great transformations"

NEPAD
TRANSFORMING AFRICA

FREDERICK S. PARDEE CENTER
FOR INTERNATIONAL FUTURES
JOSEF KORBEL SCHOOL OF INTERNATIONAL STUDIES
UNIVERSITY of DENVER

Programme

Start: 7.30am **End: 9.00am**

• Call Meeting to Order	MC
• Welcome remarks	Dr Ibrahim Mayaki, CEO AUDA-NEPAD
• Remarks	H.E. Prof. Sarah Anyang Agbor; Commissioner, HRST
• Remarks: Foresight & strategic Planning in delivering on Agenda 2063 – why this matters for member states (15min)	Dr Vera Songwe Executive Secretary, UNECA
• Presentation of the Report (25min)	Dr Ibrahim Mayaki; Martin Bwalya;
• Discussants: (15min)	Dr Jonathan Moyer; Director, Frederick S Pardee Center for International Futures
• Plenary Discussions (25min)	Moderator
• Remarks	a) H.E. Dr Richard Sezibera, Minister of Foreign Affairs and International Cooperation, Rwanda b) H.E. Ambassador Ranieri SABATUCCI; Head of Delegation; Delegation of the EU to the AU

Report Launch

Africa's path to 2063: Choice in the face of great transformation

Dr Ibrahim Assane Mayaki
CEO
NEPAD Agency

Addis Ababa, Ethiopia; 8th February 2019

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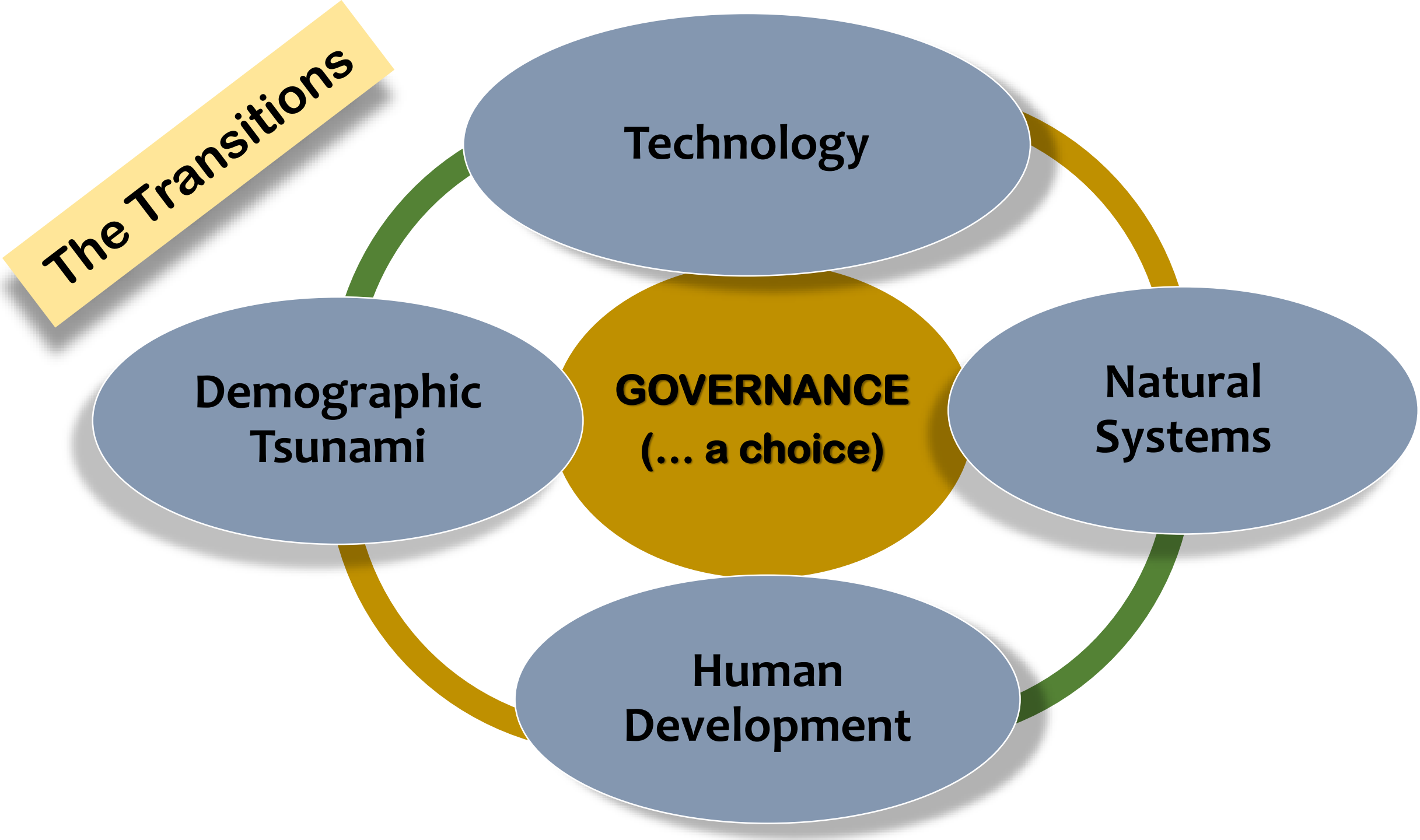
Presentation Outline

1. Transitions in advancing Africa's development aspirations

2. The Identified Major transitions

3. Conclusion and Key messages


The Transitions
Technology
Demographic Tsunami
GOVERNANCE (… a choice)
Natural Systems
Human Development

Transition 1: Demographic Tsunami

Population: evidence

- In 1963, less than 10% of the world's population was African. By 2063 nearly 30% of the world's population will be African.
- 37% of global births between now and 2063 will occur in Africa.
- The youth bulge - a measure of instability, has already peaked in 2005. But it will decline slowly. By 2063 it is projected to be the same level as the world today.
- In 1963 60 million people lived in African cities. By 2063 it is projected to increase to 1.8 billion, a 30-fold increase

Figure 1: Regional share of global population, 1963-2063.

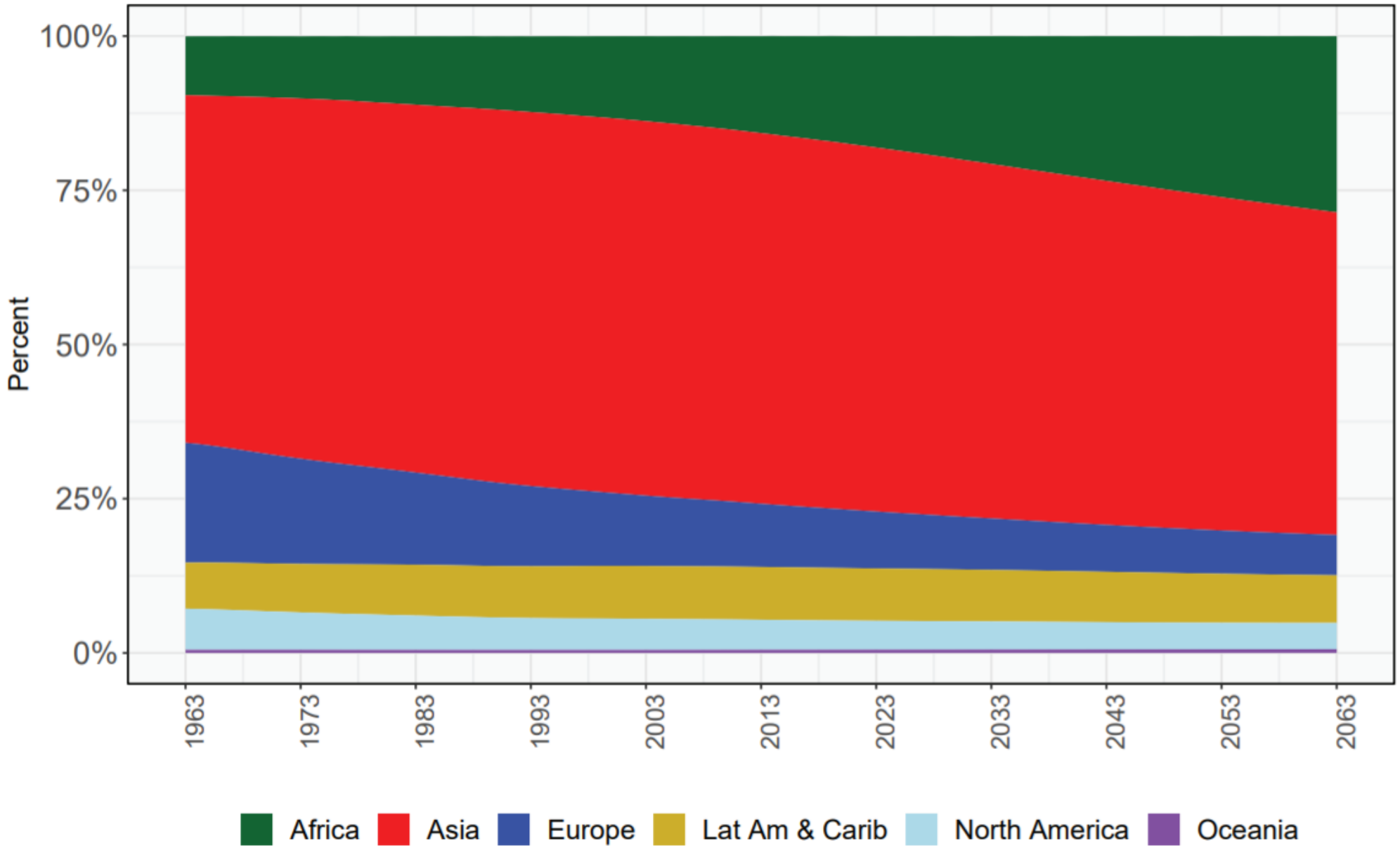
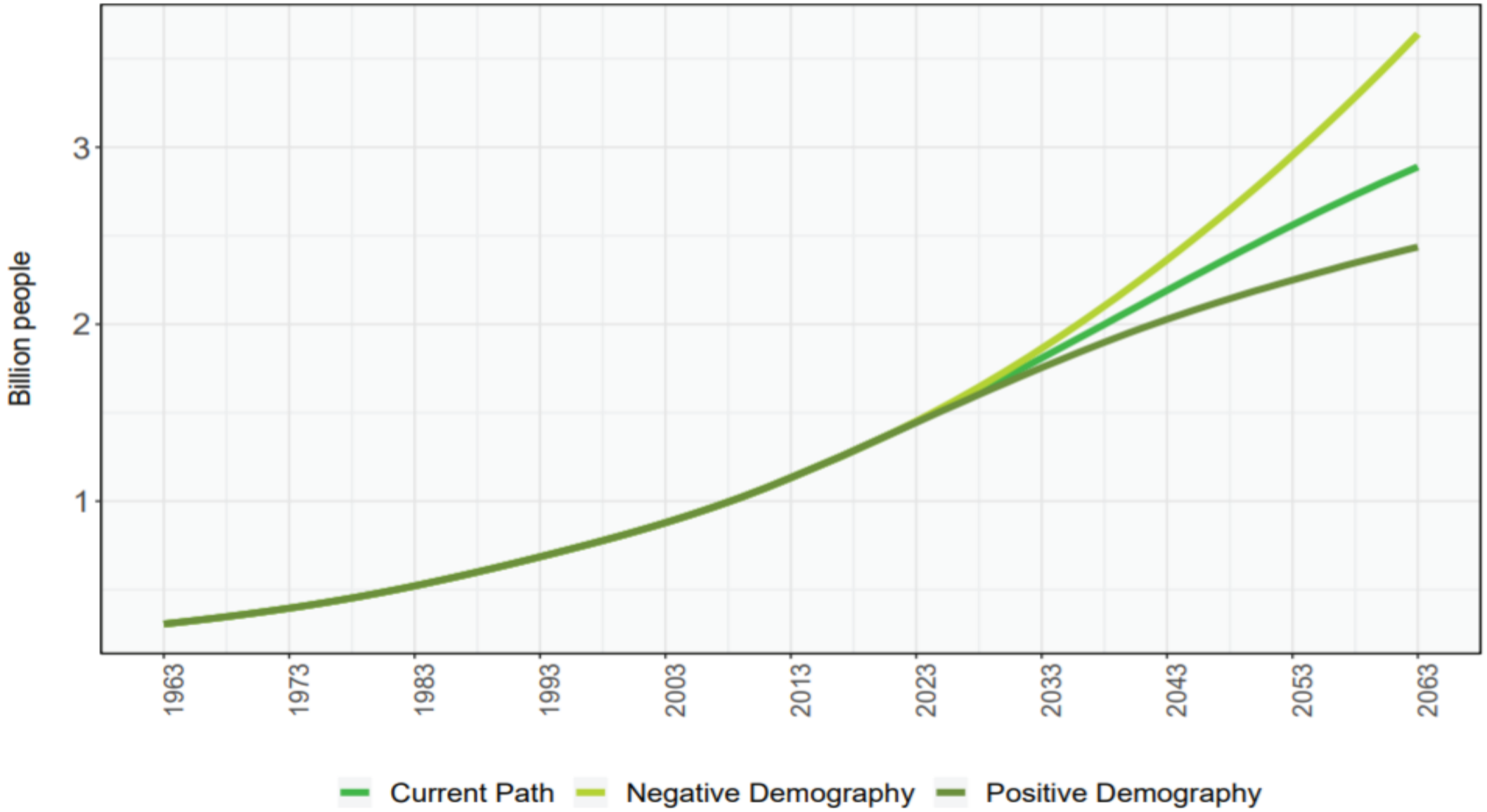


Figure 2: Population of Africa across three scenarios, 1963-2063.



Population: impact

- **Positive:**
  - This demographic transition will increase "influence and power" of African states by increasing the demographic basis of economic production

- **Negative:**
  - The massive growth in population could be socially destabilizing, and government services are unlikely to be able to react quickly enough to growth in numbers and in urbanization.

Transition 2: Human Development and Inequality

The evidence

- Growth in GDP per capita (at PPP) was $2,600 in 1963 and grew to $4,600 today. Projected to grow to $11,300 by 2063

- Growth in middle class (those living between $10 and $50 per day) from 85 million today to 1.1 billion by 2063

- Poverty in absolute terms will increase and is expected to grow ($3.10 per day at PPP) from 700 million today to a peak at 850 million by 2035 and then to decline to under 600 million by 2063.

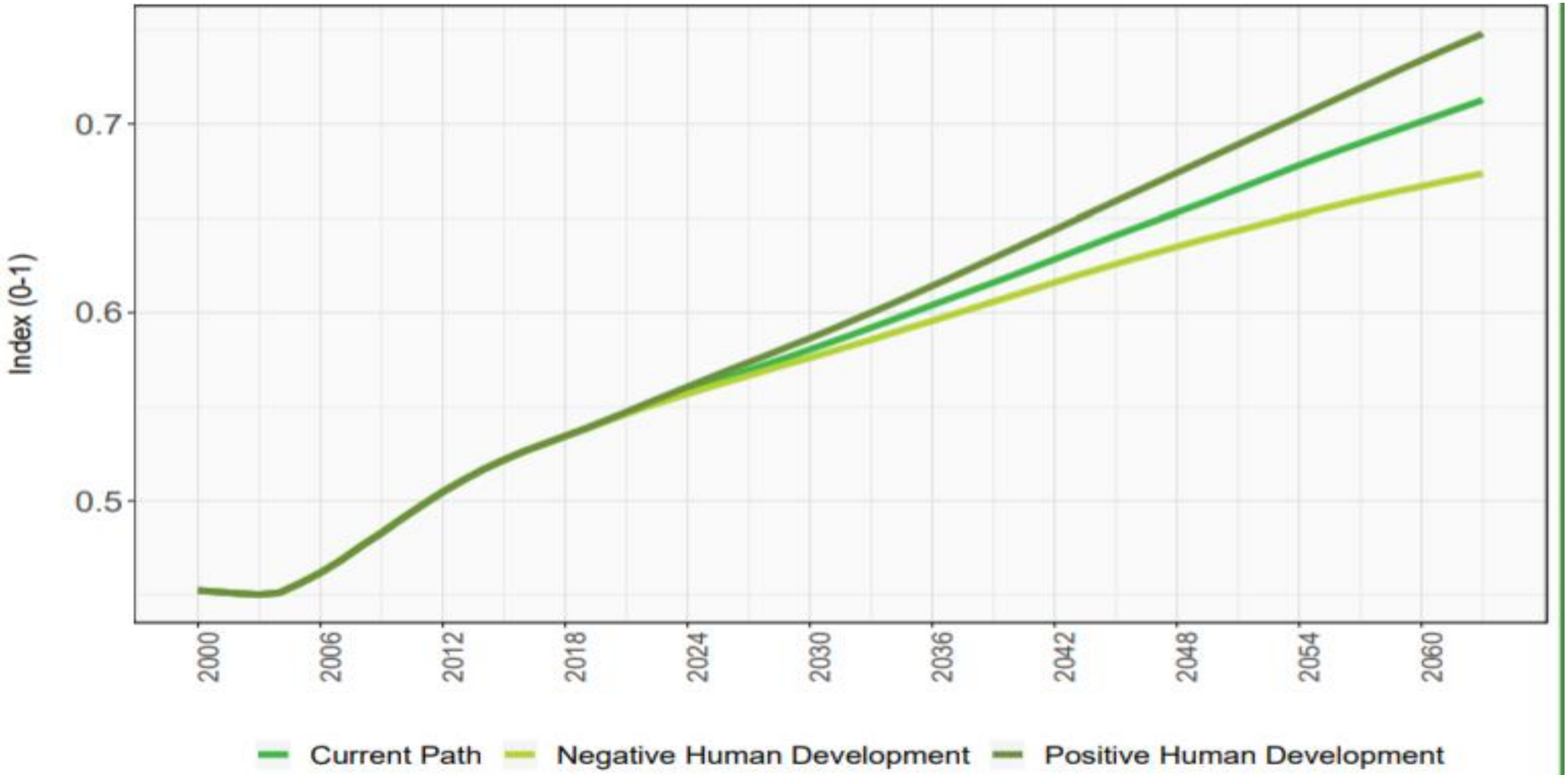


Figure 8: HDI in the Current Path, negative human development, and positive human development scenarios, using five year moving average.

Human Development and Inequality: Impact

- **Positive:**
  - Increasing education, health, and incomes for Africa will lead to a rising consumer class voice, changing values, and improved well-being – **trend is significant**

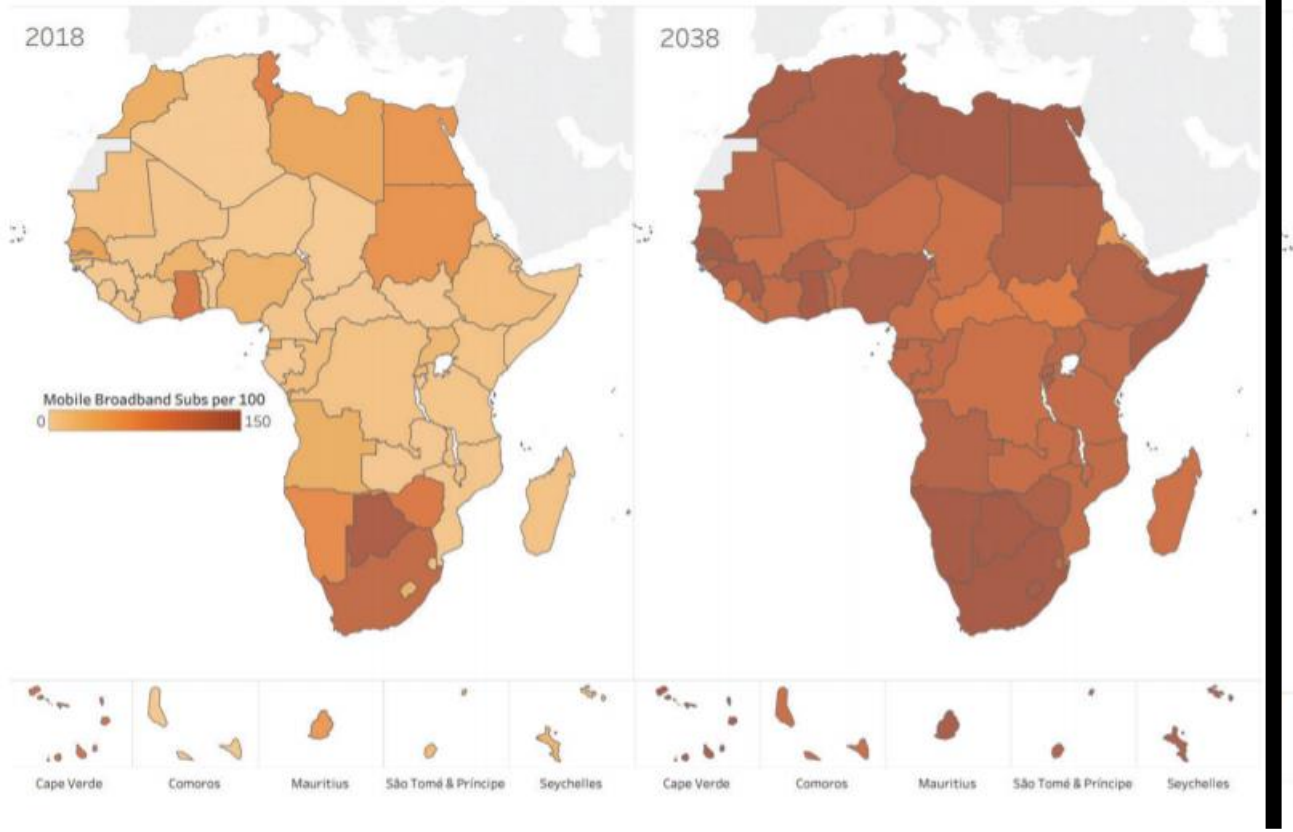
- **Negative:**
  - The growth in African wealth will be **increasingly unequally divided** with hundreds of millions living in poverty and tens of millions with previously unseen wealth and education. **This could drive social instability and conflict**
  - Inequality will be a key challenge

Transition 3: Technology

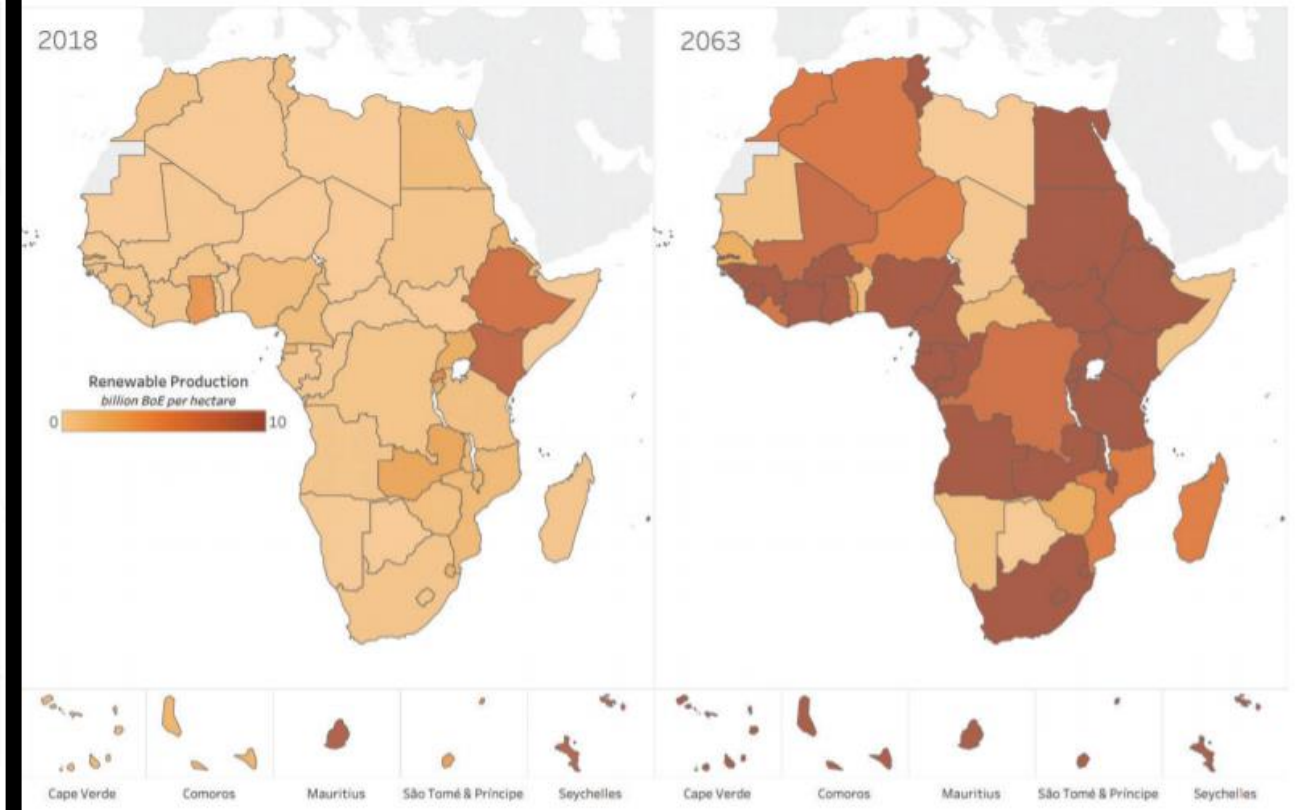
The evidence

- Over 1 billion SIM cards exist in Africa, and this is projected to increase to over 2 billion by 2030
- The cost of renewable energy has declined and will lead to a transformation of decentralized electricity access
- Automation and robotics continues to decrease the unit cost of production

Mobile Broadband - over next 20 years



Renewable Energy Production – over next 50 years



Impact of Technology on Agriculture Productivity

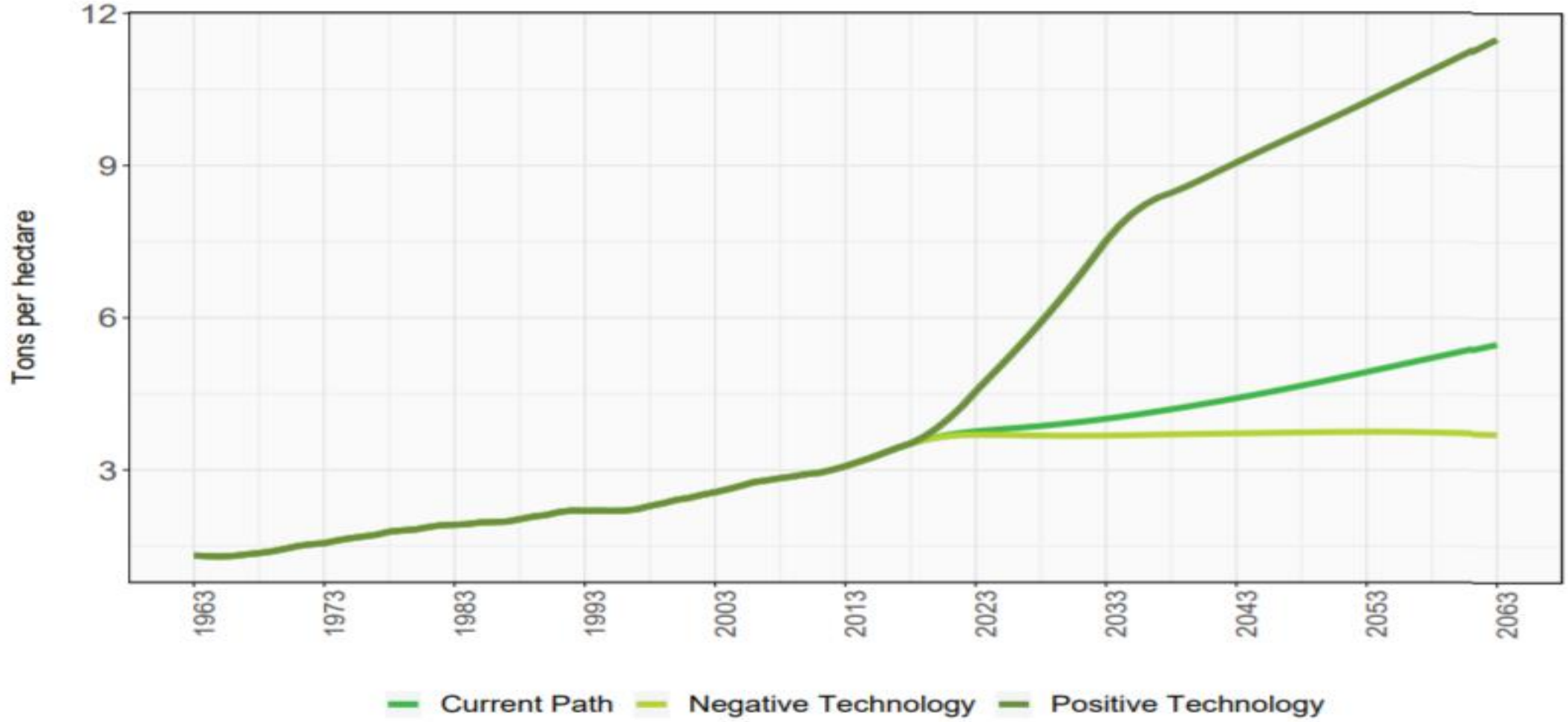


Figure 19: Average agricultural yields in Africa, history and forecast across three scenarios (negative technology, current path, positive technology).

Technology: Impacts

- **Positive:**
  - Improved technology will reduce the cost of goods and services, while making energy cleaner, cheaper and more accessible

- **Negative:**
  - The increased prevalence of robotics, automation, and artificial intelligence will challenge economic development and could undermine job creation

Transition 4: Natural Systems

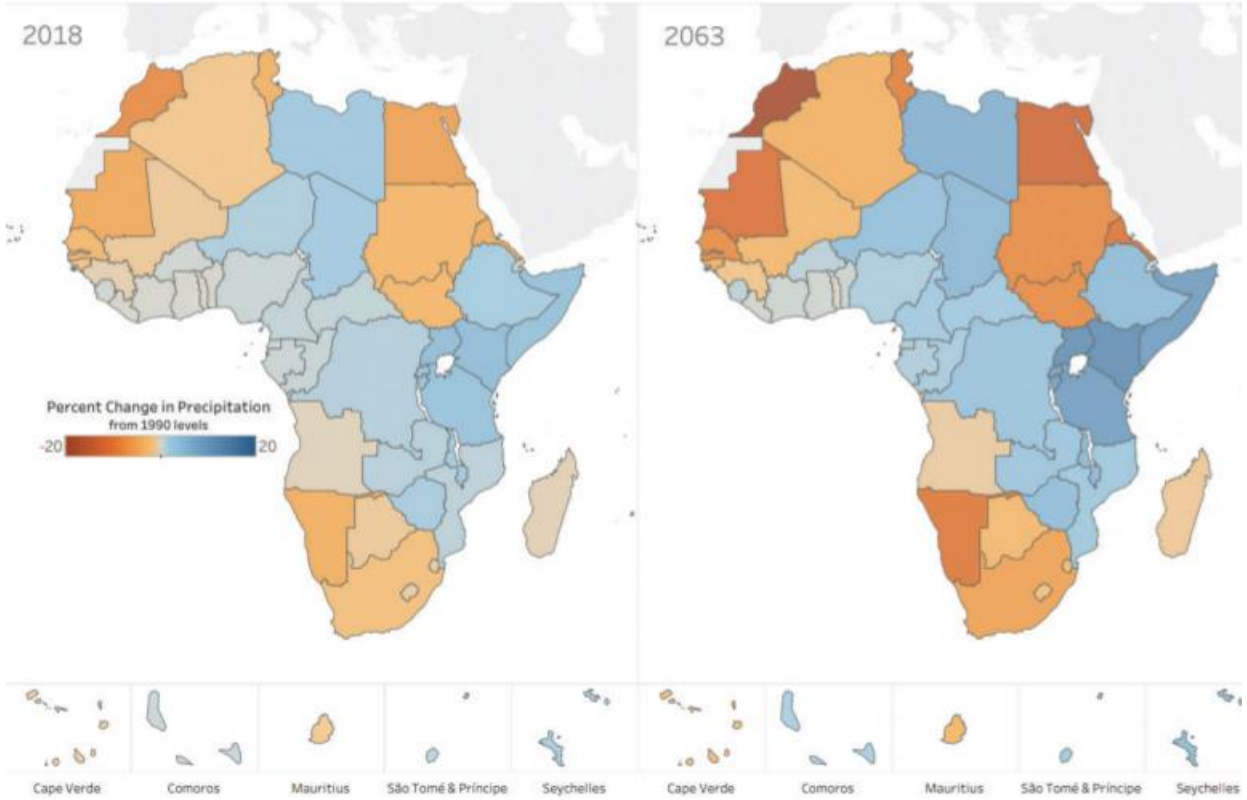
The evidence

- Climate change will increasingly impact agricultural production as well as lead to increased disruption from large weather events

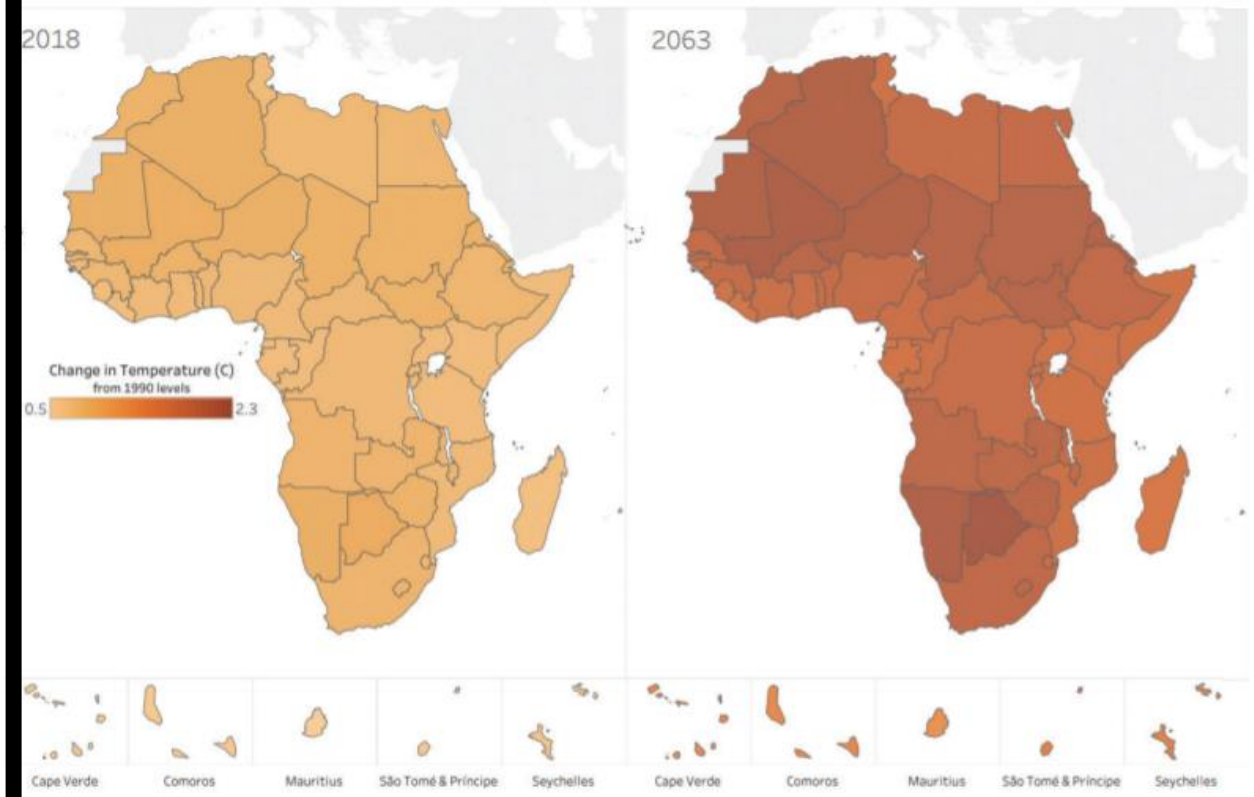
- Food security will remain a challenge as land strains to produce enough to feed a growing population with increasingly rich dietary demands

- Acute resource scarcities will lead to conflict and human suffering. These include persistent droughts that will exacerbate food security issues, water scarcity (especially as cities grow rapidly), as well as urban air pollution.

Climate: Change in Precipitation [over next 45 years]



Climate: Change in Temperature [over next 45 years]



Natural Systems: Impacts

- **Positive:**
  - Africa is **rich in natural resources and climate** that can drive economic growth and investment

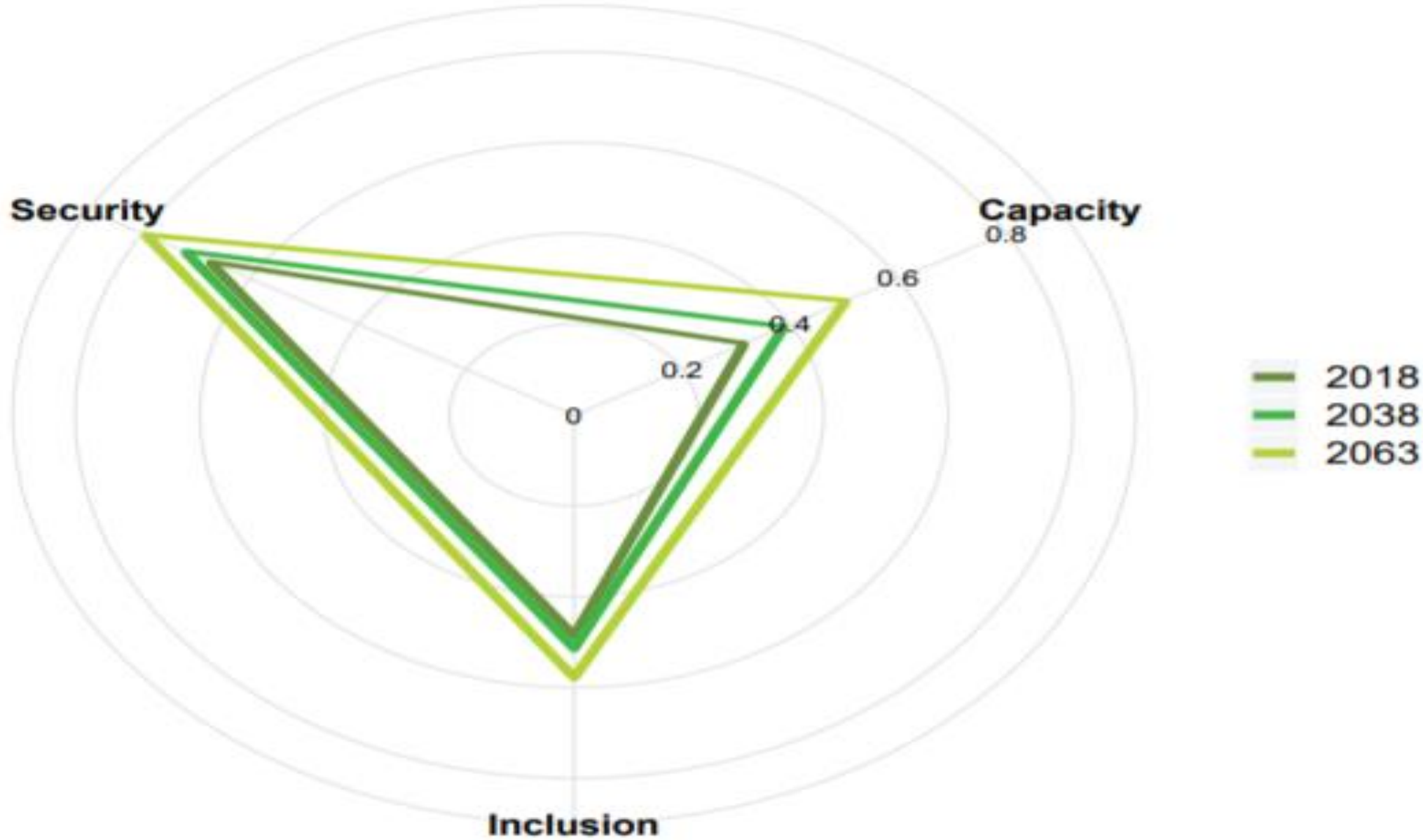
- **Negative:**
  - Extractive industries create perverse incentives that **increase corruption** and make it hard to diversify economies for export.
  - Climate change will **increasingly impact agricultural production** and will lead to more **weather variation driving drought and conflict**.
  - Food production will not keep pace with **food demand, leading to increased import requirement**.

Governance …. A Choice

The evidence

- Improvement in **government capacity is crucial to leverage these transitions** to improve development outcomes and achieve Agenda 2063

- **Foreign aid - as a share of GDP** - is likely to reduce leading to a gap in government revenue generation as a share of GDP. Being acutely aware of this potential short-fall in revenue will be crucial for future governance capacity development


Security
Capacity
Inclusion
0
0.2
0.4
0.6
0.8
2018
2038
2063

Conclusion and Key messages

Conclusion and Key messages – 1/4

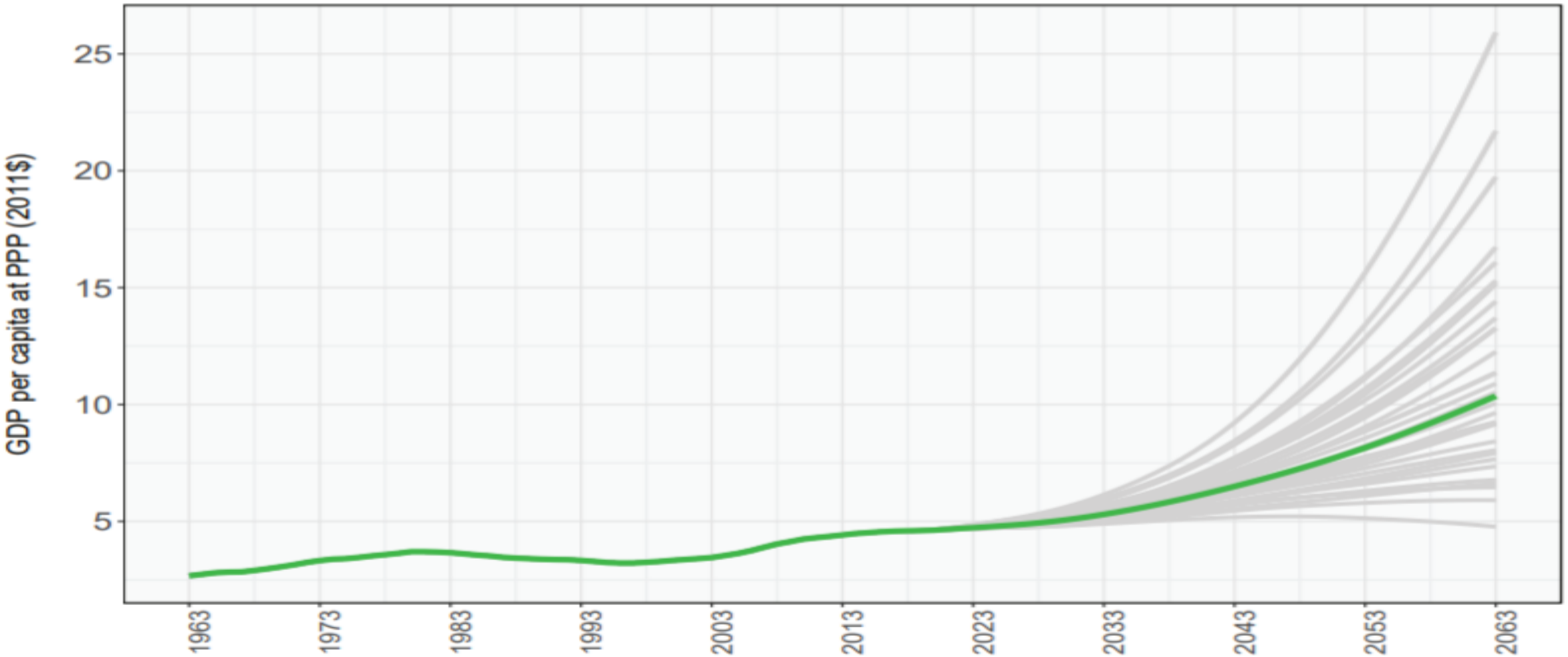


Figure 28: All scenario results for GDP per capita at PPP (2011$) with Current Path highlighted, 1963-2063, US, using five year moving average.

Conclusion and Key messages – 2/4

Table 10: Positive and negative development scenarios for GDP per capita at PPP (2011$) for 2018, 2038, and 2063.

	2018	2038	2063
Current Path	$4.6	$6.5	$11.8
Negative Demographics	$4.6	$6.3	$10.6
Positive Demographics	$4.6	$6.8	$12.7
Negative Human Development	$4.6	$6.4	$10.3
Positive Human Development	$4.6	$6.8	$14.2
Negative Technology	$4.6	$6.3	$8.9
Positive Technology	$4.6	$7.1	$18.3
Negative Environment	$4.6	$6.6	$11.4
Positive Environment	$4.6	$6.6	$12.1

Table 11: The impact of positive and negative governance on development for GDP per capita at PPP (2011$) for 2018, 2038, and 2063.

	2018	2038	2063
Negative Governance	$4.6	$6.0	$8.7
Positive Governance	$4.6	$7.1	$16.0
Combined Negative without Governance	$4.6	$6.0	$7.1
Combined Negative with Negative Governance	$4.6	$5.5	$4.9
Combined Negative with Positive Governance	$4.6	$6.7	$10.5
Combined Positive without Governance	$4.6	$7.7	$23.6
Combined Positive with Negative Governance	$4.6	$7.0	$18.0
Combined Positive with Positive Governance	$4.6	$8.5	$31.1

Conclusion and Key messages – 3/4

Understanding the positive and negative:

	2020s	2030s	2040s	2050s	2060s
Urban Population Growth					
Youthful Population					
Demographic Dividend					
Improved Education					
Improved Health					
Middle Class Growth					
Improved Infrastructure					
Growth in Inequality					
Poverty					
Growth in Inequality					
Renewable Energy Growth					
Growth in Automation and Artificial Intelligence					
Climate Change					
Urban Environmental Challenges					
Biodiversity Loss					
Water Stress					

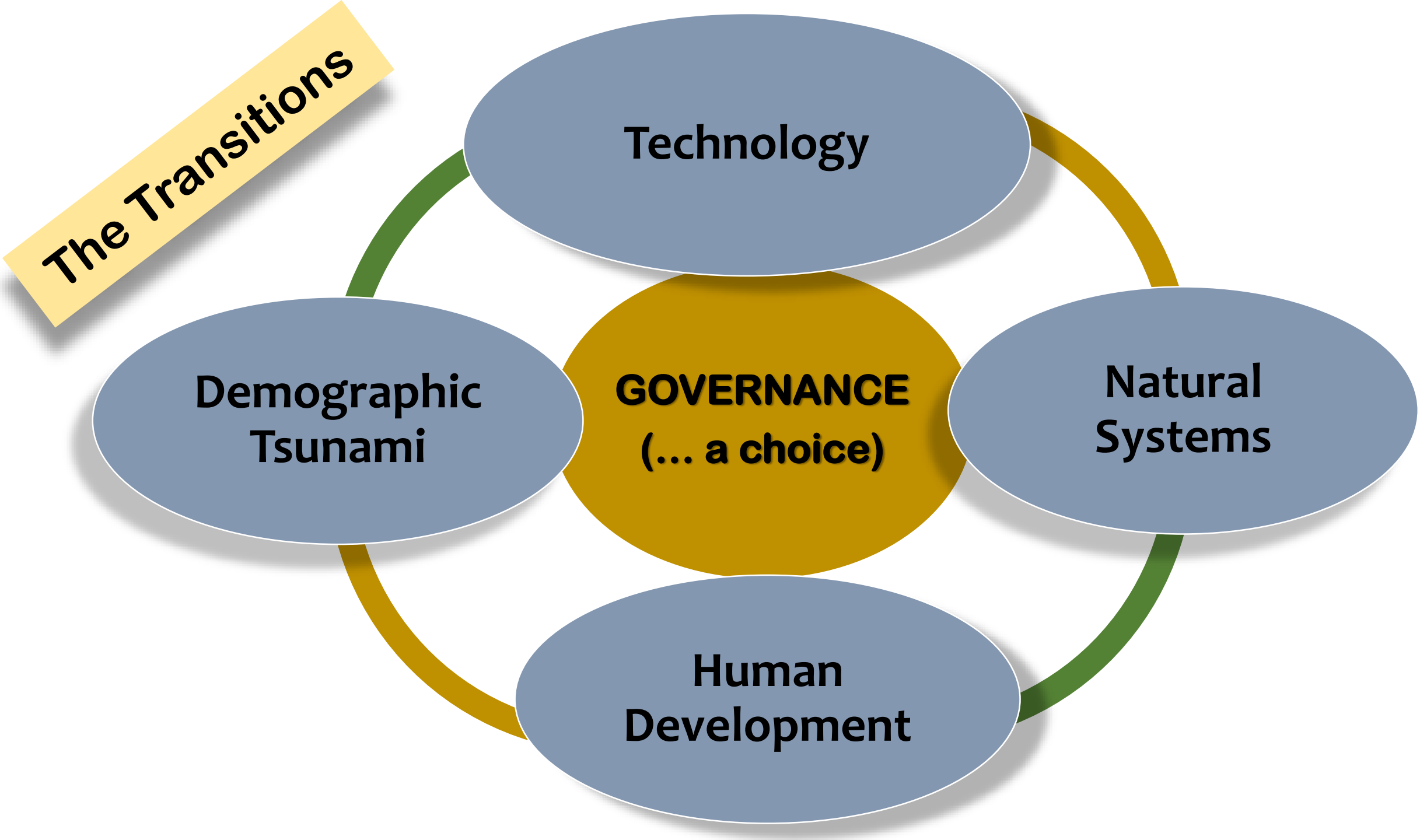
Legend:
Significant Continental Challenge
Moderate Continental Challenge
Moderate Continental Opportunity
Significant Continental Opportunity
Moderate Local Challenges
Significant Local Challenges

Conclusion and Key messages – 4/4

- ✓ Successful leveraging of these transitions will be less cost-effective and possibly unsustainable at individual country level. Trans-national and regional alliances essential

- ✓ Unprecedented in these transitions is the speed at which change is happening

- ✓ Making choices is the underlining issue – in delivering inclusive development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I Thank You