
AES
Africa Economic Symposium
4th Edition
TURNING TRANSITIONS INTO GROWTH
July 13th - 14th, 2026 – Rabat, Morocco
SUMMARY REPORT
POLICY CENTER FOR THE NEW SOUTH
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TURNING TRANSITIONS INTO GROWTH

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SUMMARY REPORT

INTRODUCTION

The Africa Economic Symposium (AES) has become one of the Policy Center for the New South's flagship annual platforms for economic dialogue, alongside the Atlantic Dialogues and the African Peace and Security Annual Conference. Its fourth edition, held in Rabat on July 13–14, 2026, brought together economists, policymakers, central bankers, academics, and development practitioners to examine the macroeconomic and structural forces shaping Africa's development trajectory.

Convened under the theme "Turning Transitions into Growth," AES 2026 took place at a particularly demanding moment for African economies. Fiscal pressures, rising debt burdens and limited policy space are constraining governments' ability to absorb recurrent shocks, finance long-term priorities and respond to growing expectations for employment, better public services, and higher living standards. The symposium therefore focused on the policy choices and institutional capacities required to preserve macroeconomic stability, strengthen economic resilience, and sustain structural transformation under increasingly restrictive domestic and international conditions.

Over the two days, the exchanges explored the interdependence between natural-resource governance, fiscal sustainability, domestic capital-market development, climate and energy transitions, technological diffusion, social inclusion, and development finance. These different dimensions pointed to a common challenge: converting Africa's resources, demographic potential, and emerging opportunities into stronger productive capacities and tangible improvements in living standards.

Particular emphasis was placed on the gap between policy formulation and implementation. Effective transformation depends not only on sound analysis and strategic frameworks, but also on institutions capable of translating them into action, adapting interventions through iterative learning, and assessing their outcomes. In this context, think tanks can act as "clinics for public policy" by connecting rigorous, evidence-based research with actionable recommendations tailored to national and regional realities. Strengthening such institutions and expanding cooperation among them would support institutional learning, broaden professional networks, and deepen evidence-based policy dialogue across the African continent.

AES 2026 featured eleven sessions, each addressing a critical dimension of the broader challenge of turning economic, technological, environmental, and institutional transitions into sustained growth:

1. **Presentation of the PCNS Annual Report on the African Economy: The Political Economy of Africa's Natural Resources in a Changing Global Landscape**
2. **Managing Price, FX, and Rate Spillovers for Growth and Resilience**
3. **Fiscal Policy Design for Natural Resource Management**
4. **Debt Composition, Domestic Capital Markets, and Fiscal Sustainability in Africa**
5. **Network for Impact in Africa: Bridging Global Knowledge and Local Expertise**
6. **Africa Facing the Abundance of its Natural Resources**
7. **Climate and Energy Transition for Resilient Growth**
8. **Technology-Led Structural Transformation and Growth Dynamics**
9. **Leaving No One Behind: Social Policies for Inclusive Growth.**
10. **Financing Transitions for Sustainable Growth**
11. **Special Focus Session: Managing the World Cup Economy**

OPENING REMARKS AND KEYNOTE ADDRESSES



KARIM EL AYNAOUI

Executive President of the Policy Center for the New South.

The opening remarks framed Africa's current policy challenge as both macroeconomic and structural. Governments face rising fiscal pressures, growing debt burdens, and limited policy space at the same time as expectations for effective and inclusive public policy continue to increase.

Against this backdrop, think tanks can act as "public-policy clinics": institutions capable not only of producing evidence, but also of diagnosing policy failures, convening relevant expertise, and supporting the development of practical responses. Stronger knowledge networks and sustained policy dialogue are necessary to build institutional capacity across Africa.



WAMKELE MENE

Secretary General of the AfCFTA, African Union

The first keynote identified economic fragmentation as one of Africa's persistent structural constraints. The continent operates with more than 40 currencies, increasing transaction costs and dependence on external currencies. This fragmentation was estimated to cost African economies nearly USD 5 billion annually.

The African Continental Free Trade Area (AfCFTA) provides an institutional framework for reducing this fragmentation and expanding the scale of African markets. Around 50 countries have ratified the Agreement, creating a potential market of more than 1.4 billion people and approximately USD 3.4 trillion in combined GDP. Intra-African trade was estimated at around USD 220 billion, following annual growth of approximately 12.4%.

Yet the creation of a larger continental market does not automatically translate into greater production, trade, and employment. Realizing the full gains from the AfCFTA requires stronger coordination between trade, macroeconomic, and industrial policies. Instruments such as the Pan-African Payment and Settlement System can directly address currency and payment frictions, while complementary industrial strategies are needed to expand productive capacity, raise productivity, and create employment.



RYAD MEZZOUR

Minister of Industry and Trade, Kingdom of Morocco

The second keynote emphasized that Africa needs to move beyond a recurring discourse centered on potential and develop greater confidence in its capacity to compete and transform. Morocco's experience illustrated how this confidence can be translated into consistent, long-term policy choices. Trade opening generated adjustment costs and led to the closure of uncompetitive activities, but it also supported the emergence of larger and more productive industrial capacities through a process of creative destruction.

This transformation was supported by strategic infrastructure built ahead of immediate domestic demand. Tanger Med and the expansion of Morocco's port and highway networks reduced logistics costs, strengthened connections to global markets, and facilitated the development of industrial ecosystems, particularly in the automotive sector. The full benefits of such investments may take ten to twenty years to materialize.

Yet infrastructure alone is not sufficient to attract and sustain productive investment. State capacity is equally important in removing administrative constraints and creating functional environments in which firms can operate and expand. Beyond physical and administrative infrastructure, locally developed AI agents were presented as a means of broadening access to knowledge and expertise that has historically remained concentrated within large multinational firms.

PRESENTATION OF THE PCNS ANNUAL REPORT ON THE AFRICAN ECONOMY

The Political Economy of Africa's Natural Resources in a Changing Global Landscape

The session examined the conditions under which Africa's natural-resource endowments can contribute to development, stability, and structural transformation. Discussions highlighted how weak governance can link resource extraction to conflict, informality and illicit financial flows, while climate change, technological innovation and the energy transition are simultaneously reshaping commodity demand and the strategic value of Africa's resources. Africa's position in critical minerals will therefore translate into broad-based development gains only if supported by stronger institutions, more effective contracts, domestic processing capabilities and integrated regional value chains.



Moderator

Speakers



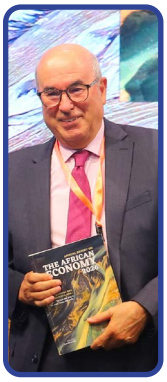
Abdelaaziz Ait Ali

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Elisabeth Grâce Brya

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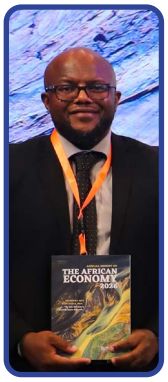
Larabi Jaïdi

Senior Fellow, Policy Center for the New South



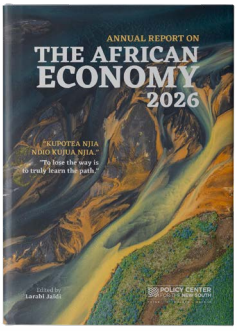
Marie-Louise Djigbenou-Kre

Principal Specialist in Charge of Studies and Licensing, Central Bank of West African States



Nicodemus M. Minde

Adjunct faculty member in the School of Humanities and Social Sciences, United States International University - Africa





MAIN IDEAS & KEY MESSAGES

- Africa's resource endowment is not a development advantage. Its economic and political value depends on the quality of the institutions governing extraction, revenue collection, benefit sharing, and accountability.
- In fragile regions, weak governance can turn extractive activities into sources of financing and territorial control for armed groups. Improving traceability, formalizing production and restoring state presence are therefore security priorities as much as economic ones.

- Climate change, technological change and the energy transition are redefining the strategic value of commodities. African countries need to anticipate these shifts rather than remain exposed to externally determined prices, standards and demand cycles.
- Africa's control of more than one-third of global critical-mineral reserves strengthens its strategic position, but this advantage is not automatic. Capturing greater value will require stronger bargaining power, better contract design and a shift from raw-material exports toward domestic processing and integrated regional value chains.
- Resource policy must connect national objectives with local development. Without meaningful community participation, credible compensation mechanisms, and a visible local share of benefits, extractive projects risk reinforcing territorial inequalities and social tensions.
- The gold economy illustrates the trade-off between livelihoods, informality and stability. Formalization strategies must preserve local economic opportunities while reducing illicit taxation, smuggling, and competition over land and natural resources.
- Recent commodity-market disruptions reflect structural changes rather than temporary shocks. This requires stronger fiscal buffers, more diversified export bases, and long-term investment strategies capable of managing both price volatility and technological obsolescence.
- Country experiences show that the decisive issue is the conversion of resource rents into productive assets. Fiscal discipline, sovereign wealth management and investment in infrastructure, skills, and industrial capabilities can support transformation, while elite capture and weak bargaining power can perpetuate dependency.

I. Macroeconomic Policy Challenges

PLENARY SESSION 1

Managing Price, FX, and Rate Spillovers for Growth and Resilience

The session examined how external shocks are transmitted to African economies through exchange rates, import prices, sovereign financing conditions, and domestic financial systems. Speakers noted that inflation has become more persistent and increasingly driven by food prices, while weak monetary-policy transmission limits the effectiveness of interest-rate increases. Fiscal dominance and shallow local-currency capital markets further constrain the policy response by linking government financing needs to bank balance sheets and domestic credit conditions. Strengthening institutional credibility, policy coordination, and long-term local-currency financing was therefore identified as essential to improving resilience.



Moderator

Speakers



Oumayma Bourhriba

Senior Economist, Policy Center for the New South



Chukwuka Onyekwena

Executive Director, Centre for the Study of the Economies of Africa



Hassan Hachimi Alaoui

Professor, Ibn Zohr University



Kingsley Moghalu

President, Institute for Governance and Economic Transformation



Pierre Nguimkeu

Director of the Africa Growth Initiative in the Global Economy and Development program, Brookings

MAIN IDEAS & KEY MESSAGES

- Inflation in many African economies is first transmitted through exchange rates and import dependence. Major currency adjustments raise the domestic cost of imported goods, while external supply disruptions generate shortages and price pressures.
- The inflation challenge has become more persistent and increasingly food-driven. Between 2022 and 2023, central banks tightened monetary policy despite concerns about growth, but weak transmission mechanisms limited its effectiveness.
- Fiscal dominance weakens monetary-policy credibility and financial intermediation. Greater reliance on domestic borrowing during the 2022–2023 tightening cycle contributed to movements in lending rates and reduced financing for productive activities.
- Resilience requires operational central-bank independence and deeper local-currency capital markets. Regional bond platforms, common transparency standards, and long-term instruments can reduce exchange-rate exposure and support productive infrastructure.
- Capital flows have not been the main amplifier of recent inflation episodes outside Africa's larger economies; exchange-rate movements, supply constraints, and import dependence have played a more direct role.

- Monetary-policy responses differ according to exchange-rate regimes. Fixed and more flexible systems face different constraints, helping to explain the varied sequence and intensity of policy-rate adjustments across countries.
- Fiscal policy frequently compensates for weak monetary transmission, but this creates spillovers through sovereign borrowing, lending rates, and banks' exposure to government debt.
- Domestic-resource mobilization and regional capital-market integration can strengthen resilience by expanding long-term local-currency financing, supporting cross-border infrastructure, and improving international risk sharing.

I. Macroeconomic Policy Challenges

PARALLEL SESSION 1

Fiscal Policy Design for Natural Resource Management

The session examined the fiscal and institutional arrangements needed to convert volatile and exhaustible resource revenues into lasting productive capabilities. Rather than treating the policy choice as a simple trade-off between saving and spending, the discussion emphasized the quality and direction of expenditure. Resource revenues should support competitive firms, skills, infrastructure, and export capacity, while transparent allocation rules, credible local benefit-sharing mechanisms, and strict performance criteria are needed to ensure that resource-financed investment delivers measurable development outcomes.



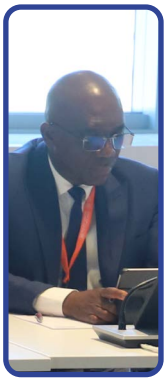
Moderator



Fahd Azaroual

Economist, Policy Center for the New South

Speakers



Alban Ahouré

Director of the Economic Policy Analysis Unit, Ivorian Center for Economic and Social Research



Hinh T. Dinh

Senior Fellow, Policy Center for the New South



Kazi Sohag

Associate Professor, Graduate School of Management at Saint Petersburg University



Peter Hochet

General Director for Africa, INSUCO

MAIN IDEAS & POLICY RECOMMENDATIONS

- Resource wealth generates development only when supported by credible fiscal rules and effective institutions. In economies where natural resources account for at least 20% of GDP, medium-term fiscal anchors and stabilization mechanisms are essential to limit commodity-price volatility and politically driven spending cycles.
- The objective is not merely to preserve financial wealth, but to convert exhaustible resources into durable productive capabilities. The fact that 16 of today's 20 least developed countries were already in that category forty years ago, while total factor productivity (TFP) was negative in 9 of the 11 countries studied, shows that investment alone does not guarantee transformation.
- The conversion window is narrowing. Around 60% of Africa's oil and gas reserves could become non-competitive by 2040, increasing the urgency of developing alternative sources of exports, employment, and fiscal revenue.
- Resource revenues should serve two separate functions: short-term stabilization and long-term structural transformation. Dedicated funds can prevent immediate fiscal pressures from displacing investment in firms, skills, infrastructure, and export capacity.

- Transformation requires concentrating resources on a limited number of export-oriented productive platforms, with public support that is temporary, targeted, and conditional on measurable results.
- Effective implementation requires both strategic oversight and permanent technical capacity. Explicit allocation rules should combine targeted social transfers, support for firm competitiveness, and sustained investment in human capital, energy efficiency, skills, and innovation.
- Local legitimacy depends on visible benefit-sharing. Surface taxes, royalties linked to identifiable community projects, and contributions of around 1% of mining-project turnover can support local development, while public disclosure of revenues and expenditures strengthens accountability.
- The Democratic Republic of the Congo illustrates the persistence of resource dependence: its resource-rent ratio increased from around 26% of GDP in 2010 to approximately 39%, showing that extractive growth can deepen economic concentration when domestic productive linkages remain weak.

I. Macroeconomic Policy Challenges

PARALLEL SESSION 2

Debt Composition, Domestic Capital Markets, and Fiscal Sustainability in Africa

The session examined how debt composition and servicing affect development and financial stability. External defaults restrict access to international finance, while domestic restructurings place greater pressure on banks and domestic credit markets. Speakers also stressed that high debt-service burdens crowd out public investment and that borrowing should be directed toward productive capacity that strengthens future repayment capacity.



Moderator



Badr Mandri

Senior Economist, Policy Center for the New South

Speakers



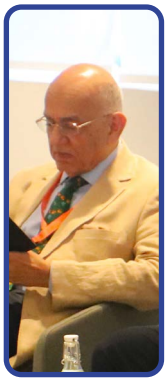
Christoph Weiss

Principal Advisor at the Economics Department, European Investment Bank



Disney Leite Ramos

Director, The São Tomé and Príncipe Citizenship by Investment Unit



Masood Ahmed

President Emeritus, Center for Global Development



Roméo Boyé

Head of the Macroeconomics and Modelling Research Unit, Ivorian Center for Economic and Social Research

MAIN IDEAS & POLICY RECOMMENDATIONS

- Africa's debt burden is increasingly constraining growth and structural transformation. Public debt averages about 65% of GDP, while rising debt-service costs reduce fiscal space for infrastructure, education, and social investment.
- Debt composition matters as much as debt levels. Evidence from 36 African countries over roughly four decades identifies 67 external defaults and 33 domestic defaults, averaging 8% and 3.6% of GDP, respectively.
- External and domestic defaults affect economies differently. External restructuring limits access to foreign financing, while domestic restructuring can directly weaken banks, pension funds, and other holders of government securities.
- Debt-resolution mechanisms remain too slow. Around half of low-income countries face high risks of debt distress, yet only five to six countries have entered the G20 Common Framework, while borrowing costs of about 7–10% constrain refinancing.
- Sustainability depends on whether borrowing expands future repayment capacity. Côte d'Ivoire's external debt service reached 22.7% of export revenues, above the estimated 21.09% threshold, underscoring the need to finance productive and export-generating activities.

- The decline in defaults after the HIPC Initiative was not permanent. Debt distress has re-emerged over the past five years, including in countries that previously received debt relief, showing that restructuring alone is insufficient without stronger fiscal institutions and productive transformation.
- The timing of restructuring also matters. Domestic negotiations often begin before missed payments, whereas external restructuring typically starts after default because of fragmented creditors, legal complexity, and coordination difficulties.
- Small Island Developing States face additional constraints. In São Tomé and Príncipe, a population of about 230,000 and a narrow domestic market limit economies of scale and the returns on debt-financed investment.
- Debt resolution and development finance must be addressed jointly. Faster restructuring and additional financing can support recovery only when sufficient fiscal space remains for productive investment rather than being absorbed by debt service.

II. The Structural Agenda: Climate, Digital, and Social Transitions

FEATURED SESSION

Network for Impact in Africa (NIA): Bridging Global Knowledge and Local Expertise

The featured session focused on strengthening the role of African research institutions in policy design and delivery. NIA was presented as a platform for joint action between think tanks, governments and World Bank country offices, with emphasis on country ownership, continuous engagement, and results measured through policy implementation and development impact.



Moderator

Speakers



Arup Banerji

Director for Knowledge and Learning, World Bank Group



Abbi M. Kedir

Acting Executive Director, African Economic Research Consortium



Karim El Aynaoui

Executive President, Policy Center for the New South



Mavis Owusu-Gyamfi

President and CEO, African Centre for Economic Transformation

MAIN IDEAS & KEY MESSAGES

- NIA seeks to connect African think tanks more directly with governments and World Bank country offices to turn research and institutional knowledge into concrete policy initiatives.
- African institutions need to contribute from the design stage and remain involved throughout implementation, monitoring, and evaluation so that programs reflect domestic institutions and political-economy constraints.
- Moving from knowledge to action requires continuous and practical forms of engagement. Policy labs, public-policy clinics, small-group workshops and peer learning can help identify implementation failures and support adaptation over time.
- Agriculture offers a concrete area in which NIA can demonstrate impact. Africa holds around 60% of the world's remaining uncultivated arable land, but raising smallholder incomes requires coordinated action across finance, infrastructure, inputs, research, extension, and market access.
- NIA should progressively broaden its membership to draw on a wider range of expertise, institutional experience, and regional perspectives across the continent.
- Peer-to-peer learning between African governments can be more persuasive than

conventional external advice because it demonstrates how evidence has been applied under comparable institutional and political constraints.

- Turning research into effective policy requires involving the institutions and actors responsible for delivery from the design stage through implementation, monitoring, and evaluation, so that recommendations reflect operational realities and can be adjusted as constraints emerge.
- Development partners should allow greater flexibility in program implementation and assess success through concrete results rather than the volume of financing approved or disbursed. African think tanks should also pool their expertise and work jointly on clearly defined policy challenges.

II. The Structural Agenda: Climate, Digital, and Social Transitions

PARALLEL SESSION 3

Africa Facing the Abundance of its Natural Resources

The session examined how Africa can translate its mineral and agricultural resources into broader industrial development. Speakers emphasized that this requires moving beyond isolated extractive activities toward stronger domestic processing, shared infrastructure, and cross-border production systems. Regional coordination between trade, investment and industrial policies was therefore identified as essential to building scale and retaining more value across the continent.



Moderator



Boutaina Lmasrar

Economist, Policy Center for the New South

Speakers



David Luke

Professor and director of Firoz Lalji Institute for Africa, The London School of Economics and Political Science



Olawale Ogunkola

Professor, University of Ibadan

MAIN IDEAS & KEY MESSAGES

- Natural-resource abundance is not in itself a development strategy. Africa's resource wealth, estimated at more than USD 20 trillion, can support transformation only when it is converted into industrial capacity, productive employment and greater domestic value addition.
- Markets alone cannot deliver this transformation. Coordination failures, weak institutions and fragmented policies help explain why resource extraction often remains disconnected from broader economic development.
- Regional value chains can provide the scale and complementarities that national strategies cannot achieve independently, given that resources, energy, skills, technology, and processing capacity are distributed across countries.
- The same resource paradox applies to agriculture. Africa spends around USD 60 billion annually on food imports despite its significant agricultural production potential, reflecting weaknesses in productivity, storage, processing, and regional market integration.
- Continental frameworks such as the African Mining Vision already provide a strategic basis for transformation, but their impact remains limited by weak implementation

mechanisms and insufficient institutional capacity.

- Poor regional coordination creates both economic and environmental costs through duplicated or underused infrastructure, fragmented industrial ecosystems and competition that can weaken investment conditions and environmental standards.
- AfCFTA implementation should connect resource transformation with energy systems, trade facilitation, green value chains and industrial policy, while mobilizing domestic savings, pension funds and capital markets.
- Trade integration can contribute to structural transformation only when aligned with industrial, investment, infrastructure, ICT, and macroeconomic policies, including tariff structures that reduce the cost of productive inputs and incentivize domestic processing.

II. The Structural Agenda: Climate, Digital, and Social Transitions

PARALLEL SESSION 4

Climate and Energy Transition for Resilient Growth

The session examined how climate and energy policies are reshaping Africa's growth and competitiveness. Discussions focused on the gap between transition ambitions and available financing, the transmission of climate shocks across productive and financial systems, and the impact of carbon-related trade measures on African exports. Speakers also stressed that implementation depends on stronger institutional capacity, technological capabilities, and human capital.



Moderator

Speakers



Rim Berahab

Principal Economist, Policy Center for the New South



Abbi M. Kedir

Acting Executive Director, African Economic Research Consortium



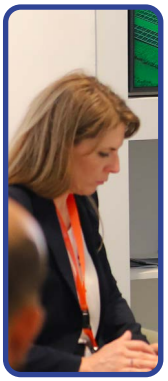
Ghassane Benmir

Professor, IE University



Igor A. Makarov

Head of the School of World Economy, Director of the Institute for the Economics of Natural Resources and Climate Change, HSE University



Jodie Keane

Principal Research Fellow, ODI

MAIN IDEAS & POLICY RECOMMENDATIONS

- Africa's energy transition remains constrained by a wide gap between ambition and financing capacity. Renewables increased from around 2% of the energy mix in 1999 to only about 5% in 2024/2025, while transition costs could reach the equivalent of between 100% and 200% of GDP by 2050.
- Climate and energy policy must be integrated into a broader development strategy. Climate shocks affect agriculture, production, transport, and energy systems, with consequences for inflation, growth, public debt, financial stability, and the cost of capital.
- Implementation is now a greater constraint than formal commitment. Although around 76% of African countries have adopted energy-transition legislation, shortages of skills, technology, infrastructure and institutional capacity continue to hold back productive investment.
- Public budgets alone cannot finance the transition. Banks, venture capital, international project finance and green financing instruments are needed to mobilize private capital and share risks, alongside stronger accountability in the use of climate finance.

- The EU Carbon Border Adjustment Mechanism, applicable from January 2026, is reshaping the competitiveness of African exports. A strategic response could use this pressure to accelerate cleaner production, reorganize supply chains, and support a shift into higher-value activities.
- Critical minerals can connect the energy transition with industrialization, but this requires domestic processing, regional value chains, stronger institutions, and coordination through the AfCFTA rather than continued reliance on raw-material exports.
- Fossil-fuel-dependent economies face declining revenues, stranded assets, and technological lock-in. Transition policies should support workers and communities through skills development, social protection, and diversification rather than indefinitely subsidizing uncompetitive firms.
- Human capital, research and innovation are essential to green transformation. Investment in education, skills and R&D must therefore accompany infrastructure, energy and industrial policies.
- Resource-constrained countries need integrated policies that combine climate action with energy access, public health, technological capability, industrial competitiveness, and employment.

II. The Structural Agenda: Climate, Digital, and Social Transitions

PLENARY SESSION 2

Technology-Led Structural Transformation and Growth Dynamics

The session considered how technological change can contribute to broader structural transformation rather than remain concentrated in a limited number of sectors and firms. The discussion distinguished innovation at the technological frontier from the diffusion of existing and proven technologies and emphasized domestic absorptive capacity, tacit knowledge, and firm-level learning. Speakers also warned that artificial intelligence may widen productivity gaps if smaller firms lack access to finance, skills, infrastructure and data.



Moderator

Speakers



Saloi El Yamani

Economist, Policy Center for the New South



Fatima Ezzahra Mengoub

Chief Agroeconomist, OCP Foundation



Joseph Kieyah

Head of Private Sector Department, Kenya Institute for Public Policy Research and Analysis



Lindsay Whitfield

Professor, Copenhagen Business School



Mamadou Biteye

Executive Secretary, African Capacity Building Foundation

MAIN IDEAS & KEY MESSAGES

- Africa's technological challenge varies across countries. An assessment of agricultural systems in 47 countries found that only eight operate at the efficiency frontier, while the average country produces at around 60% of its estimated potential.
- Countries close to the technological frontier can emphasize innovation, while those further behind should prioritize the diffusion and effective use of proven technologies. Strategies must therefore reflect countries' existing productive capabilities.
- Technology adoption supports transformation only when it is economically viable and adapted to local conditions. Infrastructure, climate, soil quality, education and institutional capacity determine whether technologies can be absorbed and scaled.
- Structural transformation generally proceeds through imitation, learning and adaptation before innovation. Machinery and patents must be complemented by engineering experience, tacit knowledge and firm-level capabilities.
- Africa must participate not only in technology use, but also in its production, commercialization and upgrading. Digital services will have limited impact without stronger manufacturing linkages and domestic capabilities in equipment, components and industrial inputs.

- Technology markets do not automatically generate inclusive outcomes. High costs, limited access to finance and skills, restrictive intellectual-property arrangements and unequal access to data and infrastructure can concentrate the benefits of AI and other technologies among large firms and global providers.
- Industrial policy should focus not only on attracting foreign investment, but also on building domestic technological capabilities. Technology partnerships, supplier development and stronger linkages with local firms are essential if projects such as Morocco's electric-vehicle and battery investments are to generate lasting productive capacity.
- Implementation capacity, human capital and institutional coordination remain decisive. In many African countries, more than 80% of firms are micro and small enterprises, yet limited access to finance, technology and managerial skills, combined with weak links between governments, universities, research institutions and firms, constrains technological diffusion and productivity growth.

II. The Structural Agenda: Climate, Digital, and Social Transitions

PLENARY SESSION 3

Leaving No One Behind: Social Policies for Inclusive Growth

The session examined how Africa's social-policy systems can respond more effectively to demographic, technological and structural change. Social protection was presented not only as a means of reducing vulnerability, but also as a foundation for labor mobility, skills development, and broader participation in economic transformation. The discussion further stressed the need to better align education, health and social-protection policies with long-term objectives for productivity, resilience and social inclusion.



Moderator



Hamza Saoudi

Senior Economist, Policy Center for the New South

Speakers



Dorothée Boccanfuso

Full Professor, Mohammed VI Polytechnic University



Gero Carletto

Co-Director, World Bank Group Institute for Economic Development



Julius Agbor

Non-Resident Fellow, Nkafu Policy Institute

MAIN IDEAS & POLICY RECOMMENDATIONS

- Africa's demographic transition will become a dividend only if job creation accelerates. Between 10 and 12 million young people enter the labor market each year, while only around 3 million formal jobs are created.
- Employment quality matters as much as quantity. High informality, low female labor-force participation and fragmented career paths limit the productive contribution of the labor force and risk turning demographic pressure into a long-term constraint.
- Social protection should serve as a bridge to productive participation, not only as a form of income compensation. It must protect individuals during unemployment while supporting skills acquisition, labor-market re-entry and sustainable exits from poverty.
- Protection systems must follow individuals across changing employment situations. Morocco's Unified Social Register, coverage for non-salaried workers and unemployment benefits illustrate progress, but eligibility, portability and delivery mechanisms must reflect discontinuous careers.
- Inclusive policy requires better visibility of informal workers, women, remote communities and populations in conflict-affected areas, which are often poorly

captured by existing data systems.

- Aggregate targets require integrated data. Extending social protection to 400 million people or connecting 300 million smallholders to value chains depends on interoperable household, firm, administrative and geospatial data.
- Open-data platforms can strengthen policy use and accountability. Some have generated around 100 million API queries and attracted tens of millions of users within six months, provided that privacy and confidentiality are protected.
- Inclusive growth requires institutional redesign, not redistribution alone. Formalization should improve access to markets, finance and protection, while childcare, health, education and lifelong learning should be treated as productivity-enhancing infrastructure. Tax systems should also shift part of the burden from productive activity toward land, property and other economic rents.

II. The Structural Agenda: Climate, Digital, and Social Transitions

PLENARY SESSION 4

Financing Transitions for Sustainable Growth

The session examined how African economies can finance the simultaneous climate, demographic, technological and urban transitions shaping their investment needs. Speakers highlighted the limits of shallow domestic financial systems, the high risks perceived by private investors and weaknesses in project preparation and public investment management. The central issue was not simply mobilizing more capital, but directing financing toward productive, resilient and well-governed transformation.



Moderator



Sabrine Emran

Senior Economist, Policy Center for the New South

Speakers



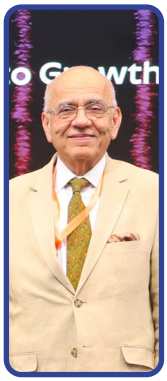
Federico Bonaglia

Deputy Director, OECD Development Centre



Joseph Matola

Head of Economic Resilience and Inclusion Programme, South African Institute of International Affairs



Masood Ahmed

President Emeritus, Center for Global Development



Mavis Owusu-Gyamfi

President and CEO, African Centre for Economic Transformation

MAIN IDEAS & KEY MESSAGES

- Africa's financing challenge is inseparable from job creation and structural transformation. Around 29 million young people reach working age each year, far exceeding formal job creation.
- Infrastructure remains the main investment gap. Africa needs about USD 165 billion annually by 2040, nearly twice current levels, to expand transport, energy and urban systems that support productivity and diversification.
- The continent's financing model is under pressure. Governments and development finance institutions still provide most infrastructure funding, while private participation remains limited. With declining FDI and official development assistance, multilateral development banks have become the main source of net external financing.
- Debt sustainability depends on the productive capacity created by borrowing. Investment in infrastructure, exports and revenue-generating activities can strengthen growth and improve debt dynamics, as illustrated by Kenya's experience.
- Better public financial management can create fiscal space through stronger expenditure targeting, debt management and reform of inefficient subsidies.
- State-contingent debt, climate-resilient clauses and lower foreign-currency exposure

can reduce vulnerability to external shocks and improve repayment flexibility.

- Lowering the cost of capital requires better project data, transparent investment pipelines, guarantees and stronger engagement with credit-rating agencies.
- Transformative projects require long-term finance and broader measures of bankability. Infrastructure and renewable-energy investments may need maturities of 30 to 50 years and should be assessed through their effects on productivity, value chains and private investment.

II. The Structural Agenda: Climate, Digital, and Social Transitions

SPECIAL FOCUS SESSION

Managing the World Cup Economy

The special focus session examined how the 2030 FIFA World Cup can support Morocco's ongoing structural transformation by accelerating investment in infrastructure, tourism, logistics, urban development and skills. It emphasized that the event's long-term contribution will depend on how effectively it is integrated into national development strategies and whether it strengthens productivity, local firms, and employment beyond 2030.



Moderator



Abdelaaziz Ait Ali

Head of Research in Economics, Policy Center for the New South

Speakers



Aidyn Bibolov

Senior Economist, International Monetary Fund



Mahmoud Arbouch

Senior Economist, Policy Center for the New South

MAIN IDEAS & KEY MESSAGES

- **A mega-event can accelerate development, but it cannot replace a development strategy.** World Cups generally generate a temporary demand effect of around 1% of GDP in the host year. Longer-term gains arise only when the event advances reforms, infrastructure projects, and urban transformations that were already part of a national strategy.
- **The economic impact of a mega-event operates through three main channels:** visitor spending during the tournament, infrastructure investment and the host country's international image. The first is temporary, while the latter two can generate longer-lasting effects when they strengthen connectivity, tourism, institutional credibility and investment attractiveness.
- **Morocco's 2030 program extends beyond tournament facilities.** The approximately USD 30 billion package includes USD 9.6 billion for rail, USD 8 billion for 5G, USD 5 billion for tourism, USD 3 billion for stadiums, USD 2.8 billion for airports and USD 1.1 billion for highways. Airport capacity is expected to reach 80 million passengers, while 5G coverage is expected to reach 70% of the population by 2030.
- **The contribution to growth differs substantially across investments.** The ex-ante CGE simulation estimates around USD 0.30 of additional GDP for every dollar invested, equivalent to approximately USD 10 billion in additional GDP. Rail and 5G account for around USD 9 billion of these gains, while stadiums and highways generate negative net effects because of their limited contribution to productivity.

- **The financing of the program reduces its net economic impact.** Cumulative GDP gains reach around 11.6% in 2030 and 12.6% in 2039 when financing constraints are excluded. Once lower public expenditure, reduced private consumption, and crowding-out effects are incorporated, the gains fall to around 7.8% in 2030 and 7.2% in 2039.
- **Long-term returns depend on productivity improvements after the construction phase.** Without gains in total factor productivity, the cumulative growth effect falls to approximately 6.2%. Debt servicing also creates a fiscal drag after 2030, weakening growth and household consumption during the operational phase.
- **The investment program produces uneven sectoral effects and macroeconomic pressures.** Construction could expand by more than 50% and information and communication by around 13%, while real estate could decline by approximately 4%. Higher imports of capital goods also contribute to inflationary pressures and a wider external deficit.
- **The legacy of the World Cup depends on governance and post-event use.** Projects require conservative demand projections, transparent and regularly updated cost estimates, and operation and maintenance plans from the outset. Procurement can strengthen domestic firms and supply chains, while the event's legacy should also be assessed through trained workers, SME participation, service quality, digital payments, airport and border efficiency, and crisis-management capacity.

CLOSING
REMARKS



OUMAYMA BOURHRIBA
Senior Economist, Policy Center for the New South

Africa's central development challenge lies in converting its considerable assets into productive capacity, employment and sustained improvements in living standards. Natural-resource wealth estimated at around USD 20 trillion has not generated transformation on a comparable scale, while weak domestic linkages, limited value addition and unequal benefit sharing continue to reinforce dependence and volatility. The same challenge is visible in agriculture, where substantial production potential remains underused in the absence of coherent domestic strategies capable of raising productivity and strengthening local value chains.

This transformation is taking place in a difficult macroeconomic environment. Inflation, import dependence, rising debt-service obligations and limited fiscal space continue to constrain long-term investment and encourage short-term policy responses. Strong and credible monetary and fiscal institutions are therefore essential. Debt strategies must also distinguish between external and domestic crises, given their different effects on access to international finance, banks and domestic credit, while faster restructuring mechanisms are needed to preserve resources for infrastructure, education and social investment.

Climate change, the energy transition and technological transformation add urgency to this agenda. African countries must finance green investment despite high capital costs, while resource-dependent economies need to adapt to changing global demand for energy and minerals. Technology can support productivity and diversification, but its diffusion cannot be left to markets alone. Public policy must broaden access to finance, infrastructure, skills and technology, particularly for SMEs and other smaller firms. Strategic investments in infrastructure and technology also require policy continuity, as their economic and institutional returns often materialize only over the long term.

Across these areas, implementation remains the central constraint. Africa already possesses numerous strategies and policy commitments, but weak coordination, limited institutional capacity and fragmented delivery continue to reduce their impact. The 2030 World Cup illustrates this broader challenge: its development value will depend on whether it generates lasting gains in infrastructure, tourism, employment and institutional capacity rather than a temporary expenditure cycle. More generally, transformation requires capable states, disciplined investment and policy continuity beyond short political cycles. African think tanks and initiatives such as the Network for Impact in Africa can support this process by translating analysis into practical, country-owned solutions and helping ensure that progress is measured through tangible gains in productivity, resilience, inclusion and living standards.



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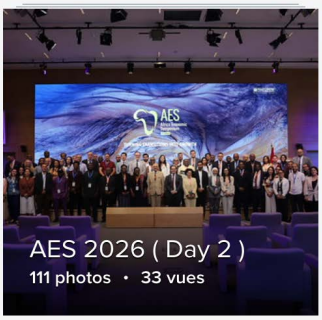

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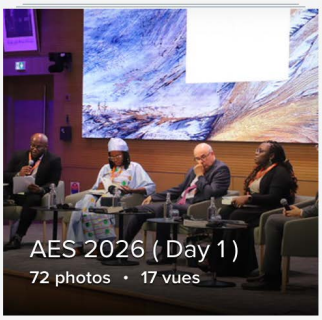

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