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

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

Thirty-fifth meeting
Malabo, 23-27 September 2019

Report of the thirty-fifth meeting of the Intergovernmental Committee of Senior Officials and Experts for Central Africa



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I. Introduction

1. The Economic Commission for Africa (ECA) Subregional Office for Central Africa organized the thirty-fifth meeting of the Intergovernmental Committee of Senior Officials and Experts for Central Africa in Malabo, from 23 to 27 September 2019, on the theme “Digital transformations and economic diversification in Central Africa: issues, challenges and opportunities”, in partnership with the Ministry of Finance, the Economy and Planning of Equatorial Guinea.
2. The main objective of the meeting was to examine the steps that could be taken to ensure that the digital economy was taken into account more effectively in strategies to promote economic diversification in the subregion and accelerate the subregion’s structural transformation, in addition to the steps that should be taken to coordinate and align digital initiatives by Central African countries with a view to establishing an integrated digital ecosystem.
3. The meeting was also intended to take stock of the structural transformation process in Central Africa, to review the report on the activities undertaken by the Subregional Office in Central Africa since the thirty-fourth meeting of the Intergovernmental Committee of Experts and the programme of work for the remainder of the 2018–2019 biennium, to present the annual report on progress achieved in the implementation of regional and international programmes and other special initiatives in the subregion to mainstream the 2030 Agenda and Agenda 2063 of the African Union into the national planning frameworks of countries in Central Africa, to launch the 2019 edition of the Economic Report on Africa, entitled “Fiscal policy for financing sustainable development in Africa”, and to review the annual report on subregional initiatives in Central Africa. All documents are available online at www.uneca.org/ice-ca-35/pages/documents.

II. Participation

4. Nearly one hundred participants took part in the meeting. In addition to Equatorial Guinea, the host country, the following countries were represented at the meeting: Angola, Burundi, Cameroon, Central African Republic, Chad, Congo, Democratic Republic of the Congo, Gabon, Rwanda and Sao Tome and Principe.
5. The meeting was also attended by representatives from the following organizations and institutions: Central African Economic and Monetary Community, Central African States Development Bank, Economic Community of Central African States, International Telecommunication Union, Subregional Institute for Statistics and Applied Economics, United Nations Development Programme and the World Bank.
6. Digital economy professionals from the subregion and other parts of the continent, including a number of entrepreneurs, attended the meeting and enriched the debates with their extensive knowledge of the topics discussed.
7. The ECA Subregional Office for Central Africa provided secretariat services for the meeting.

III. Opening ceremony

8. The opening ceremony was presided over by César Mba Abogo, Minister of Finance, the Economy and Planning of Equatorial Guinea. Addresses were delivered by Maria Coloma

Edjang Bengono, Mayor of Malabo, Antonio Pedro, Director of the ECA Subregional Office for Central Africa, Mady Biaye, Acting Resident Coordinator of the United Nations System in Equatorial Guinea and Mr. Mba Abogo, who opened the thirty-fifth meeting.

IV. Election of the Bureau

9. Participants elected the Bureau as follows:

Chair:	Equatorial Guinea
Vice-Chair:	Congo
Rapporteur:	Central African Republic

V. Adoption of the agenda and programme of work

10. The participants adopted the agenda and programme of work of the meeting.

VI. Summary of proceedings

11. The proceedings were conducted in plenary and parallel sessions to deepen the discussions. Presentations were made on the various agenda items, followed by discussions.

A. Presentation and discussion of the working paper entitled “Digital transformations and economic diversification in Central Africa: issues, challenges and opportunities”

12. A brief presentation was made by ECA on the fourth industrial revolution. The expert speaker said that this revolution was undoubtedly of greater significance than the first three industrial revolutions, which he described briefly. The fourth industrial revolution, which was taking place because of advances in science, mathematics and algorithmics, would have an impact on the whole of human society within the next five to ten years, at most. To convey the scope of the revolution and a sense of its future impact on society, he emphasized that artificial intelligence should be seen as merely the second step in a thousand-step staircase. It was, thus crucial to ensure that the repercussions of the fourth industrial revolution were taken into account in future economic models and to set aside current models in that area, which were rapidly becoming outdated. He concluded by underscoring that, unlike the first, second and third industrial revolutions, the fourth was promoting decentralization, and, as an example of that tendency, he drew attention to the emergence and application of blockchain technologies.

13. The secretariat began its presentation of the working paper entitled “Digital transformations and economic diversification in Central Africa: issues, challenges and opportunities” by drawing attention to the rapid development of the digital economy, both in terms of the provision of information and communication technology-based goods and services and in terms of related services. As a result, the digital economy was becoming increasingly widespread and there had been a significant increase in digital economy-related activity, including in such areas as mobile electronic communication services, mobile banking and business-to-consumer e-commerce. Those sectors had experienced very significant growth and development in Africa, including in member countries of the Economic Community of Central African States. Nonetheless, the digital economy had failed to exert the significant impact on job creation, gross domestic product growth and tax revenues in Africa that it had had in other

world regions, and the digital transformation of African governments and businesses remained limited.

14. Participants proposed a number of ways to enhance the impact of digital technology in member countries of the Economic Community of Central African States with a view to maximizing their potential in the agricultural, forestry and mining sectors, including the use of uncrewed aircraft, satellite imagery and artificial intelligence. Adoption of such an approach and mastery of the skills needed in the development and application of digital tools could transform production processes and accelerate industrialization.

15. The secretariat emphasized that, to foster economic transformation and diversification and promote industrialization, it was crucial to adopt digital technologies, once solutions had been identified to address the challenges identified in the working paper, namely weak legal frameworks, poorly trained human resources, a business climate that failed to encourage the development of the digital economy, virtually non-existent financing mechanisms, in particular for entrepreneurs, and weak and unstable information and communications technology infrastructure and digital services. In closing, several recommendations were made, including that the Internet should be made a public good and that a digital identity system should be established with a view to promoting digital and financial inclusion.

16. The presentation was followed by a discussion in which a number of experts underscored that the development of a digital economy in the subregion involved much more than merely developing communications infrastructure, even though that was an indispensable component of any subregional digital strategy. They called for the formulation of a coordinated subregional digital economy policy that took into account the potential of individual countries.

B. High-level dialogue on the digital economy in Central Africa – panel 1

17. The presentation of the working paper was followed by two high-level panel discussions that were moderated by the journalist Nikwigize Novella. The first panel comprised Rufino Ovono Ondo, Minister for Transport, the Postal Service and Telecommunications of Equatorial Guinea, Jean-Jacques Massima-Landji, Representative of the International Telecommunication Union for Central Africa and Madagascar, Reine Mbang Essobmadje, President and Chief Executive Officer of Evolving Consulting and Chair of the Digital Economy Commission of the Cameroon Employers' Association and Jean-François Le Bihan, Public Policy Director for Sub-Saharan Africa, GSM Association.

18. Panel 1 was moderated by Ms. Novella, who outlined the context in which the debate on the digital economy in Central Africa was taking place. She stressed that the world was witnessing a fourth industrial revolution. Although that revolution brought with it numerous risks, it also presented enormous opportunities for boosting growth, raising productivity and strengthening competitiveness. In Central Africa, the digital economy could help in addressing the development challenges associated with economic diversification and industrialization. Some limited progress notwithstanding, however, the digital economy in the subregion was still in its infancy and only now beginning to attract the attention of policymakers and the public and private sectors.

19. She drew attention to the fact that, according to regional and international data, connectivity rates in Central Africa remained very low, while Internet costs in the subregion were among the highest in the world and available bandwidth was among the lowest. In addition, despite the hype surrounding the roll-out and potential of 4G networks, users could often only gain access to services at speeds much closer to those provided by 3G or even 2G

networks, with poor urban households and rural populations frequently disadvantaged to an even greater degree. As a result, the subregion was losing out in terms of job creation, income generation, fiscal revenue, productivity, competitiveness, technological development and the well-being of its people. In conclusion, she wondered what action should be taken by governments and the private sector, now that the world was preparing to adopt 5G network technologies, to facilitate countries' rapid migration to modern communications infrastructure and ensure that relevant stakeholders acquired the fundamental technical know-how that would shape the future of production, services and consumption.

20. She then invited the panellists to discuss the strategic importance of the digital economy and its implications for economic diversification and industrialization in Central Africa. The panellists were asked the following questions:

(a) How important is the digital economy for Central Africa, in particular given the need to promote economic diversification and industrialization?

(b) Is Central Africa ready to launch the fourth industrial revolution? What are the key issues and risks associated with that endeavour?

(c) What conditions must be met to achieve that objective? What roles should States play in that regard?

(d) Are innovative approaches to policy development and partnership building required?

(e) What should be the role of regional and subregional organizations?

21. The panellists all recognized the relevance and importance of the digital economy in promoting diversification and industrialization in the countries of the subregion. They emphasized, however, that the digital economy was still viewed as a technical and sectoral issue rather than a major cross-cutting transformation affecting all areas of human activity. In the course of the discussions, the following issues were addressed and agreement reached on the recommendations below:

1. Recommendation on infrastructure

Given the vital importance of infrastructure, the significant investments needed and the limited financial resources available to many member States, it is critical to achieve economies of scale. The relatively high cost of digital products and services in the countries of the subregion also stems, in part, from the failure to achieve that objective.

Accordingly, it is recommended:

(a) That governments, the Economic Community of Central African States and the Central African Economic and Monetary Community should adopt a coordinated investment policy in the digital sector and strengthen cooperation among States in the subregion;

(b) That governments, subregional organizations and the private sector should strengthen and expand national and international infrastructure, including road networks and electricity grids, and should establish services that promote

subregional integration, such as a subregional Internet exchange point or free cell phone roaming services.

2. Recommendation on taxation

The State will undoubtedly continue to play a key role in efforts to promote the digital economy, and government policies on taxation and other related matters are therefore of particular importance. To date, tax policies have tended to impede innovation, technology upgrades by business enterprises and the development of start-ups, including through their impact on the cost of digital products and services.

Accordingly, it is recommended:

That, to facilitate technology upgrades by business enterprises and the growth of the digital sector, governments should adopt appropriate taxation policies that provide, among other benefits, for tax exemptions for all inputs necessary in the development of the digital economy with a view to mitigating short, medium and long-term opportunity costs stemming from reduced revenue generation, slower economic growth and weaker job creation.

3. Recommendation on the legal and regulatory framework

Despite the efforts exerted in that area, legal and regulatory frameworks governing the digital economy remain weak and incoherent at the national and subregional levels, impeding the emergence of a digital economy. Furthermore, a number of challenges at the level of the Economic Community of Central African States, including the need to achieve coherence among numerous digital economy stakeholders and initiatives and, in some cases, challenges stemming from the primacy of national over supranational laws, have impeded the incorporation of subregional agreements into national legislation. More needs to be done, however, than merely putting in place a set of relevant laws, and it has been suggested that, by increasing consumer prices, action by oligopolies and collusion among operators in the digital sector have also hampered the emergence of the digital economy.

Accordingly, it is recommended:

(a) That governments should align national laws with subregional, regional and international frameworks in the digital sector and the provisions of the Agreement Establishing the African Continental Free Trade Area, in particular in the area of data protection and transaction security;

(b) That governments should take into account the particular features of national economies, which are characterized, among other features, by large informal sectors and a predominance of small and medium-sized enterprises.

4. Recommendation on financing

Despite the opportunities for economic diversification and industrialization offered by the digital economy, very few sources of financing have been made

available to support innovation, start-ups, technological upgrading and access by populations to digital products and services.

Accordingly, it is recommended:

That the Central African States Development Bank should facilitate the emergence of the digital economy by establishing a digital investment fund to be used to promote subregional projects by member States and private sector stakeholders, including infrastructure projects and innovative business initiatives.

5. Recommendation on development policies and strategies

To date, Central African societies have made little use of digital technology, and its application in development initiatives remains limited, in particular in the formulation and implementation of sectoral policies, in which it is often considered merely a technical issue of importance only in infrastructure development. Its adoption is, moreover, impeded by the entrenched practices of certain stakeholders. The State should therefore support and promote the use of digital technology in the economy, education and broader society. Central governments can take a variety of steps to encourage the use of digital technologies to foster development. The programme launched by ECA and relevant partners to support the establishment of digital identity systems offers an effective initiative to achieve that objective. The State will continue to play an indispensable role in the promotion of the digital economy, in particular in view of the cross-cutting nature of the interventions required by the digital economy and the scale of the investments that are required. Similarly, facilitating the adoption of mobile telephony services can help strengthen inclusion, in particular in the informal sector.

Accordingly, it is recommended:

(a) That, to address the challenges impeding digitalization and thus make societies more inclusive, efficient, flexible, innovative and transparent, governments should take action to computerize public administration systems and make significant investments in digital infrastructure with a view to rolling out e-government platforms. The programme launched by ECA and relevant partners to support the establishment of digital identity systems can support that endeavour. E-government platforms can, moreover, promote changes in attitudes towards digitalization and foster the dissemination of digital technologies and services while also enhancing citizens' access to public services and improving transparency and efficiency;

(b) That, to strengthen the negotiating capacity of the countries of the subregion in the digital field, governments should ensure that their digital economy policies are aligned with the 2030 Agenda and Agenda 2063;

(c) That, as the development of large-scale digitally driven industries could significantly boost growth and employment in the subregion, governments should ensure that digitalization initiatives support the development of large-scale industry and not only the development of small and medium-sized enterprises;

(d) That governments should ensure that the digital economy supports economic diversification and industrialization and identify programmes or ecosystems that can be created in collaboration with relevant partners, including domestic and foreign investors;

- (e) That governments should reduce the rates charged for digital services in order to promote digital inclusion.

C. High-level dialogue on the digital economy in Central Africa – panel 2

22. Panel 2 comprised Innocent Asiiimwe Mudenge, Division Manager, Digital Cluster Coordination and Community Development, Rwanda Information Society Authority, Simplicio Marcos Ncogo Mañe, Deputy Director General, Gestora de Infraestructuras de Telecomunicaciones, Equatorial Guinea, Eric Tutu Tchao, Department of Computer Engineering, Kwame Nkrumah University of Science and Technology, Ghana, and Alain Nkoyock, Chief, Software Products for Member States Section, Enterprise Application Centre in Vienna, United Nations Office on Drugs and Crime.

23. The panel discussed the experience of stakeholders in the area of digital economy development and a number of practical steps that could be taken to facilitate that process, thereby helping stakeholders to move from theory to innovative practice while taking into account changes that had taken place in the digital economy and in countries of the subregion. Steps taken by Rwanda and Ghana were cited as examples of good practice. It was agreed that the State bore primary responsibility for creating an environment conducive to the development of the digital economy and that there were already a significant number of areas in which Central African countries stood to benefit directly from digitization, including the computerization of various processes. The panellists highlighted the challenge posed by digital illiteracy. In their view, that issue must not be ignored, as a lack of familiarity with computers exacerbated exclusion. The panellists underscored that cities, which already acted as hubs for digital innovation, service provision and production, could play a strategic role in promoting the digital economy.

24. Following that discussion, the panel reached the following recommendation:

- (a) Governments and subregional organizations should, as an initial step, develop a clear vision and a road map that provides, among other outcomes, for periodic monitoring and evaluation;

- (b) Governments and subregional organizations should develop, strengthen and extend existing infrastructure by establishing new computing nodes and loops with a view to enhancing connectivity within and among countries of the subregion;

- (c) Governments should develop online applications, including e-procurement, e-recruitment, e-government, digital identity, anti-corruption and financial technology platforms, so that they can more effectively address social needs and boost revenues and profitability while also strengthening a sense of mutual accountability. They could start by implementing quick-win measures such as computerization of the systems used to assign pupils to schools, monitor the performance of civil servants and procure goods and services;

- (d) Governments should place particular emphasis on research and development in order to create applications that address the needs of the subregion;

- (e) In order to enhance the role played by African cities in promoting the digital economy, ECA should conduct studies on the increasingly important role of cities in the digital revolution and propose models of urban development that provide for the establishment of digital and technological hubs to facilitate economic diversification and structural transformation.

D. Thematic group work

25. The participants split into three groups to hold in-depth discussions on the following themes:

(a) Towards enabling ecosystems for public-private partnerships for digital transformation in Central Africa (thematic group 1);

(b) E-commerce and economic diversification in Central Africa (thematic group 2);

(c) Technological innovations for economic diversification in Central Africa (thematic group 3).

26. The experts who took part in the thematic group work were asked to formulate practical and feasible recommendations.

E. Presentation of the report on the activities of the Subregional Office for Central Africa since the thirty-fourth meeting of the Intergovernmental Committee of Experts for Central Africa and programme of work for the remainder of the 2018–2019 biennium.

27. This session provided an opportunity to review the results achieved by the Subregional Office for Central Africa between September 2018 and September 2019 through the implementation of its programme of activities, the remaining activities for 2019 and the strategic framework for 2020.

28. The secretariat began by recalling the framework within which ECA and, in particular, the Subregional Office for Central Africa had been operating since the reforms launched by the Secretary-General of the United Nations and the adoption of the Douala Consensus. The achievements of the Subregional Office included its recognition as a reference institution on the issues of economic diversification and structural transformation. At the country level, the Subregional Office for Central Africa was supporting efforts by Cameroon, Chad, and the Congo to develop strategies on economic diversification, industrialization and integration into the African Continental Free Trade Area. At the subregional level, the Subregional Office had supported the development of important instruments to promote the harmonization of trade policies adopted by the Economic Community of Central African States and the Central African Economic and Monetary Community in addition to capacity-building for private sector economic operators. In closing, the secretariat considered the outlook for 2020. During the discussion, the Subregional Office displayed an organization chart of ECA to the International Committee of Experts and reiterated its readiness to support member States in their efforts to achieve economic diversification and sustainable development and promote the emergence of a prosperous Central African subregion.

F. Presentation of the annual status report on regional and international programmes and other special initiatives in the subregion: mainstreaming the 2030 Agenda and Agenda 2063 in national planning frameworks in Central Africa

29. The secretariat presented the annual report on the state of play of regional and international programmes and other special initiatives in the subregion to facilitate implementation in Central Africa of the 2030 Agenda on Sustainable Development and Agenda 2063 of the African Union. Despite encouraging progress on some targets, the subregion

continued to face challenges related to combating extreme poverty and hunger, improving health and education and facilitating access to basic infrastructure. The secretariat highlighted the challenges impeding programme implementation and monitoring, statistical production and resource mobilization that countries in Central Asia needed to address to ensure the effective implementation of the 2030 Agenda and Agenda 2063. Central African countries needed to strengthen their macroeconomic fundamentals in order to strengthen their resilience to internal and external shocks and foster economic sustainability. Furthermore, to address data gaps, governments in Central Africa needed to create an enabling environment that facilitated the generation of inclusive data.

30. The ensuing discussions focused on the issue of data availability in relation to certain targets of the Sustainable Development Goals. Experts underscored the importance of strengthening the capacity of national statistical systems to implement the 2030 Agenda and Agenda 2063 and monitor progress in that regard. They stressed the need to involve both sectoral bodies and national statistical institutes in that process and underscored that, in light of persistent data gaps, a centralized report should be compiled on progress achieved in relation to the Sustainable Development Goals, measured with the use of the integrated planning and reporting toolkit and other instruments. They suggested that, by working with the Inter-Governmental Task Force against Money-Laundering in Central Africa, stakeholders could more effectively monitor progress towards the achievement of Goal 16. A number of countries expressed interest in receiving training in the use of the integrated planning and reporting toolkit.

G. Launch of the 2019 Economic Report on Africa, entitled “Fiscal policy for financing sustainable development in Africa” and presentation of the integrated planning and reporting toolkit

31. The secretariat launched the 2019 edition of the Economic Report on Africa, entitled “Fiscal policy for financing sustainable development in Africa” and presented the integrated planning and reporting toolkit, which had been developed to align the 2030 Agenda and Agenda 2063 and integrate them into national development plans.

32. An expert from ECA gave a presentation on the 2019 edition of the Economic Report on Africa, noting that economic growth in Africa had averaged approximately 4 per cent over the previous two decades. That growth had been driven by increasing consumption, public investment in infrastructure and mostly favourable commodity prices. If African countries are to achieve the Sustainable Development Goals and meet the aspirations of Agenda 2063, it is crucial to accelerate the pace and quality of growth. The adoption of appropriate fiscal policies could help achieve that objective and promote inclusive growth if steps were also taken to improve public financial management with a view to enhancing the efficiency of government spending. The report recommended that African governments should make more effective use of fiscal policy instruments in order to accelerate efforts to achieve the Sustainable Development Goals.

33. The presentation of the 2019 edition of the Economic Report on Africa was followed by a briefing on the integrated planning and reporting toolkit, which had been developed by ECA. The toolkit allowed users to cross-reference the goals, targets and indicators of the 2030 Agenda and Agenda 2063 and ascertain the extent to which the two Agendas had been mainstreamed in national development plans. Participants took note of the presentation of the 2019 Economic Report on Africa and a number of countries expressed interest in receiving training in the use of the toolkit.

H. Report on the implementation of subregional initiatives in Central Africa: the African Continental Free Trade Area

34. An expert from ECA presented the report on subregional initiatives in Central Africa. She emphasized that the report was being submitted to the Intergovernmental Committee of Experts for information purposes and in implementation of the programme of work of the Subregional Office for Central Africa for the period 2018–2019. That year, the report aimed to inform the Intergovernmental Committee of Experts about the efforts exerted by ECA to facilitate the establishment of the African Continental Free Trade Area, particularly in Central Africa. She provided a brief overview of the manner in which the Free Trade Area had been established, underscoring the complexity of the negotiations that had taken place, and emphasizing that member States needed to engage high-level technical teams in order to take full advantage of the Free Trade Area and mitigate associated risks.

35. In that connection, she gave an overview of the services provided by ECA to member States and subregional communities through the African Trade Policy Centre, the African Institute for Economic Development and Planning and the Subregional Office for Central Africa. She outlined the various initiatives that had been held or formulated in the countries of the subregion, including forums and Free Trade Area impact studies and response strategies. She concluded by emphasizing the need for member States and regional economic communities to make better use of the services offered by ECA and to engage with strong and reliable teams with a view to developing the specialized knowledge and negotiating skills needed to take advantage of the Free Trade Area, particularly in view of the challenges, opportunities and risks stemming from its establishment. The participants took note of the report and expressed their appreciation for the efforts exerted by ECA to facilitate the establishment and operationalization of the African Continental Free Trade Area.

VII. Other matters

36. No matters were raised under this agenda item.

VIII. Theme, date and venue of the thirty-sixth meeting of the Intergovernmental Committee of Experts for Central Africa

37. The secretariat proposed that the Intergovernmental Committee of Experts should address the issue of human capital as a key factor for economic diversification in Central Africa at its thirty-sixth meeting, to be held in 2020. Following the presentation made by ECA on the rationale for that theme and a brief analysis of current challenges and opportunities in Central Africa, the experts discussed the issue and expressed their unanimous support for the theme, which they considered timely in view of the economic and social challenges facing the subregion. The experts congratulated the secretariat on the quality of the presentation and the relevance of the theme.

38. The experts also proposed that the Congo should host the thirty-sixth meeting of the Intergovernmental Committee of Experts in 2020. The head of the delegation of the Congo undertook to inform the authorities of his country of that decision and will transmit confirmation to ECA at the earliest opportunity.

IX. Adoption of the Malabo Final Communiqué

39. At the end of the presentations and discussions, the experts adopted the Malabo Final Communiqué, which included recommendations to be adopted by various stakeholders in the near future.

X. Closure of the meeting

40. At the end of the meeting, the Committee extended its thanks to Teodoro Obiang Nguema Mbasogo, President, Head of State and Head of Government of Equatorial Guinea, and also to the people of Equatorial Guinea for the warm reception and the hospitality accorded to the participants during their stay in Malabo.

41. Following the closing address, delivered by Mr. Pedro, Director of the ECA Subregional Office for Central Africa, Maria Del Mar Bonkanka Tabares, Secretary of State for relations with International Economic and Financial Organizations, thanked the experts for their active participation in the meeting before declaring the thirty-fifth meeting of the Intergovernmental Committee of Senior Officials and Experts for Central Africa closed.
