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Charting the Path for Africa Under COVID-19-Induced Uncertainties

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Transforming Africa's Trade

African Export-Import Bank
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About Afreximbank's Distinguished Lecture Series

The African Export-Import Bank (Afreximbank) Distinguished Lecture Series (DLS) publishes important papers that address current issues on African economic development, finance and trade. The papers are normally commissioned by Afreximbank and are usually delivered at major learning events organised by the Bank, including the Afreximbank Trade and Development Seminar Series, the Afreximbank Structured Trade Finance Seminars and the Annual Meetings of the Bank's Advisory Group on Trade Finance and Export Development in Africa.¹

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Abbreviations

Africa CDC	Africa Centres for Disease Control and Prevention
AfCFTA	African Continental Free Trade Area
AU	African Union
COMESA	Common Market for Eastern and Southern Africa
COVAX	COVID-19 Vaccines Global Access
FEDA	Fund for Export Development in Africa
GDP	Gross Domestic Product
IATF	Intra-African Trade Fair
PATIMFA	Pandemic Trade Impact Mitigation Facility
WHO	World Health Organization

Foreword

First of all, I want to express my appreciation to Professor Benedict Oramah, the President and Chairman of Board of Directors of the African Export-Import Bank (Afreximbank), for allowing me to share my thoughts here, but more importantly, for his inspired leadership in the continental COVID-19 response.

The President's analysis of the situation is as astute as it is comprehensive. A pandemic, by definition, knows no borders; still, a genuinely multilateral global response remains out of reach. This affects Africa, which was shoved out of the COVID-19 diagnostics market when supplies were scarce,² and remains the continent with the lowest COVID-19 vaccination rates.³ It affects other regions of the world as well, as new COVID-19 export limitations affect vaccination programmes.

The absence of a multilateral approach exacerbates the underlying vulnerabilities of African health systems and economies. Professor Oramah mentions, among others, the limited continental production of diagnostics, therapeutics and vaccines. Other examples are the vulnerabilities of many of our health systems that remain understaffed, underfinanced and in need of further institutional strengthening.

However, the crucial point in Professor Oramah's address is not about the challenges faced, but rather about the significant initiatives the pandemic response has triggered. Since the outbreak of the pandemic, the response by the African Union (AU) response to COVID-19 has been anchored in collaboration and solidarity. Individual initiatives – such as the Africa Medical Supplies Platform, Pandemic Trade Impact Mitigation Facility and COVID-19 African Vaccine Acquisition Task Team – will remain institutions and models for future epidemic and pandemic responses. Another example to highlight is the Trusted Travel Platform, launched by the AU Commission and Africa Centres for Disease Control and Prevention (Africa CDC) in October 2020, which will protect

² John Nkengasong, "Let Africa into the market for COVID-19 diagnostics," *Nature* 580 (2020): 565-565. 10.1038/d41586-020-01265-0.

³ Our World in Data, <https://ourworldindata.org/covid-vaccinations>.

lives and livelihoods and help prepare for the implementation of the African Continental Free Trade Area (AfCFTA).

What these examples highlight is nothing less than the triumph of the “All of Africa” approach. To me, this approach is about two things. One is the collaboration between AU member states and continental solidarity. The other is leveraging the expertise, capabilities and infrastructure of all segments of society – including the public and private sectors, academia and civil society – and setting up strong partnerships with our continental and global allies. If we continue on this path, we will use the wake-up call of the COVID-19 pandemic to trigger our joint work towards a new public health order for Africa.

Dr. John Nkengasong

Director, Africa Centres for Disease Control and Prevention (Africa CDC)



I. Introduction

The past year has been extraordinary for most of us. It has reshaped our way of life in many ways. It has shown us the value of things we long took for granted – people, friends, social connections and physical touch.

I speak about the COVID-19 pandemic, which has separated families and friends, decimated businesses, destroyed lives and livelihoods and plunged most economies of the world into a tailspin. It appears that the pandemic distributed the burden of its destructive powers unequally. While COVID-19 decimated human lives in the most prosperous and developed economies, it inflicted the greatest economic damage on less prosperous developing economies, including those in Africa (IMF, 2020; Rodrik, 2020).

As the pandemic rages, and nations, corporations and individuals struggle to cope, we must pause to think of what it all means for Africa (Jayaram et al. 2020; ECA, 2020). We must sift through the debris to see if it left a compass that can point the way to a better future. We all too often forget that in the midst of a tragedy, a road map can emerge. Furthermore, for a continent like Africa caught in a trap of deprivation, the kind of disruption inflicted by the COVID-19 pandemic offers it an opportunity to pull away to a more economically sustainable future. Uncertainty is not new to Africa, given its level of development. The globalisation of uncertainty, wreaked by COVID-19, may well be the disruption Africa needs to leapfrog in its development journey. The topic of my speech today, which is also the theme of this conference, ‘Charting a Path Through Uncertainty’, gives us an opportunity to explore this thesis.

In the rest of this paper, I recount some of the extraordinary challenges the continent faced in the past year, caused by the absence of a globally coordinated response to the pandemic. This is followed by highlights of Africa's response and the strategic role played by the Afreximbank. Subsequently, I present AfCFTA as the path to sustainable economic recovery and development. I end the delivery with a clarion call for a 'revolution', the type fought without sophisticated ammunition, but with productive technologies, and in which battlefields are not the typical warzones, but rather tech incubation centres and factory flows.

The globalisation of uncertainty, wreaked by COVID-19, may well be the disruption Africa needs to leapfrog in its development journey.





II. The Collapse of Multilateralism amid a Pandemic

Over the years, we have seen and learned that the world has been stronger and most successful in dealing with the worst forms of crises when nations set aside their differences and worked together.

Multilateralism has been the driving force for global prosperity, reducing spatial income inequality, managing epidemics and pandemics, and reducing global tensions (Akyeampong, 2020; IMF, 2020).

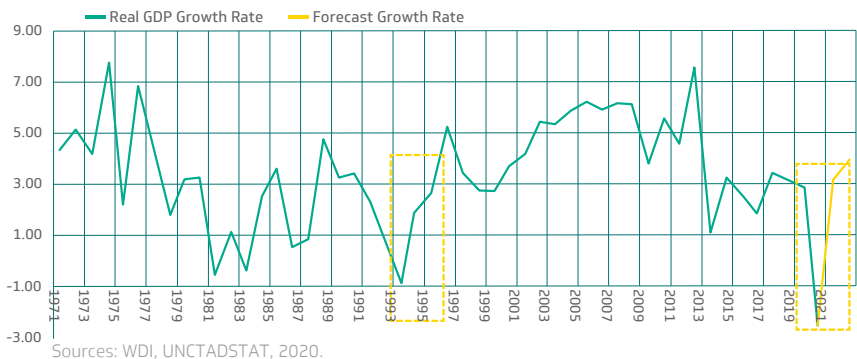
Last year was, however, different. The pandemic fed on our fear and widened our differences and divisions; health systems and fiscal spaces have been stretched beyond tolerable limits.

Furthermore, in Africa, economies have been devastated, eroding gains made in the last decade and plunging millions into poverty. The African economy contracted for the first time since 1993 (figure 1).

Despite the seriousness of the pandemic and loud political declarations about the need for global efforts to combat it, today there is no precise and globally coordinated and harmonized approach to the certification and distribution of COVID-19 vaccines (IMF, 2020; Peach, 2020). While national strategies may work for individual countries, normalcy will not be completely restored until at least 70 percent of the world population is vaccinated, according to experts.⁴

The absence of global coordination on the pandemic can ironically be a good augury for Africa—a wakeup call!

Figure 1. Real GDP Growth Rate, % (1970-2022)




4 <https://www.nytimes.com/2020/12/24/health/herd-immunity-covid-coronavirus.html>.

The pandemic has taught us a few lessons. Most importantly, Africa must look to itself for solutions to its problems. For me personally, as Chairman of the AU's COVID-19 Response Fund and a member of the Africa Vaccine Acquisition Task Team (AVATT), created by the AU, the events of the last few months have revealed to me, in a special way, the enormous vulnerabilities that Africa is confronted with today (Akyeampong, 2020; IMF, 2020). Supplies of personal protective equipment, face masks, ventilators, COVID-19 therapeutics and test kits, and now access to vaccines, have all been a significant challenge for the continent.

It became apparent, to my chagrin, that Africa was, and still is, at the mercy of others. More than at any other time, the meaning of underdevelopment stared me in the face. Such scenarios proved unequivocally that the level of development could not be measured solely by how much money a country had in its bank account, even if in the hardest of currencies; that you can have all the money in this world and still be unable to buy the basic things that can save your life! While some development economists would argue that this was a settled fact, perhaps very personal experiences of this nature prove to be the best teacher and illustration of the state of affairs.



An aerial night photograph of a coastal city and port. The foreground shows a dense residential area with many small houses and streetlights. The middle ground features a large port with several ships docked at piers, illuminated by bright lights. In the background, a city skyline is visible across the water, with lights reflecting on the surface. The sky is dark with some light clouds. On the right side of the image, there is a vertical graphic element consisting of a yellow background with white, wavy, horizontal lines that resemble stylized waves or a comb.

The pandemic has taught us a few lessons. Most importantly, Africa must look to itself for solutions to its problems.

III. The Pandemic and Africa's Vulnerabilities

At the onset of the pandemic, there was a scramble for personal protective equipment, test kits, ventilators, and even hand sanitizer (Lamptey, 2020; Akyeampong, 2020; ECA, 2020). Africa entered the race only to find that its orders could not be fulfilled, due to export bans imposed by countries of origin of these items.

COVID-19 exposed Africa's overdependence on external sources of medical supplies

The supply chains for these goods were mostly outside Africa, we found. When eventually the prohibitions were lifted, supplies were prioritised for national use, then the highest bidders. Africa suffered as a result. It took an appeal by the AU to key governments in the supply chains for special quotas to be allocated to Africa. You might have read screaming press headlines at that time that Africans were not testing enough, as if African leaders did not care. Not reported was the roadblocks that Africa had to surmount

to gain access to test kits, as there was little or no capacity to manufacture them on the continent at that time.

Commodity dependence deepened Africa's vulnerability to the pandemic

The pandemic also once again exposed the extent of the continent's vulnerability arising from overdependence on production of commodities (Afreximbank, 2020). According to UNCTAD's (UN Conference on Trade and Development) most recent biennial Commodities and Development Report 2021, 45 African countries remain heavily commodity dependent (UNCTAD, 2021). As commodity prices crashed in the wake of the pandemic, many commodity-dependent economies regressed into severe current and fiscal account stresses. Apart from the rapid but limited support provided by the International Monetary Fund and the G-20's Debt Service Suspension Initiative (IMF, 2020), which was not generally welcomed, not much help was forthcoming.⁵

Hurdles to access to COVID-19 vaccines remain

An unprecedented scramble and vaccine nationalism also threatened – and is still threatening – to leave Africa behind in the access to COVID-19 vaccines (Hafner et al., 2020; Cakmakli et al. 2021). Whereas about 195 million people

⁵ The G-20 created the Debt Service Suspension Initiative to provide financial resources to help eligible countries battle the COVID-19 pandemic. A major requirement was for each beneficiary country to commit to use these resources to safeguard social, health or economic spending in response to the crisis.

have been vaccinated worldwide, little to nothing has happened in the world's most populous countries/regions. As of February 18, 2021, only 3 million of Africa's 1.22 billion people had been vaccinated, compared with 68 million and

66 million vaccinated in North America and Europe, with populations of 580 million and 740 million, respectively (figure 2). The situation is still dire when measured per 100 people (figure 3).

Figure 2. Population vs. Total Vaccinations, by Region/Country⁶

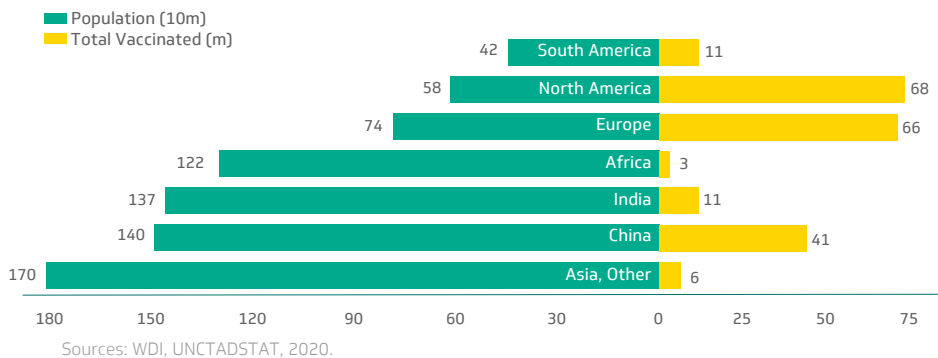
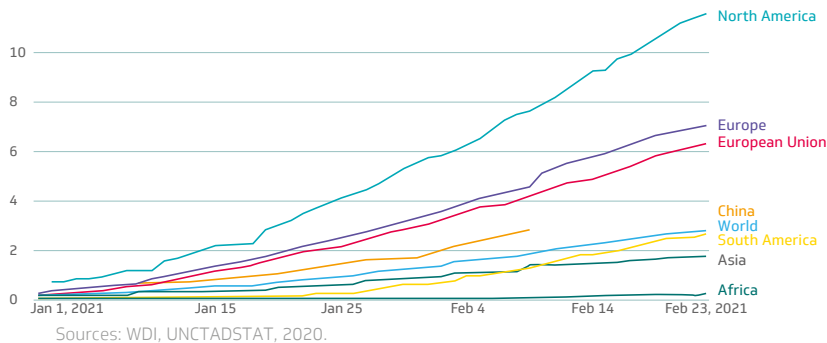


Figure 3. Cumulative COVID-19 Vaccination Doses Administered, per 100 People⁷



⁶ Our World in Data project at the University of Oxford compiled the vaccination data from government sources. A vaccinated person refers to someone who has received at least one dose of a vaccine. Also available at <https://www.nytimes.com/interactive/2021/world/covid-vaccinations-tracker.html>.
⁷ This is counted as a single dose and may not equal the total number of people vaccinated, depending on the specific dose regime (e.g. some people receive multiple doses).

Institutions that had made commitments to deliver vaccines to African countries and other developing countries have struggled to meet these commitments, due mostly to restrictions by national governments. For instance, Adar Poonawalla, the chief executive officer of Serum Institute of India, the world's largest vaccine manufacturer, wrote in a recent tweet:

*Dear countries & governments, as you await #COVISHIELD supplies, I humbly request you to please be patient, @SerumInstIndia has been directed to prioritize the huge needs of India and along with that, balance the needs of the rest of the world. We are trying our best.*⁸

Perhaps these developments occurred because Africans placed much hope in donors' promise to deliver vaccines through the COVID-19 Vaccines Global Access (COVAX) facility.⁹ The donor-supported vaccines may still arrive, but the reality is that the vaccines have not made it to the continent, while other countries have made good progress vaccinating their population. The important lesson from this experience is that while Africans should welcome donor support, they must also make arrangements to fend for themselves, using their limited resources.

⁸ <https://twitter.com/adarpoonawalla/status/1363346341275967488>.

⁹ COVID-19 Vaccines Global Access (COVAX) is a global initiative aimed at equitable access to COVID-19 vaccines, led by the Global Alliance for Vaccines and Immunization, the World Health Organization (WHO), the Coalition for Epidemic Preparedness Innovations, and others. It is one of the three pillars of the Access to COVID-19 Tools Accelerator, an initiative begun in April 2020 by WHO, the European Commission and the government of France as a response to the pandemic. COVAX aims to coordinate international resources to enable the equitable access of COVID-19 diagnostics, treatments and vaccines. <https://www.gavi.org/vaccineswork/covax-explained>.



IV. Africa's Response and the Strategic Role of Afreximbank

Africa's response to these challenges and adversities, I believe, gives hope that the continent will not waste the experience of the crisis. Since Afreximbank is playing a vital role in the continent's response, I will focus on the Bank's specific interventions.

Deploying technology to pool essential COVID-19 medical resources for Africa

To manage the tight supply situation for critical COVID-19-related medical supplies and avoid the situation where African countries could compete among themselves and bid up prices, the AU took a whole-of-Africa approach to procure these items. Afreximbank worked with the AU envoy on COVID-19 supplies, Strive Masiyiwa, the Africa CDC and the United Nations Economic Commission for Africa to develop the Africa Medical Supplies Platform.¹⁰ The platform became a marketplace for

implementing AU's pooled procurement strategy for COVID-19 supplies. Initially, it was open only to African governments, but subsequently, was opened to the Caribbean community.

The platform is now the primary source of COVID-19 materials for Africa, boasting 450 unique items on display. Afreximbank provides payment services, including overdrafts, while the AU COVID-19 Response Fund covers logistics costs.¹¹ As a result, all African countries (big and small), as well as island nations with high transport costs, pay the same FOB price for goods supplied through the platform. It is expected that the platform will survive the pandemic and be repurposed at an appropriate time to support other government procurements. This will promote transparency and reduce the perceptions of corruption associated with procurements in Africa.

Improving access to finance

In response to the economic crisis caused by the pandemic, especially on economies that are highly dependent on commodities, and to help the most fiscally strained economies procure COVID-19 supplies, Afreximbank Board of Directors in March 2020 approved

¹⁰ global<https://amsp.africa/>.

¹¹ The AU launched its COVID-19 Response Fund (Special Fund) to raise resources to strengthen the continental response to the pandemic, to support efforts to pool the procurement of COVID-19 supplies for distribution to AU member states, and to mitigate the pandemic's socioeconomic and humanitarian impact on Africa. The launch followed a meeting of the bureau of the AU heads of state and heads of government, chaired by His Excellency Cyril Ramaphosa, president of South Africa and 2020 chairman of the AU. Professor Oramah, president of Afreximbank, was appointed to the Board of Trustees, which includes one representative from each region of the union, the chairperson of the Bureau of the STC of Ministers of Health, two representatives of the private sector, and one representative of the AfroChampions Initiative, with the Director of Africa CDC acting as the secretary. <https://au.int/en/auccovid19responsefund>; <https://au.int/board>.

the Pandemic Trade Impact Mitigation Facility (PATIMFA).¹² Between March and December 2020, the facility disbursed about US\$6.5 billion, supporting central and commercial banks in meeting trade debt payment obligations that fell due, and thereby avoiding defaults. The facility also covered the fiscal revenue gaps of countries that depend on mining royalties as significant revenue sources. As a result of this intervention, many countries maintained access to letters of credit, which supported small and medium enterprises (SMEs) and sustained domestic absorption.

Supporting and creating a financing arrangement for vaccine acquisition

When it became apparent, in November 2020, that Africa would probably lag in the global race for vaccinations, His Excellency Cyril Ramaphosa, President of South Africa and then Chairman of the AU, established the Africa Vaccine Acquisition Task Team, which was tasked with procuring vaccines, arranging the necessary financing and distributing the

vaccines on a pooled (whole-of-Africa) basis. By January 2021, the team,¹³ of which I am a member, had received provisional offers for 270 million doses of various vaccines, valued at about US\$2 billion.

As recommended by the Africa CDC, the goal of the AU is to vaccinate a minimum of 60 per cent of the African population. It is expected that these doses will complement supplies from COVAX to bring Africa to a 40 per cent vaccination rate. Due to extreme vaccine nationalism prevailing worldwide, the African Vaccine Acquisition Task Team worked with Afreximbank to arrange the US\$2 billion financing needed. The vaccines acquired under the facility have been distributed through the Africa Medical Supplies Platform, with the first deliveries early in the third quarter of this year.

Strengthening African institutions for effective response to future pandemics

The experience of negotiating these vaccines was also telling and reinforced the need for Africa to develop its own

¹² Afreximbank created the US\$3 billion Pandemic Trade Impact Mitigation Facility (PATIMFA) to minimise the health and economic impacts of the pandemic on African countries and to contribute to an expeditious economic recovery. On the health side, PATIMFA is targeted at supporting the procurement of critical COVID-19 supplies and supporting the import of essential food, agriculture and manufacturing inputs. The facility also helps central banks and commercial banks meet trade debt payments and uses short-term foreign currency liquidity to support countries dependent on mining royalties and import tariffs as sources of fiscal revenue. Under PATIMFA, the Bank has dedicated US\$200 million to support local production/manufacturing of medical materials and equipment. Afreximbank financing for eligible entities helps them procure inputs or reconfigure their operations or upgrade technologies to manufacture and supply the goods that the continent needs.

¹³ The African Vaccine Acquisition Task Team is chaired by His Excellency Cyril Ramaphosa, President of the Republic of South Africa and former chairman of the AU, and includes Moussa Faki Mahamat, Chairman of the AU Commission; Dr. Zweli Lawrence Mkhize, Minister of Health for South Africa; Strive Masiyiwa, AU special envoy on COVID-19 supplies and founder of ECONET Group; Dr. Donald Kaberuka, former President of the African Development Bank; Professor Benedict Oramah, President and Chairman of the Board of Directors of Afreximbank; His Excellency Amira Elfadi, Commissioner for Social Affairs of the AU Commission; Dr. John Nkengasong, Director of the Africa CDC; and others to be nominated by the chairperson of the Union and the chairperson of the Commission.

supply chains for medical supplies. The good news is that the AU is acting. It has now strengthened the Africa CDC and plans to give it more autonomy. The Africa CDC has proven itself in providing continent-wide support for managing pandemics. Importantly, it has now acquired the systems and capacity to issue emergency use authorisations that will make it easier to distribute drugs, vaccines and pharmaceuticals efficiently across 55 African countries.

Creating world-class medical facilities and strengthening pharmaceuticals

It is now generally agreed that Africa must build its own large vaccine and pharmaceutical facilities, to complement the Aspen Facility in South Africa. This is a legacy of COVID-19 that would not have been conceived without the pandemic. The vulnerabilities that I have just recounted validate the wisdom of the project Afreximbank is undertaking in Nigeria, in collaboration with Kings College Hospital, London, to develop a tertiary care hospital, the first of several regional hospitals to be built over time across Africa. The hospitals will offer the opportunity for Africans to be treated in top-notch healthcare facilities within the continent. We all saw that at the height of the pandemic, medical evacuations were not possible, even for the wealthiest and most powerful.

It is now generally agreed that Africa must build its own large vaccine and pharmaceutical facilities, to complement the Aspen Facility in South Africa. This is a legacy of COVID-19 that would not have been conceived without the pandemic.



V. AfCFTA as the Path to Sustainable Economic Recovery and Development

Charting a path in the midst of uncertainties

Prior to the onset of the pandemic, Africa was on the verge of a historic turnaround, a turn toward deepening economic integration, a move to wean itself from the legacy of colonialism that fragmented the continent into 55 atomistic and unconnected economies (IMF, 2019; Oramah, 2021a). As the late Dr. Kwame Nkrumah, the pioneer president of Ghana, noted, and I quote:¹⁴

“... the economic weakness of the new African states has been inherited from the colonial background, which subordinated their development to the needs of the colonial powers. To reverse the position and bring Africa into the realm of highly productive modern nations, calls for [a] gigantic self-help

program. Such a program can only be produced and implemented by integrated planning within [an] overall policy decided by a continental authority.”

In July 2019, Africa launched the operational phase of the African Continental Free Trade Area (AfCFTA) agreement, with plans to start trading in a year. The pandemic led to the deferment of the commencement date, casting doubt among naysayers about the genuine chance of an integrated market materialising.

Nonetheless, African governments and policymakers persevered and trading under AfCFTA commenced on January 1, 2021. With this, the continent is clearly on the path to creating a large unified continental market of 1.4 billion people, with a GDP of almost US\$3 trillion. The move also creates the opportunity for the continent to develop a robust industrial base, a dream that has eluded Africa for decades (UNCTAD, 2019; Fofack, 2020). Through learning by doing, African entities will develop economies with the requisite scale and scope to allow them to compete favourably in global markets.

Financing AfCFTA

Afreximbank shares the view that the success of AfCFTA rests not only on African governments, but also on Pan-African institutions, such as the African

¹⁴Quote extracted from Kwame Nkrumah, *Africa Must Unite*, (New York: F.A. Praeger, 1963).

Export-Import Bank. After supporting the push for start of trading under the AfCFTA agreement, it is now time to make it work. The Bank has introduced, or is on the verge of launching, several initiatives to that end. It aims to disburse about US\$40 billion to support intra-African trade over the next five years, which is twice the level achieved during the last four years.

Supporting rapid adjustments to the AfCFTA agreement through an adjustment facility

Presently, 38 of the 55 African countries have ratified the African Continental Free Trade Area agreement. It is a shared view that for some, particularly the smaller economies that are heavily import-dependent, the fear of losing tariff revenues may delay their decision about participating in the trading (IMF, 2019). We are working with the AfCFTA Secretariat and the AU to create a US\$8 billion AfCFTA Adjustment Facility that will provide a cushion for AfCFTA-induced fiscal losses, while supporting other adjustment costs by member states.

Deploying technology to advance the continental agenda

In the era of the Fourth Industrial Revolution, technology has become a powerful tool for addressing some of the most complex challenges to human existence and endeavours. Afreximbank

is deploying technology platforms under its African Trade Gateway to help Africa leapfrog the myriad of bottlenecks to cross-border trade. The African Trade Gateway includes the Pan-African Payments and Settlements System (PAPSS), which will enable payment for cross-border trade in local currencies, thereby reducing the foreign currency content of intra-regional trade. The Bank expects to back the continent-wide clearing and settlements with a credit line of as much as US\$3 billion (Oramah, 2021b).

The gateway also includes a Trade Information Portal, to improve access to trade information and close the knowledge gap regarding the trade and investment opportunities on the continent; a Customer Due Diligence Repository Platform (also called the MANSA Platform), to reduce compliance costs by addressing the challenges of money laundering and other forms of illicit financial flows, while at the same time attracting foreign direct investment into the continent; a Trade Regulations Platform, to improve access to country-specific trade and investment regulations in a harmonized and inexpensive manner; and a customer loans applications platform, to access credit facilities from the Bank.

Promoting business-to-business connectivity via a Pan-African trade fair

Afreximbank also has launched a biennial Intra-African Trade Fair (IATF) that allows African businesses and countries to showcase their goods and develop business relationships with other African buyers and/or producers. The first IATF took place in Cairo, Egypt, in December 2018, and the second edition – initially scheduled in September 2020 but postponed as a result of the COVID-19 pandemic – will take place in November 2021 in Durban, South Africa (Oramah, 2021b). A technology-driven Virtual Trade Fair, launched to complement the IATF, has become the marketplace for intra-African business-to-business interactions during the pandemic.

Promoting business-to-business connectivity via a transit guarantee system

To facilitate the movement of goods across land borders, Afreximbank, in collaboration with the AU Commission, the AfCFTA Secretariat and the Regional Economic Communities, is putting in place a Collaborative Transit Guarantee Scheme so that a single transit bond will suffice when goods are moved across multiple borders. This facility will contribute to making regional road and rail projects bankable. The Bank has concluded negotiations with the Common

Market for Eastern and Southern Africa (COMESA) and is expected to execute the relevant documents that will enable it to start issuing bonds in COMESA (Oramah, 2021b). The Bank is also working with national guarantors in the COMESA region to boost their capacity to issue transit bonds, while also acting as a regional guarantor. Furthermore, the Bank is working with the Economic Community for West African States (ECOWAS) to roll out the plan in the region.

Promoting the growth of small and medium enterprises and emergence of supply chains

Afreximbank is championing the emergence of small and medium enterprises in supply chains through various instruments, including its newly created Fund for Export Development in Africa (FEDA). The Bank appreciates the power of disruptive technologies and encourages innovators. The US\$1 billion FEDA, with a seed investment of \$325 million, will help address the continent's equity and long-term funding gap, and attract foreign direct investment. FEDA will accomplish this by reducing political risks as well as complementing and supplementing existing sources of the patient capital that African businesses desperately need. FEDA is the first subsidiary that the Bank established. The Bank is also working with several African governments to create and/or expand

industrial parks and special economic zones to address the infrastructure bottlenecks to industrialization. Furthermore, it is actively financing imports of capital and intermediate goods to support manufacturing and other industrial activities (Oramah, 2021b).¹⁵ In the last few years, the Bank has invested more than US\$2 billion to support manufacturing activities on the continent.

¹⁵ Industrial parks and special economic zones played a key role in the process of industrialization in Asia and will catalyse industrialization in Africa where infrastructure deficits have been major constraints to productivity growth and expansion of manufacturing output (UNCTAD, 2019).



VI. Conclusion: A Clarion Call to Africans in the Diaspora to Join in the Struggle

Africa needs an army of civil servants and committed citizens to win the ongoing economic struggle, just as African forefathers strived to deliver independence through political struggle. However, it is important to stress that this struggle is being engaged differently. As I have said in the past:¹⁶

“The revolution sweeping across the African continent is without bloodshed or conflict. It is peaceful and will fundamentally alter our world, shatter old assumptions, and reshape our lives. It is easy to underestimate, as it is not accompanied by banners or fanfare. The revolutionaries are of a different breed. Instead of being trained in military camps, the freedom fighters for this new battle are being trained in technical schools and universities; instead of fighting in trenches, this battle will be fought on factory floors and in tech incubation centres; instead of guns, the battle will be fought with ideas, hard work,

and investments. While bravery was required for the political struggle, courage is a necessity for the economic liberation struggle. Tech and not armed guerrillas, ideas and not brute force, will represent the potent force for victory in this new struggle. And as with the political struggle, Africa needs partners that can support it to prevail. The partnership we seek is one beyond aid and grants. Africa seeks partnerships founded on mutual respect and trust, win-win economic cooperation and investments, and the pursuit of shared prosperity.”

It is imperative to emphasize that Africa has learned the bitter lessons of the urgent need to build a resilient economy and strengthen its institutions in preparation for future global shocks, whatever form they take. Governments and the private sector are also in concurrence that the AfCFTA is the most reliable pathway for robust economic recovery and attainment of structural transformation. It is the AfCFTA that can help Africans say “never again” to the challenges we face today, as we deal with the COVID-19 pandemic. It is the AfCFTA that will help Africans begin to build viable regional supply chains. Afreximbank remains committed to the success of this important continental aspiration.

¹⁶ Extract of a speech delivered at the Annual Meetings of Shareholders of Afreximbank, held in Moscow, Russia, in 2019.



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