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ABCDE 2025

Wednesday, July 23rd 2025

Washington, DC

AFRICA GROWTH AND OPPORTUNITY

Gero Carletto: Thank you. I was going to start by saying good morning, but I guess the way is good afternoon. Would you like to... Yeah, you can start to sit down. What you're going to see, it's not a protocol. We're going to try to jump through a few hoops to try to get to the end, probably in, give us 50 minutes, maybe be an hour, so if we can delay lunch a little bit. I had this plan to have a conversation. This is a little bit of a different format that what you have seen until now, no paper presentation. I just wanted to have a conversation, which I think is going to turn into speed dating more than a conversation because we don't have time. I had all this grandiose plan to have multiple questions, but I think we're going to do what we can do with the time available. Just allow me a couple of minutes to frame the conversation, at least. I have two objectives here. We have two objectives.

One is to reflect on the discussions until now that we had in ABCDE, but what does it mean for Africa? A lot of the discussion has focused on other... It has been an over-emphasis on other regions, but there's a lot of implications on all this discussion for Africa. We brought here, we're fortunate enough to bring top experts on Africa who can tell us a little bit to what the implications are for Africa. Masood [Ahmed], yesterday, spoke of a "multilateralism whenever we can, only when we must." Is it for Africa a "must moment?" Is this the moment for Africa to make some decisions that maybe until now there's not been pressure to do or needed to be done?

Then, the other objective that I had — and this is a little bit self-promotional — is to give a bit of an introduction on an event that we organized as part of the Institute for Economic Development, which is going to be happening in the fall, which, we can skip the slide, we can put the slide, which is called "AGORA". This discussion here wants to be a stop on the road to AGORA. We wanted to take advantage of this impressive intellectual backdrop of the ABCDE to have this conversation and discuss some of the points that we will be discussing in a lot more detail in the three days at the conference in the fall. So AGORA stands for Africa Growth and Opportunities Research in Action, which is one of the flagship conferences that the institute will be organizing in Palermo this year, in November, jointly with the Bank of Italy, the Government of Italy, and several leading think tanks in Africa.

AGORA, why is it different? You heard a lot about multilateralism, development, cooperation. We need to think differently about development, cooperation, how we do, how we engage with countries, with clients. Somebody said, I think it was this morning, so we need to think of countries as clients. We need to think of countries as partners as well. It's like, how do we engage with institutions in countries, in client countries, to achieve, like we just said, the mission that we all have? We're trying to promote a new model of cooperation, whether it's in research, in investment, in policy dialog that advances the Italy's Piano Mattei for Africa.

Why Italy Piano Mattei for Africa? Who is Enrico Mattei? Enrico Mattei was this industrialist, in the '60s, and I think he died in 1963 in an airplane accident, still unexplained, which tried to break the mold in the way oil companies engage with Africa, so the Seven Sisters, like I just said. That introduced this principle that countries should keep 75% of profits from oil exploration, which is a little bit of a different approach to, in that particular case, a private sector involvement. In this case, in our case, it's not even a private sector involvement, it's a public institution. It's like, how do we engage with Africa in a way that it's reflected of the principle of whether it's 75% or it's 50%, but certainly we're a lot lower now when we think about, if we want to quantify the way of...

This is what we're trying to achieve in AGORA, starting with the participation and the presentations from African scholars, African institutions, where we want a very heavy participation. This year, AGORA will focus on two priority areas, which is energy and the agribusiness, but with the jobs, which is in everybody's mind, jobs as a cross-cutting theme for this year. But AGORA means it's also meant to be a continuous engagement. It's not just a conference, we want to continue the engagement. In fact, we're already planning post-AGORA. We are planning an industrial policy conference in Nairobi where we already received over 1,100 abstracts. I guess the industrial policy is the topic of the day. This is going to be part of the poster, AGORA.

Here's when I was going to talk to you about all the challenges and opportunities in Africa. I will skip it because I'm sure you know probably a lot more, and certainly the panelists. I'll just go straight to the panelists by, first of all, apologizing because, like we just said, you've been patient until now, and now you've been asked also to speed up in your answer. I guess the dinner will not do. I think we'll have to do a lot more than that. Dinner in Palermo. Okay, that's probably the... We have 45 minutes at the most. We had 90. We have an infinite amount of knowledge. If my math is not wrong, like filling infinite into 45 minutes, it's impossible, but we're going to do it. I was planning a couple of rounds of questions, if we do one or one and a half, but I just want to get to some of the objectives of this session. If you allow me, I will I will almost entirely skip on the introduction, other than names and current title. But also, I'm sure you can go on the... There's such a thing called the web. You can find all the information that you need on all the speakers.

I will not go in the order. Well, Andrew Dabalen, I'll follow the order. Andrew Dabalen is Africa [Region] Chief Economist at the World Bank. Ambassador [Robin R.] Sanders is a former US Ambassador to Nigeria, DRC, and currently the CEO of FEEEDS, and she's also currently in the White House National Security Council. Johan Swinnen, Director General of IFPRI, the International Food Policy Research Institute, where I had also the privilege to work at when I was young and promising. Then, we have Professor Leonard Wantchekon, which I need to say that just one thing about Professor Wantchekon, other than being the James Madison Professor of Politics International Affairs, Princeton University, and the founder of the African School of Economics, is also, proudly, the first African teacher in an Ivy League school in the US. Then finally, my friend Matteo [Bugamelli], the Italian ED representing also, I have this long list, but I don't want to offend anyone, Greece, Italy, Malta, Portugal, San Marino, and Timor-Leste. But most importantly, Matteo is also the current Dean of the Board and has been Chair of several committees.

Without further ado, if you allow me, let's jump. I'm going to sit in my little chair and we'll go with the first question. Let's see. As you can see, I can talk fast, but there's a limit. We have the one minute. Please, try to abide to the... Let me start with Andrew. Then, since you're sitting right next to me. Yesterday, you were listening to the conversation. There was a lot of discussion about multilateralism in the face of the current global trade disruptions. Your office is about to launch a new report on trade integration in Africa. It felt like, we talked about this, the ambition and aspiration of trade agreements like the CFTA, Comprehensive [Free Trade Agreement]. There's a lot of expectation, but it hasn't met the promises. So what are the bottlenecks? What are the challenges? But more importantly, if you can touch upon, given the moment, is it a good time for Africa to use, again, a Pan-African trade agreement or even a regional trade agreement around the COMESA and West Africa, like we just said, to, in a way, be more responsive to the current crisis?

Andrew Dabalen: Okay, so thank you. We all owe our lack of time to Indermit [Gill], which means basically that we will come and collect our bills at some point. Look, I think, indeed, we are working on a report on trade integration in Africa, which specifically looks at how to make a continental free trade agreement that was signed back in 2018 work. That was mostly our objective. When we started this, we didn't think about multilateralism. It was in the background, but we weren't thinking about that. We were mostly thinking about… There's this trade agreement across multiple countries. How do we make it work?

I guess having listened to a lot of talk recently, I mean, the last couple of days about multilateralism, the fact that 55 countries in Africa are actually committing to a free trade area does count as a multilateral agreement. In that case, they get the point. Now, a lot of people have already started evaluating African continuous free trade as having not delivered things. I think my sense about this is like, look, it was launched four years ago. Trade agreements are very complicated. It will take a lot of time, and there's still a lot of things that these countries have to work through. I think of it as, okay, it's one of these you must do, but it will actually require a lot of effort and a lot of negotiations and a lot of... I mean, taking into consideration a lot of the things that the global multilateral trade agreements have brought out. Those things will still be present. My argument will be that, look, there are some things that are promising which need to be worked out, such as, for example, the constraints of suddenly physical infrastructure. But they're thinking about corridors at the moment. There's the Lobito corridor, which is attracting a lot of attention from both US, EU, even China. There is the Lagos and Abidjan corridor that they're working on. There are these central corridors in Eastern Africa. There are a lot of things they're working on. That's the stuff that eventually will actually bind these countries together and probably lead to better trade agreements.

Another promising area is power pools. They're actually agreeing-- Countries are basically linking their power generation capacity across borders so that at least they can actually be able to trade across borders on power. That is happening both in Eastern and Southern Africa, but also in West Africa. Those are some of the things that are very important. But my sense is that the biggest problem is going to be on policy, actually. Harmonizing policy, non-tariff barriers. I mean, getting rid of non-tariff barriers. Those are going to be the biggest wins if this whole continental trade agreement has to work, in addition to, of course, fixing the infrastructure issues. Let me stop here and then we'll discuss more.

Gero Carletto: Fantastic. You earned a coffee. I guess I wanted to say that. Ambassador Sanders, first of all, thanks for being here. You've been involved in your former capacity in the Africa Growth and Opportunity Act. So the AGOA has been renegotiated now, as we speak. And what would a world with or without, AGOA look like for Africa? And what recommendation would you give to make a case in favor or against AGOA?

Robin R. Sanders: Yes, thank you. I actually want to make two quick corrections, so I don't want anyone to think I'm misrepresenting myself. I was ambassador to the Republic of Congo, not DRC, and I served as a previous Director for Africa at the National Security Council, not currently. I just want to make sure that I clear that up.

In terms of AGOA, it has right now maybe about a nine-week clock left on the legislation or so, depending on what the current leadership wants to have as a relationship with the continent vis-a-vis trade. AGOA was never a development tool. It was a trade preference framework. I think over the years, that's gotten conflated where people have looked at AGOA as a development tool, and that was never the intention. I think that that's why, in a lot of ways, aspects of underutilization of AGOA have happened over the last 25 years.

My argument now is really to make sure that we have a trade relationship with the continent, whether it's AGOA or whether it's some other framework. I think there are indications now that the transactional framework, either with individual countries or with regional groupings within the continent, or even with the African CFTA, might be the framework that the current administration is looking toward. I think that there's a viewpoint where we either are engaged with the continent or we're not. My argument has always been to have a trade relationship with the continent. I'm not arguing for or against a goal necessarily, I'm just arguing for that relationship. The thing that I say on a lot of speaking engagements that I talk about, at least from the American perspective is, if you're not working with the continent, then you're missing a tremendous opportunity currently and also down the line. Not only will the continent have the largest combined working age population for the next whatever. That means that where are you going to even sell your goods and services to if you're not involved with the continent? And conversely, I think that it's up to African nations and African leadership to determine who they want to be involved with. It's not for us to determine that, it's for them to determine that. And whether they do it on a regional basis, whether they do it on a continental basis, whether they do it on an individual country basis, I think that's up to the African nations to decide. And I push back on the American perspective that we need to be telling. We need to be listening and engaging as partners. We can't be neocolonialists ourselves. That has been my position for a very, very long time.

I think going forward, some of the areas that my panelist colleague here has mentioned about where do you look for those transactional areas, whether it's agriculture, whether it's infrastructure, whether it's mining, whether it's your rare earth minerals, etcetera. Several years back, I wrote a book talking about what are the top eight sectors where Africa working with the US could focus on. I still think those eight sectors are still quite relevant today. I call that my top eight list, actually, and I looked at it recently, and I still think it still has merit. You look at agriculture — there's nothing that I'm saying that is new here — I think the sectors that I'm going to highlight are the same sectors that we've all talked about over the years. And so, it's certainly agriculture. There's a lot of emphasis today on rare earth minerals. There's manufacturing, certainly, I would say even climate-smart tourism. I would also talk about housing and housing development because you have a huge housing challenge on the continent, and you've had that for years and years. I've worked on those things. Energy, and that's both climate-smart energy as well as traditional energy and how you upgrade those things.

So I think that the argument today, from my perspective, is we need to have a trade relationship with the continent, determine working together with the continent on what that relationship is going to look like, and rather it is a AGOA currently or a AGOA 2.0, it doesn't matter. But we need to have a relationship, a trade relationship, and a robust one with the continent. You will know that… I think in last year's FOCAC with China, they have started to create their own AGOA-like framework where African products will be able to come into China duty free. So if we're not in the game, then we're going to lose that dynamism that Africa brings to the table. And lastly, and I'll close here in respect for the time, I've always said that if we're not in the room, then we're on the menu. And I would like to see us in the room working in partnership with the continent.

Gero Carletto: Thank you. And my apologies for the... But I was going by memory, and at this age, it doesn't always help. Matteo, just going back to the multilateralism. Yesterday, you chaired a session, very interesting session on multilateralism. Your reflection on what about Africa? So what does it mean for Africa? But also turning to the Piano Mattei, it's like, how can it serve? What is, as we are claiming, how can it serve as a new model for a cooperation with Africa?

Matteo Bugamelli: Thank you, Gero. Yes, indeed. Yesterday's panel was very interesting and useful, thanks to the excellent participants. We cannot deny that the main theme of the panel was to say that multilateralism is in trouble. Very constructively, I would say the panelists spoke about alternatives, but at the same time showing, arguing that those alternatives can be a way of building a new multilateralism, and this is something that I really appreciate it.

I have to say that in my position, I want to say that we have to do all we can to keep multilateralism alive, especially, I would say for Africa, connecting to your question. As I said yesterday at the Board of the World Bank, we really believe, and every day we work for a multilateral approach. If I look at what we achieved in the last two years, basically a significant increase in the availability of financial resources. Let's talk, for example, about IDA, an example where 70% of the resources go to Africa, increased financial commitment, increased disbursement, and a lot of work to increase what we call the operational efficiency and effectiveness of the institution. All this, I think, has been reached through cooperation, dialog, and consensus within the Board. This is a big sign of multilateralism.

Obviously, I cannot deny that the situation is slightly different and is difficult. But at the same time, I want to say that for [someone] who does our job, we should simply accept that at some point, priorities, areas of collaboration, opportunities change over time, sometimes more abruptly than other times. But this is our work. I truly believe that at the end, multilateralism is really the only possibility, the only response to the global environment in which we live, one in which we are very connected, very strictly, very closely connected in ways that are also very complicated. Think of the global value chain. We have experts here, so it's very difficult to imagine that at some point any of us can really disconnect from that environment.

I want to remain in that sense optimistic, and I think we need to keep talking to all and find common grounds, find new solutions. Probably multilateralism is somewhere in another space. We have to look for multilateralism in a different space, especially, I would say, in this institution, which is not only a global institution, but it's a global institution with a strong regional presence and knowledge. Going back to yesterday's discussion when regionalism was, in a sense, correctly so, the right answer to the current situation, this institution is at the same time global and regional. I think that here we can do really a lot.

Regionalism and Africa. That was a question that I asked yesterday to the panelists, and it's difficult-- Because yesterday we got many examples from Asia, and useful examples from Asia, I would say that regions and continents are different, so we should really dig into the region and country specificities. There are differences and probably different approaches, different instruments, different solutions are needed. I'm not really able to develop very much here. There is a great expert close to me, but I would say that we are the World Bank, so let's look at the details and let's look at the things that can be lessons learned from Asia and things that are intrinsically different in Africa, and we have to take care of that. But definitely, I agree with previous speakers that Africans must strive to increase regional integration. That was a point that has been already made. I would say regional integration within Africa and regional integration with other continents. This goes back to the work we were discussing as region, as prodromic to creating a new multilateralism.

Here I would think about Africa and Europe. Here is where the Mattei plan kicks in. Sorry, I didn't want to make any self-promotion, but that was the question that I got, so I have to talk about it. As Gero said, this is the novel approach that the Italian government has decided to apply in its relationship with Africa. Basically, three components, three ingredients. The first one, as you said, the idea of — and also the Ambassador said — to talk about equal partnership with shared benefits and shared responsibilities, not just a matter of benefits, but also responsibilities. Co-designing solutions, this is the second element, and this very much speaks to the approach of the World Bank, which is a country-driven approach, demand-driven approach. It's not possible to design things that are relevant for Africa, from Italy or from Europe. It's something that should come from Africa. The third element is just to talk about concrete projects instead of talking about high-level principles and so on. Let's work on projects. Some of these projects have been mentioned. Energy Access, which is a key mission initiative of the Bank with Mission 300, Training, Green Infrastructure, Digital Innovation, and so on.

Just to clarify another element, this is not just the approach that Italy is using with the idea of a bilateral engagement with the Africa. It must be multilateral again. I go back to this multilateralism and so some events that happened recently, there has been an event in Rome on June 20th with President Banga joining, organized by Italy, by the Prime Minister of Italy, but with the European Union involved, the European Commission, President von der Leyen, the World Bank, the African Development Bank. The idea would be that we can achieve relevant results only if we work all together with the global institutions and with the EU involved. Because in a sense, if you take the Italian perspective, we are putting a lot of money. Indermit said that we are rich. We are not sure we are rich, but for us it's a lot of money; but clearly, the European Union can increase significantly the amount of money involved. The project we were talking about was the Lobito Corridor that has been mentioned, the Blue-Raman Sea Cable, an Italian initiative on the sustainable coffee value chain. We are talking about agriculture and then everything that is connected to energy and so on.

Just to go quickly to the conclusion, it seems that we are talking about something that is very much into the public sector, but no, the idea is to have the private sector involved, too — which is very important for sustainable growth here in Africa. Here the idea, again, following the same spirit is to have partnership between international companies from, let's say, advanced countries, but at the same time, local companies. The idea is to have local companies always involved because at the end we want to create development that is there to stay. Again, we cannot do this without an institution like the World Bank. The World Bank means, or the other regional development banks, means reaching scale and impact, leveraging scarce aid resources better. As you know, under the leadership of President Banga, this new idea of improving and strengthening our capacity to attract private capital into development, which is a difficult thing, but I think we are also succeeding there. This is more or less the response to the African needs. Let me stop here.

Gero Carletto: Thanks, Matteo. Just to be fair, like we just said, I let Matteo talk way past the 5 minutes because he might have to leave at 1:30. So this way, he is already. But we'll try to get to the second question. Leonard, I had a question for you, but I was wondering whether you want to react first to what Matteo said about the Mattei plan and the need for African to be on the driver's seat anyway. But my question to you was also, you're an educator, you're a scholar, and you've been arguing quite adamantly that Africa needs to drastically increase investment in innovation in science and technology. Even controversially, perhaps, like we just said, not following Western models and reinvent the African contextualized models. So would you give us your wisdom on that?

Leonard Wantchekon: Yes. I mean, first of all, thanks so much for having me here. My perspective is not only informed by my research, but also by my experience as academic entrepreneur. I set up a university about 11 years ago that has been doing very well. We just opened a research hub, multidisciplinary in math, geo-science, biotech, arts, history, and economics. We also, very soon, will start R&D driven startup in agriculture and ecotourism. So that said, I want to make three points.

The first one is that Africa is way, way behind where it needs to be in terms of innovation. The world average in scientists is about 1,084, Africa, 164. We contribute to only 1.1% of the global knowledge production. This is very problematic for two reasons. The first one is that innovation is the driver of social progress, not only because innovation helps productivity, but also innovation strengthens state capacity, strengthens knowledge production. Things-- What innovation does is far more than the economic impact. The social impact is huge. The second point is that if what we do is import technologies, there is a current research showing that many, particularly in agriculture, technologies that have been imported are inadequate and lead to 58% loss in productivity. For the society, for productivity, it's important that countries in Africa have agency, develop local capacity in research. Now, let me now come to what this can be addressed, which is the question. First of all, I think a major boost in research funding, R&D, institutions, for instance, that will push private sector to invest more. That's also very important.

But the second point that I think it's vital is to think carefully about areas of strength that we can develop. For instance, agriculture, medical research, AI. There are massive interests in these sectors like Morocco in AI, Nigeria and South Africa in agriculture. A friend of mine who is a PhD in engineering set up a semiconductor and nanotechnology firm in Kenya. Very frontier. This is the ambition that we need.

Now, to finish, I'm also going to, following my other colleagues on the panel, the need for regional hubs, for multilateralism in developing research capacity. I can think, for instance, that if we have a University of Agriculture, I mean, the University of Agriculture in Abeokuta, Nigeria is seventh in the world, according to the ranking, seventh. We can see, we can turn this center into an Africa-wide, or at least regional center, where there are pipelines of talented scientists coming from all over West Africa to join so that we can move, they can move up.

So I think those are areas that I think we can address hopefully to close the gap that currently exists between Africa and the rest of the world.

Gero Carletto: Thank you. Thanks, Leonard. Johan, your turn. So back to my corner, agriculture. So some colleagues, nobody can deny the importance of agriculture on the continent, whether it's for job creation, potentially for growth, although it's not delivered on that front. And some of your colleagues actually called it the sleeping giant. Agriculture is a sleeping giant when it comes to inclusive growth and job creation. What will it take to wake up this giant and why we haven't been able to wake it up?

Johan Swinnen: Thanks, Gero. I had a list of a thousand points to answer, but in a speed dating, I'll probably have to focus on one or two. Just on terms of the issue, Africa is now the place where food security, or food's insecure in the world is concentrated, and it's gone up very significantly over the last decade, both food insecurity and malnutrition. If we talk, there was a lot of discussion over the past two days on the demographics, and so how linked to migration, I think there, again, also agriculture and rural areas play a very important role. The third point, which comes up back in various places, but hasn't been dealt with in detail, I think, but it's so crucial, it's the issue of conflict and fragility of states. We see that the growth of acute insecurity, which has actually grown exponentially over the last decade, is very strongly correlated with the fragility issue, and again, very disproportionately located in Africa.

The issue, of course, how agricultural growth can contribute with lessening that, of making the situation better. I think they are the point which Leonard has already emphasized very strongly. I think the innovation and the productivity, growth is crucial. Of course, this is all within the sustainability framework; But if you look globally right now, Africa is lagging behind the rest of the world in productivity in agriculture in an almost incredible way. If you look at average output growth per year in the world is about 3%. Across the world, about 60% to 70% of that is productivity growth, and 30% is input growth. In developing countries, it's 50/50. In Africa, it's 10 to 90, so only 10%, so that has to change. In a number of ways that we know how to do it, it's just a theoretically, at least, the issue is how to implement it and how to make it happen. I think one of the areas is clearly investments in innovation, research, and development. We've seen in areas which have done much better, there has been very significant investment, particularly China stands out, but also India, other regions. In Africa, if you look at government expenditures on agriculture, they have actually gone up by 50% in real terms over the past 20 years. But all the growth has been in fertilizer subsidies, etcetera. If you look at R&D investments, it's flat. There's been no growth.

I think that really has to change. I think also we've been talking about the role of trade here. I would open it up even to the role of exchange, if you want, of value chains, both domestically and intra-Africa and outside of Africa. Some of the problems that we have in the international trade are just as well problems in domestic trade. Things like infrastructure, safety, quality standards, institutional constraints, etc. They affect the entire value chain development, not just the trade. Of course, on the trade issue, some of the other issues which were already mentioned reinforce this thing.

I think, is it different this time? There's a number of factors which, hopefully, will contribute to making it different. Okay, one is, I think, despite the points that Leonard said, I think the capacity in Africa in a number of ways has increased significantly over the last 20 years. If I look at my own institution, for example, we work much more with local organizations with analysis and studies inside the countries than we did 20 years ago, and I know that's in various other organizations as well. There's been significant urbanization and income growth, middle class income growth in Africa. That will create a demand site for the development of food production, which we know triggers down in most cases to actually the production side, productivity, access to both markets and inputs. I think there's also been a number of cases where, if you look at fruit and vegetable exports from Africa to Europe, for example, that has grown very significantly over the last 20 years. Again, there, I think this can be a model for going forward. There's been what people like Chris Barrett and Tom Rieren have called the value chain revolutions. There's a lot of investments actually in the upstream parts of the value chain, which triggered down in terms of information provision, technology, finance, etc.

My last point of what may be different is I was struck in a couple of months ago when the time of the World Bank IMF Spring Meetings, we had an event at IFPRI, my institution, where we invited a number of African leaders there. Their attitude to what was going on in Washington was very different than the people based in Washington. It was much more, "Okay, this is a crisis. We're going through so many crises. Yet another one, but we can deal with it. Okay, it's just another one." It was much more a "we can do" thing. I think that links strongly in points which were made yesterday, very strongly, I think, and also this morning by Bob [Robert B.] Zoellick in terms of ownership and own leadership and becoming a partner in the development framework. Hopefully, this can be another step in actually making that work.

Gero Carletto: Yes, please.

Robin R. Sanders: I think that the dynamic, from my perspective, having worked to establish about four or five farms in Nigeria with an entity called Songhai is that the challenges that I think still currently exist are really within the ministries of agriculture to a great extent on the continent. Not only having the capacity to not only look at implementation, infrastructure, value chain, all of those kinds of things, but also to encourage the next generation or the current generation to be more involved in agricultural production, and also looking at agriculture as a means to have job creation.

I don't think that there is, at least my experience, both living on the continent and working with a number of standing up a number of farms over time is that you don't have a continuity from one transition government to another in terms of what agriculture policy is going to be. Sometimes the tariff barriers within a country, whether you can get an export license to even export your produce, that's a challenge. The use of technology we were doing almost 10 years ago where we were doing 3D printing of spare parts for agricultural machinery, all those kinds of things; but then that happens, and then the next government will come in and all of those things stop. So you have this challenge on the continent at large. I think ministries of agriculture, maybe it's from a continental perspective, maybe it's going to be a regional perspective, really need to look at those connections in order to be successful.

And I guess the other part is the financing. Financing does play a part in agricultural production. Whether subsidies are part of that or rather something else is part of that, I think that really seeing the struggles that I've viewed over the years with farmers trying to not only maintain their small farms or even cooperatives run across the gamut from not only financing, but support from the ministries of agriculture. Now it's exacerbated by climate change. I think that there's a whole range of things, and certainly the role that agriculture can play across the economic spectrum, including job creation and the things that were mentioned by my colleague here are really key.

Gero Carletto: Thank you. I'm running out time. So as part of the second objective to place AGORA in this discussion. So I'm going to go to Matteo for two minutes. AGORA is meant to forge a partnership between North and South to support this partnership. I want to hear you in two minutes, the northern view, and from Leonard, the southern view. Why AGORA is important or it's not. So I'm the self-promoter, but you can have a different view. Tell us why AGORA in this moment, with what it's trying to achieve, it becomes important in this conversation and to move the agenda forward.

Matteo Bugamelli: Thank you, Gero, and let me apologize in advance because as Gero said, I have to leave in a few minutes. I'm a supporter of AGORA. If this is the easy and short answer, not only because Sicily is a fantastic place and the Sicilian cuisine is my favorite; but because the principle, as you describe, the principle and the underlying philosophy of AGORA is very similar to what I described earlier with the Mattei plan, actually was inspired by the Mattei's plan, so the joint responsibility, co-creation, and so on.

Let me just take one perspective why I believe that AGORA can really add to the discussion we are having here, which is I would like to focus on knowledge, in a sense that what AGORA is doing is complementing the project-level approach that I was saying before. We know that the World Bank Group, the World Bank, is not a traditional bank, it's a knowledge bank. This is very important because what makes really the Bank unique is the fact that we bring knowledge alongside financing.

I believe that AGORA can give a lot in that dimension. Let me just mention very quickly few perspectives.

The first one is obviously this is an institution that is a champion in generating and knowledge creation and diffusion, let's say. The idea of AGORA is very simple there. It's just connecting field experts, researchers, policymakers and think tanks from Africa, Europe, Italy, multilateral institutions, and so on, to favor this knowledge exchange that can be useful to raise productivity or any other priority that we mentioned.

The second point is that, given that, again, we are at the World Bank here, it's not just a matter of knowledge, but it's the operationalization of knowledge. Bringing knowledge into project or operations, in a sense, to make any research and analytical output into projects and operations of the World Bank. As an economist, I can simply... Actually, an empirical economist, I should say that data, research, economic analysis are the foundation of good policymaking, and so we definitely need this.

The third point is that this knowledge is also useful to build capacity in the client countries because we can provide advice, we can provide financing, but then if there is no capacity in terms of implementation on the side of the clients, then you don't get results and impact. Again, AGORA, I understand that is exactly doing that. I mean, building institutional capacity, skill, and capacity that stays there because the idea will be not just to attach knowledge and capacity whenever there is a project, but to lead capacity on the ground.

The very last point is also the connection with the private sector, again. There is knowledge for design designing business solutions, and this requires to connect the academia, policymakers, think tanks, with small and medium-sized enterprises in Africa. All these components, to me, are the real value added of AGORA. Thank you.

Gero Carletto: Leonard, do you mind?

Leonard Wantchekon: Yes. In fact, one of the less known Africa-Italy connection is the Institute for Theoretical Physics [International Centre for Theoretical Physics] in Trieste. That was set up by Abdus Salam. There had never been a strongest champion for science and technology in Africa than Abdus Salam. He came to Benin and set up an institute on mathematics and physics. He went to Congo to give a speech to undergraduate students about the value of science. Many of those students now are top around the world in science.

What I will strongly recommend is that this is also an Africa-Italy summit in science and technology. We need all those scientists and social scientists, natural scientists in Africa to be represented. There are a lot of associations. For instance, I attended the Congress of African Material Science Association in Kigali. Then on top of it, I think it's also It's really important that we develop collaboration, not state-to-state or Italy-Africa, per se, in general, but also between scientists around projects. This, for me, is what is important.

To finish, I would like to... I think that it's important not just to push for entrepreneurship, but educated entrepreneurship. We need entrepreneurs who are highly educated. I'm not saying that every one of them, but at least a critical mass of highly educated entrepreneurs so that they can push for innovation while trying to prosper economically. Thank you.

Gero Carletto: Thank you, Leonard. Yes. No, no, please. Thank you. Thank you very much. Anyway, I'm pushing my luck here. I'm standing between you and lunch, so I think I will stop here. My pledge is, I promise I'll give you a lot of time in Palermo if you decide to come not only for dinner, but also for a heavy and much longer and in-depth discussion on some of those issues. I apologize, I don't think we have time unless the organizer tells me that I can take one or two questions. Are there any burning questions? I think the ground in your stomach is probably... Yes. Okay. Okay, just bear with us.

Audience Member 1: Hi, I'll keep it short. One point that was brought up yesterday by Professor Danny Quah is that the elimination of catastrophic risks can be used to address some of the market failures. So in your opinion, what challenges on the African continent do you think are the most ripe for this type of solution?

Gero Carletto: Okay, and that's the second and last question, and then we'll move on.

Audience Member 2: Hi, I'll make it short. I was wondering about your thoughts on the role of the diaspora in bringing some of this human capital financial resources networks back to the continent as well. Thank you.

Gero Carletto: Anybody minds to pick up the... Please. Thank you.

Robin R. Sanders: Thank you for raising the role of the diaspora on the continent. I think it's fundamental and key in so many ways, not just in the areas that we've talked about today, but certainly across the board. The dynamism that I see from the Africa diaspora in terms of connecting not only on the business front, but on research, development, on technology is extremely impressive. In fact, I think that, at least from the US perspective, I think that the efforts the Africa diaspora has encouraged the US to focus on Africa is commendable. I do think for a lot of the development areas, for financing that you've talked about, there are a lot of diaspora businesses that I work with as a consultant that are doing a tremendous amount, not only on financing, but using technology in the sectors that we've talked about, from agriculture to manufacturing centers to farming. I think that the diaspora, at least the diaspora that's here in the United States, is fundamental to ensuring that we have this US-Africa relationship that I talked about earlier, not just in trade, but across the board in a number of areas.

Gero Carletto: Andrew, would you like to pick the question?

Andrew Dabalen: Sure. One of the impediments to actually creating such robust dynamic economies with large companies that want to enter and with production hubs and networked firms is this particular issue about risk in the continent. There are several risks that can be catastrophic for firms. One of them is just basic production risk. That's one thing. If there's a lot of insurance markets that exist to ensure that, that will be good. Political risk is very is common. Government changing, they change policies, countries go into conflict. Production risks, particularly, will be important in agriculture, but everywhere else. Then the final one is trade risk. There are a lot of trade risk disruptions across the board. You can build a great highway or railway, but then you arrive at the border and you can't go through and all kinds of things. There are all kinds of risks along the value chains and along the production chains, which can be can be ensured that will be helpful for entrepreneurs.

Gero Carletto: I'm afraid that we need to stop. I was wondering whether it's the glucose level is so low that you cannot get up. So that's why you haven't left the room. But I will stop there. Let me thank again and I think they deserve a round of applause. Thank you, everybody, for coming. Everybody who is connected online. Thank you, panelists. Thank you.

Karolina Ordon: Going to now have 30 minutes lunch break. Lunch is served on both sides in the overflow areas. So we should be back at 2: 00.

[END OF TRANSCRIPT]