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THE 11 BOTTLENECKS FACING AFRICA

“Reviewing The APRM Process
(Tool and Methodology)”

Discussion Paper

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THE 11 BOTTLENECKS FACING AFRICA

During the 23rd APR Forum in June 2015 in South Africa, His Excellency Yoweri Musevi, President of the Republic of Uganda presented a statement on Eleven (11) Bottlenecks hindering effective socio-economic transformation of the African continent. His Excellency called on countries to review themselves on how well they are progressing on the 4 thematic pillars namely: Democracy and political governance; Economic governance and management; Corporate governance and Socio-economic development, and further encouraged other African countries to participate in the APR process in order to generate creative solutions to African Governance challenges.

Following the statement, the Chair of the Forum requested His Excellency Yoweri Museveni to make a presentation on the bottlenecks he highlighted as pertinent areas for review at the next Forum.

“internally, we always mark ourselves on how well we are doing in terms of socio-economic transformation. We need to ask what stimuli is needed for changing a predominantly traditional and peasant economy into a modern and prosperous middle income country”

In this regard, His Excellency would like to encourage the Forum to deliberate on the following Eleven Bottlenecks and consider them as part of the APRM tool.

1) Ideological disorientation

These include sectarianism of tribe and religion as well as gender chauvinism. In Africa, this sectarianism has resulted in conflicts, and wars which have hindered development in the continent since independence over 50 years ago. Africa should treat with contempt and not tolerate those who promote sectarianism and gender chauvinism; that is why

Uganda's record on women emancipation is excellent and there is peace in the whole Country.

2) Interference with the private sector;

The mistake of interfering with the private sector like when former dictator Idi Amin uprooted the Indian Community from Uganda in 1972; yet these were the entrepreneurial class. Some people wonder why the Asian countries such as South Korea, Singapore, etc., which had no resources, developed faster than the African countries such as Uganda which had everything. Persecuting the private sector was one of the reasons.

Private sector is the engine for growth and must be nurtured, regulated and supported to ensure economic development in a country. However, there are strategic areas where government state enterprises may participate. APRM member countries should, therefore, be reviewed on how they are promoting private sector as the engine of growth.

3) Under-developed Infrastructure (electricity, roads, the railway, the telephone, the ICT back bone etc.)

Effective modes of transport, including quality roads, railroads, ports, and air transport, enable entrepreneurs to get their goods and services to market in a secure and timely manner and facilitate the movement of workers to the most suitable jobs. Economies also depend on electricity supplies that are free of interruptions and shortages so that businesses and factories can work unimpeded. Finally, a solid and extensive communications network allows for a rapid and free flow of information, which increases overall economic efficiency by helping to ensure that businesses can communicate and decisions are made by economic actors taking into account all Public-Private available relevant information.

High transport costs affects doing business. Africa needs modern infrastructure to lower costs of doing business and enable the private sector to grow. For example, in EAC we are adding a modern Standard Gauge Railway to the current attempts in increasing stock of infrastructure. The tool should assess how far we are progressing in achieving these over the review period.

With respect to electricity there is a unit of measurement of power consumption called kilowatts per capita. In the United States, the Kilowatts per capita of electricity is 14,000, while in Africa some countries are at 17 kilowatts per capita. It is evident that a country cannot develop without electricity. In 1986, Uganda had 33 kilowatts per capita, later on it moved to 70, and now we are at 200 Kilowatts per capita. We have stepped this capacity up through funding from government and private, but it is very clear we still have a lot to do in this respect to compete in the world.

Information and communication technologies (ICTs) have great promise to reduce poverty, increase productivity, boost economic growth, and improve accountability and governance. By providing access to information, equalizing opportunities in rural areas, and contributing to pro-poor market developments such as microfinance and mobile money, ICTs offer new tools to directly address poverty. Local ICT service industries create jobs, especially for youth and women—and promote trade and competitiveness through exports. The ICT sector also fosters innovation across the economy and greatly improves productivity. In Uganda for instance, the ICT Broad Band, we laid the backbone cable using a loan from China to enable us address this infrastructure deficit.

4) Weak states, especially the Army, the Police, etc.

Threats to international peace and security often come from the world's weakest states. Such countries can fall prey to and spawn a host of transnational security threats, including terrorism, weapons proliferation, organized crime, infectious disease, environmental degradation, and civil conflicts that spill over borders.

On account of defeating the ideological disorientation, it is important to be able to create a strong State, starting with a revolutionary Army. For our case, the army was instrumental in not only liberating the country but also ensuring peace and security that enabled quick socio-economic recovery. Further, it enabled us to assist in controlling insecurity in the neighboring countries like genocide in Rwanda and conflicts in the Democratic Republic of Congo, Somalia, and South Sudan.

Therefore, Army building is very important especially for countries living in turbulent areas. This is important for governance and rebuilding of economies emerging from conflicts like ours.

5) Fragmented Markets, Market Access and Expansion

The problem of a fragmented African market on account of colonialism – when you produce a product but nobody buys or you do not get enough buyers, you cannot prosper and expand your business. We need a market to absorb what the private sector and traditional sector are producing. We must have a market to absorb and stimulate production in the economy.

The process that has already been launched of rationalizing the 53 states into more viable regional units-SADDC, COMESA, ECOWAS, EAC, etc, should be accelerated, deepened and be made into the major units of negotiating with the outside world. Belgium is a small country of only 10 million people with a land area (31,000 sq.km.) equivalent to one region of Uganda. They (Belgium) dare not negotiate on their own with outside partners. They negotiate behind the umbrella of the EU, their greater wealth compared to Africa's notwithstanding.

In Uganda, we now have a population of 34 million, but this is not enough market. We are working with our neighbors to integrate within the East African Community (EAC) and have a bigger market of about 142 million people. In addition, we are also working with the countries in Common Market for Eastern and Southern Africa (COMESA) to even reach a much bigger market of 430 million and end the fragmentation of the African market. We are also advocating for the global market access and countries like United States, European Union, India, and China have partnered with us on this. However, we must have finished goods to sell in these markets.

6) **Lack of industrialization and low Value Addition**

Lack of industrialization – the modern slavery of exporting raw-materials where we get only 10% of the products we sell and export jobs to other continents.

On the issue of ending slavery of exporting raw materials, we need to focus on value addition and industrialization by implementing plans to add value to milk, meat, coffee, cotton, tea, fish, vegetable oils, minerals, steel products, sugar, and beverages (such as beers, sodas and fruits) etc. Value addition is another important aspect of transformation, ensuring that we produce for the domestic and export market, together with providing employment for our people.

However, we are still struggling with the value addition for coffee. The coffee bean from Uganda has been exported to United Kingdom at US \$1 per kilogram for the last 100 years. The price of the coffee bean has recently moved to US \$3 per kilogram in the international market. Yet, when this coffee is processed in the United Kingdom it is resold to us at US \$15 per kilogram. This means for the last 100 years we have been donating 14 dollars per kilogram to United Kingdom. In addition, we are creating jobs in their country for their people in the coffee processing chain. We are working hard on

reversing this trend to ensure that our people get access to employment in this coffee value chain.

This goes in tandem with an Export-led growth strategy which is another stimulus for socio-economic transformation. 30 years ago, South Korea was exporting raw materials such as human hair for wigs to the United States of America. Today, South Korea having pursued the export-led growth strategy of manufactured goods through advanced technology is now the 10th richest nation in the world.

7) Under-development of Human Resources (lack of education and poor health)

One of the major handicaps to Africa's social and economic transformation is associated with the inadequacy of its human capital. There is therefore an urgent need for concerted and strategic investment in the continent's human resource to turn it into the much needed human capital to drive the planned growth and transformation. The human resource must be healthy, educated and properly skilled. An educated, skilled and healthy workforce is important for the socio-economic development of a country.

We are working on education and health for all and this means we need schools and health centers. The massive free education programme for Primary and Secondary Schools, the expanding of tertiary and University education, massive immunization programmes have produced more educated and healthier generations; the literacy rate is now 75%; the struggle now is to skill these educated people and create jobs for them.

8) The under development of Agriculture

Agriculture has been and remains central to Africa's economic growth and poverty reduction. It is a major source of raw materials for the manufacturing sector, a market

for non-agricultural output, a source of surplus for investment and a source of employment. Strategic investments for modernization of this sector will transform it into a springboard for socio-economic transformation for Africa.

So many of our people are continuing to engage in just subsistence farming – growing only food crops or rearing livestock for subsistence.

The tool should check what progress is being made in universal commercialization of agriculture (small, medium and large scale).

9) The under-development of services sector (banking, insurance, tourism, etc.)

Producing services tends to require relatively less natural capital and more human capital than producing agricultural or industrial goods. As a result, demand has grown for more educated workers, prompting countries to invest more in education—an overall benefit to their people. Another benefit of the growing service sector is that by using fewer natural resources than agriculture or industry, it puts less pressure on the local, regional, and global environment.

10) The attack on Democracy and Governance

Democracy is very cardinal in socio-economic transformation. Absence of democracy in the whole colonial period and during much of the whole post-independence periods has meant that people's real aspirations and grievances could not be accurately captured. There is growing and almost universal democratization throughout Africa, except for countries where there is still insecurity.

In the case of Uganda, we fought and restored Democracy, hence we respect and promote democracy in all its forms including regular presidential, parliamentary and local government elections, the last being in February, 2016.

With respect to governance, there is need to put in perspective our own specific needs. This means that good governance should reflect having such development imperatives like electricity for all, paved roads and railway networks in contrast to the narrow perspective that limits it to having elections.

11) Non-responsive Civil Service

The Civil Service is administrative service of a government to ensure plans, policies and programmes for transformation are implemented effectively and efficiently. The Civil Service is bedeviled with corruption of actors such as public servants or political leaders failing to supervise and discipline the civil servants.

PROPOSED SOLUTIONS AND WAY FORWARD

As part of deepening the review, the way forward to our progress we need to make the questionnaire more focused on those areas that promote prosperity, peace and security for the member countries. The following APRM processes and documents should, therefore, be developed and/or revised in light of the above pertinent issues:

- Review the APRM Methodology and Questionnaire to make it more focused and relevant to the current/ emerging challenges facing the continent.
- APRM process to be reviewed and streamlined to avoid unwarranted delays in the production of the review reports.

- APRM recommendations should be more focused on a few critical challenges and high impact solutions in a country context.
- The APRM Panel should have deeper engagements with leadership and stakeholders to better understand the problems and potential solutions for the country.
- The APR Forum should identify regional champions with a reporting mandate at the Summits.

In conclusion, His Excellency would like to highlight to the Forum that the policies governments pursue are not the end in themselves. Policies are a means to an end. The end is the total social-economic transformation of Africa as envisioned in Agenda 2063. Therefore, when countries are being Peer reviewed, it is important to see how far we have gone in eliminating these bottlenecks.

His Excellency further pledges the support of the government of Uganda and commitment to this home grown African Mechanism. He informed the Forum that his government is also keen to learn the best practices from member countries in pursuit of common governance programmes to enhance democratic, economic, corporate, and socio economic governance.

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