



HOUSE OF LORDS

Select Committee on International Relations and Defence

Corrected oral evidence: The UK and Sub-Saharan Africa – prosperity, peace and development co-operation

Wednesday 4 March 2020

10.40 am

Watch the meeting

Members present: Baroness Anelay of St Johns (The Chair); Lord Alton of Liverpool; Baroness Blackstone; Baroness Fall; Lord Grocott; Lord Mendelsohn; Baroness Rawlings; Lord Reid of Cardowan.

Evidence Session No. 7

Heard in Public

Questions 64 - 74

Witnesses

I: Dr Dambisa Moyo, author and economist; Myles Wickstead CBE, Visiting Professor (International Relations), King's College London, and former Head of the Secretariat, Commission for Africa (2004-05).

USE OF THE TRANSCRIPT

1. This is a corrected transcript of evidence taken in public and webcast on www.parliamentlive.tv.

Examination of witnesses

Dr Dambisa Moyo and Myles Wickstead.

Q64 **The Chair:** Good morning, and welcome to the meeting of the International Relations and Defence Select Committee. I welcome Dr Dambisa Moyo, author and economist, and Myles Wickstead, Visiting Professor at King's College London and former Head of the Secretariat to the Commission for Africa. Thank you for giving evidence to our inquiry on the UK's relations with Sub-Saharan Africa, focusing on Agenda 2063, which has been put forward by the African Union.

This session will be on the record and there will be a transcript. I am grateful to you for joining us to contribute your expertise to our inquiry. As ever, I will open with the first question and shall then turn to my colleagues for further, more detailed questions. I have already explained to my colleagues that, if they have interests to declare, they should do so on asking their first question.

Looking at the overall picture, what do you believe have been the major economic trends and challenges facing countries in Sub-Saharan Africa over the past decade? Dr Dambisa Moyo, would you like to start? I will then turn to Myles Wickstead. I might invite my colleagues to put further questions alternately, so that you share the lead.

Dr Dambisa Moyo: Thank you very much, I am delighted to be able to participate in this discussion. I am also very honoured to be able to provide you with some of my perspectives, not only as someone who was born and raised in Zambia in southern Africa but also as someone who has dedicated much of my career to understanding and investigating what I see as the large failure of Africa to converge to the levels of economic growth and participation in the global economy that we might have expected.

Baroness Anelay, your question was specifically to do with some of the key trends that have defined the African continent over the past decade. I would argue that there are many aspects of that question which are not dissimilar to what you might be aware of or have experienced in the rest of the world, for example stagnating and slowing growth in the aftermath of the financial crisis of 2008-09. There is also what I would say is a general malaise and scepticism around democratic capitalism, not only on the back of that financial crisis but in the rise of populism that we have seen across the globe.

I would identify at least two aspects that are more specific to the African continent. First, there is the ongoing population growth in Africa. I use the term Africa loosely because it depends which part of the continent you are referring to, but, in general, it continues to be a place where there is rapid population growth. A lot of estimates have come out. There is one from the United Nations which forecasts that, by the end of this century, and probably as early as 2075, Africa will represent 50% of the population growth around the world. In some respects, that is positive; we need a young, vibrant African population to support economic success

and for future generations. On the other hand, if it is mismanaged, the consequences of disorderly migration across the rest of the world could be quite material.

The other matter that I think is quite unique to Africa is the advent of China. In many respects, this is not new; as you may be aware, China, led by its government, has been a large participant in Africa's growth story dating back to the early part of the last century, to the 1930s and 1940s. To this day, even in Zambia, my country of birth, there are many remnants of infrastructure such as railways and roads that were built at that time. It is fair to say that the extent and depth of China's incursion into Africa in the last decade has been meaningful in terms of foreign direct investment and trade, as well as social programmes, which have been quite meaningful and varied across the continent. I will perhaps stop there and allow my esteemed colleague to offer any additional comments or thoughts.

Myles Wickstead: Thank you very much. I agree with a lot of that. If we go back 10 years, which is when this question starts really, Africa was largely protected from the results of the global financial crisis, or what the Chinese called the North Atlantic financial crisis, by the very fact that it was not properly connected to the rest of the global financial system. Obviously, in the longer term, it would be good for Africa to be much more connected with that system but, during that period, China continued to buy raw materials from Africa and that kept it afloat.

I very much agree with what Dambisa said. It is perhaps just worth flagging one or two things. The African Development Bank has just produced its Africa economic outlook. It is quite positive; it notes that growth over the last year or two has been around 3.5%.

It suggests that growth could be up to around 4% this year and next year, which is positive. However, it notes a number of challenges around that, in particular inclusion. This economic growth has not benefited everybody and it points out that in only a third of the countries it looked at does economic growth go alongside reduction of poverty for the majority of the population. That is a really important issue for when we talk about the Sustainable Development Goals a little further down the road.

For the longer term, Dambisa has mentioned the importance of jobs and population growth—where the jobs will come from for these young people. They will need training, skills development and capacity. Africa will need to develop its manufacturing capacity and capability, IT work and jobs for those coming on to the job market in increasing numbers. There are a number of challenges out there, but on the whole the picture is quite positive.

Dr Dambisa Moyo: It is important to put some of the numbers in context as we proceed in this conversation. I absolutely agree with some of the statistics on where Africa is today and where expectations are, but it is important to fundamentally understand that, to put a meaningful

dent in poverty in one generation, which is about 25 years, a country has to be growing at around 7% a year. It is really important to bear that in mind because, at a very high level, 3.5% may seem enviable, given that many places in the West are not growing at those rates and some in Europe are growing at 0%, but, to put that in context, we are really concerned about the risk of a recession. Just yesterday, South Africa slipped back into recession on the back of some climate change concerns, which I know will be raised in later questions. It is important to put that in perspective; Africa is not growing at a material enough rate to meaningfully change the narrative around where we hope things will go in years to come.

The Chair: Thank you for that helpful overview.

Q65 **Baroness Fall:** This interesting point about growth and poverty leads on to my question. Dambisa, you have written a lot about aid and, however well intentioned, the problems it can cause. What are your assessments, both of you, of the impact of aid on the economies of Sub-Saharan Africa? At the same time, you talk about the West not ignoring Africa and the importance of keeping focused on it, not least for selfish reasons around disease, conflict and migration. If aid is not the answer, what is?

Dr Dambisa Moyo: It is tempting to give a very long list of evidence, detailed research and numerical support from academics, many public policy institutions such as the World Bank and the IMF, and multilateral institutions and bilateral research that have articulated and supported the fact that the manner in which aid has been delivered and provided across not just the African continent but more broadly to the developing world has had significant limitations. I will not go through the whole list but, to give the Committee some flavour, a lot of research shows that aid has deep connections to creating inflation in the countries that receive the aid. There is a long, storied literature on the effect of large capital flows in the form of aid creating what is known as Dutch disease—killing off the export sector because the goods become too expensive for other countries to want to purchase.

There is a long literature, as I am sure people will be more familiar with, on the implications for corruption. There is literature around creating domestic factions. The list is quite long. I start there because it is important to understand that aid, although well intentioned, can be quite corrosive from an economic perspective on how countries operate and their ability to participate in the world.

The deeper concern is around the efficacy of government. We all hope and expect that democracy will become more entrenched in these countries. Part of democracy is requiring that these governments are beholden and responsible to their people. That relationship between the individual citizen and the government rests on an implicit social contract where African citizens can hold their governments accountable. If it is severed because the local population is not paying taxes or there is no middle class to hold the government to account, as is the case in aid-dependent countries, you find that governments are naturally beholden

and responsible to a Western government or other donors. That is where you have the break in the fundamental contract of democracy.

This to me is the biggest criticism around aid; it weakens governments, especially when it is given with an open-ended expectation, essentially in perpetuity, but there are also elements of dignity around this conversation. There have been aid graduates; about 15 countries have successfully deployed aid, such as South Korea and Botswana, but the general history around aid delivering economic growth and reducing poverty, as it was originally purpose-built to do, is very mixed.

Very quickly, as I would love to hear what my colleague has to say on this, the question is what we do and how we should move forward. One question provided to us was around the key aspect of trade and investment. I can speak further on that when we get there, but my concern with the engagement around Africa is that it has and continues to be one in which there is a fundamental view that African governments are ill equipped and ring-fenced from a lot of the issues that the world is dealing with, whether capital markets or negative interest rates in Europe, or low interest rates globally and the implications of deglobalisation. I have conversations with public policymakers in Africa who seem to have been ring-fenced or somehow mollycoddled into not understanding the implications of their capital allocation choices. That is one aspect where we need to hold them to account more. The conditionalities around just handing out aid have not been tough enough.

Beyond that, we are seeing some improvements; not only in the trade and investment dialogue—partly because China is around—but in capital markets. There have been some mixed results, but fundamentally the idea of governments in Africa issuing sovereign debt and being held accountable like other governments to the capital market has been quite positive. There are many other aspects. I am not here to suggest that aid is a bad thing that should be cancelled; I am just saying that, 60 years after the establishment of the Bretton Woods institutions, we need to rethink how that is delivered.

Myles Wickstead: Aid has a mixed record. It can be negative. It can have bad effects and create a dependency, et cetera, and there are lots of historical examples where that has happened. However, I would argue strongly—perhaps unsurprisingly, as I spent some of my career in DfID—that aid, when used properly, is very important. In particular, it is really important that our international development effort supports what countries, regions and continents want to do themselves. They must have ownership of the programmes. We can help them develop that. When we talk about aid, we tend to talk about large financial flows. Actually, it is about capacity-building and technical support and assistance as well, which is a really important element of aid.

For example, the Independent Commission for Aid Impact just issued a report on Ghana, which demonstrates that, where aid is targeted properly and supports what countries want to do, particularly in democratisation,

human rights and those sorts of things that Dambisa mentioned, it can be extremely effective and it is very important to do that.

I very much agree with this notion that Governments must be held to account not to donors but to their citizens. This is where the sustainable development goals are so important. SDG 16, which is about accountability to citizens, institution building and capacity building, is crucial. In Africa, we are seeing that the Sustainable Development Goals are increasingly being used and that civil society is referring increasingly to SDG 16 to hold its governments to account, saying, "Why aren't you doing this? This is what we want. This is what you signed up to in New York."

Q66 Lord Reid of Cardowan: Let us go 'beyond aid', to use the phrase. There has been quite an effort from both Sub-Saharan countries and foreign partners to, using the phrase, go 'beyond aid' with an increased focus on trade and investment. Following what Dr Moyo has already said, would you give us your assessment of these efforts, particularly the efforts of the United Kingdom, in that direction? Secondly, on the age-old question of capitalism and development, what are the opportunities or otherwise for the private sector and international capital markets to play a greater role in financing the region's economic development? What challenges or dangers are there in this approach?

Myles Wickstead: I will go first, but I will leave the question about capital markets to Dr Moyo as she is much more qualified to respond on that than I am. At a general level, it has never been the intention or thought that aid would be a continuing programme for any country. There has always been an expectation that aid and international development will lead to something else, to countries being able to take their proper place alongside others. It is a way of speeding up the integration into the global economy. It has just taken longer than we anticipated, frankly, because things such as security and conflict have got in the way; all those things get in the way of development and slow down the process.

The intention of aid must always be to try to improve the quality of life for people in the countries in which we have those programmes. One important way of doing that is integrating those countries further into the global system. The thrust of that question is absolutely right and aid programmes can indeed help support that integration. Perhaps we will come on to talk about the African Continental Free Trade Area and all those really important initiatives, where outside support can help speed up the process of seeing that continental integration.

Dr Dambisa Moyo: I agree with that and am encouraged to hear from an eminent policymaker who is so engaged in this question that there is an inherent view that, some day, these countries will not be reliant on aid. Spending time with leaders from Africa and many other countries around the world, it does not feel like that has been clearly articulated; there is a sense that aid is supposed to be around in perpetuity.

Specifically on your question about going beyond aid, I would add that one of the concerns is that, rather than there being an orderly process for emerging countries to think about the eventuality of aid coming to an end as a material contributor to their fiscus, what is happening is that these countries are being exposed to a number of shocks, the financial crisis among others. Also, currently, with donor budgets, and given the struggles that Western donors in particular are going through with their own concerns on their economic challenges, it is ending up that the process of going beyond aid is slightly disorderly and many countries are suffering shocks.

On your question about capital market development, there was about \$100 billion of sovereign debt from African countries as of last year. As I intimated earlier, in many respects, at a very high level, this is constructive; we want to see African governments vulnerable and exposed to the vagaries of the market. The market can bring aspects of transparency and high standards, albeit with some challenges.

However, there are challenges with that approach. I will quickly flag two. First, many African countries now have short maturities for when that debt is due. There are real concerns about what happened with the money they got from the capital market and whether or not they invested in infrastructure or programmes to create growth. That is one of the issues. The other issue is whether, even if they invested in something constructive such as infrastructure, it will take such a long time to see those benefits that it will leave these countries vulnerable because the maturities are due by 2024. There are some vulnerabilities there.

Secondly, on capital market debt, China is buying the debt in the secondary market. This is not unique to Africa; countries in South America are also extremely vulnerable to this. What does that mean? Some would argue that it means that China is exercising soft power in some respects. It is buying the debt in the secondary market, then going back to these countries knowing that they have to repay the debt in a short span of time and saying that it is happy to renegotiate the terms but that it will extend the maturity only if the country gives a mine or access to land. There are vulnerabilities, that is for sure, but once again, it goes to the heart of the need for strong governments which can engage in and understand these aspects.

Q67 Lord Alton of Liverpool: Could I take Dr Moyo slightly deeper into the answers she has just given about China and dependency? I have had the pleasure of hearing her speak before, and have also read *Dead Aid*, which is a compelling account of the dangers of creating a dependency culture through aid programmes.

In your opening remarks and what you said a moment ago about the advent of China and the depth of its incursion, to use your phrase, on the continent, I was struck that Zambia has \$6.6 billion of debt, with \$4.9 billion owed to China. With Djibouti, it is 77% of its debt. There are 17 African countries which have risky exposure to China and which are potentially unable to repay the loans you just referred to. Is China a force

for good in Africa, or should Africa be more on its guard about the creation of a new dependency culture?

Dr Dambisa Moyo: This is a normative question so I want to be careful not to say yes or no. Unsurprisingly, the answer is somewhere in the middle. I believe that China's incursion, so to speak, is fundamentally a good thing, but that is not to say that it does not have a lot of hair on it. I will come to those caveats in a moment but, fundamentally, it is a good thing. The narrative to do with Africa has changed. African governments are now becoming more au fait with the lexicon of international trade and finance. As I mentioned earlier, I fear they might have been ring-fenced from many crises in the past, but there have also been many decades of efforts for economic success that have not yielded what we would hope for.

However, thinking about foreign direct investment, these countries need basic infrastructure and public goods. We still need healthcare and education. I visited Zambia and South Africa over Christmas and the situation there is unacceptable. In many respects, the continent, and certainly my hometown of Lusaka, is further back than when I grew up there. A lot of that is explained by aid initiatives—China is guilty of this in some respects—that have focused on risk mitigation instead of top-line growth. It is true that more children are getting vaccinated and there are more water wells, but the fundamental question with regard to China is whether it is creating and supporting initiatives that will boost economic growth, create jobs, et cetera.

I would argue that we need that infrastructure. The debate on Huawei is a specific example; it has been as complicated here in the UK as it has been in Africa. You spend time with African politicians and they say, "Well, what do you want us to do? We need 5G; we need to be part of the global economy." The temptations around it become quite blurred.

China will always be complicated, and governments in Africa create that vulnerability through the "race to the bottom" aspects. It is true that a lot more needs to be done, but I would pencil here that it has to be done by African governments to make sure that they are not left vulnerable and dependent on China in a way that will create more long-term problems. The answer is yes, fundamentally, but with those caveats.

Q68 **Baroness Blackstone:** Could I intervene to ask a question about China's investment in Africa? I had always perceived it, possibly wrongly, as being mainly in raw materials—mining, heavy industry and the associated infrastructure. Can you give some examples where they have worked on health or education infrastructure? We do not hear much about that.

Dr Dambisa Moyo: Yes, that is a great question. To take a step back and link the two, I would suggest that the Committee takes a look at the Pew survey on global attitudes. It went to Africa and asked Africans across about 15 countries what they thought about the Chinese; whether they liked or hated them, whether they were doing well, whether they were helping or not. In fact, it went so far as to ask whether they were

better or worse than the Americans: consistently, by wide margins—95%, 97%, 98%—the Africans polled, caveats around polling and surveys notwithstanding, said that they loved the Chinese being there and thought that they were better than the American approach and better in delivering on not just infrastructure but the numbers of healthcare and education projects.¹

To give some specifics, I point to my country of birth, where China has been involved in healthcare projects. On a broad level, the approach of the Chinese—which is perhaps unsurprising because they lead with state-owned enterprises—has been to invest in projects that really benefit them, such as mining natural resources, but to tack on community development programmes to build schools and healthcare facilities, particularly in the rural areas where these projects are based. I published in 2012 a book called *Winner Take All* about China's race for resources and what that means for the world, in which I give more specific examples across the African continent where these types of programmes have occurred.

This should not allow African governments to abdicate their duty, because it seems obvious that at some point that mine will be depleted and the Chinese will move on. Then the question becomes what will happen to the schools and healthcare programmes. There are still fundamental questions and issues around China's incursion, but for today its programmes and efforts have been quite broad-based.

Myles Wickstead: I have only a couple of points to add to that. First, the China-Africa dynamic is more one of South-South partnership than of North-South partnership. That is very much reflected in the survey of attitudes. It is interesting that, when African leaders are invited to Washington, a number of them show up, but I think the last time they were invited for discussions in Beijing 51 out of 54 African leaders went. There is a different dynamic there. China always presents itself as a developing country just 10 years further along the road than Africa, which can help and teach lessons because it is in the same place, just a little further along.

The other point is that African governments have to own what they do and be very tough with the international community, saying, "We would love your help, but actually we want you to give it on our terms." Ethiopia has always been very good at this. I remember when I was ambassador there going to talk to Prime Minister Meles, with whom I had a good, open relationship. He said, "These Chinese can be really helpful, but they just built a road in the north of the country and it is already beginning to fall apart after a year. I've had them in and told them that if they do not repair it very quickly, they're never going to get any more business in Ethiopia."

¹ 2007 Pew Global Attitudes Project report. This data is available at: <https://www.pewresearch.org/global/2007/06/27/global-unease-with-major-world-powers/>

That is exactly the approach, as with most things. This has to be owned by the country itself.

- Q69 **Lord Grocott:** I have a question about the free trade area. I just reminded myself of its objectives, which seem incredibly ambitious: “to create a single continental market for goods and services, with free movement of business persons and investments”. How important is it in your judgment, as far as economic development is concerned, and what are its challenges? Looking at its structure, with an assembly, a council of Ministers, a secretariat and a dispute settlement body, it sounds uncannily like the European Union to me, which took quite a long time to get six countries working together. I am just wondering about 54 countries. How do you see its development and challenges?

Myles Wickstead: It is an absolutely enormous challenge, but one worth undertaking. It is a good thing, and it is not as if it has started completely from scratch. It is built on the pillars of the regional economic communities which are already there, so you already have these strong relationships in the regions of ECOWAS, SADC—sorry to go into initials—West Africa and Southern Africa. There are huge challenges, as you say. The first is how you join Africa up internally to have all these cross-border arrangements, trading goods and people being able to cross from country to country. At the end of the day this is about political will, as are most global challenges, whether in this country or elsewhere. If you have the political will to do it, you can make progress.

Africa faces quite particular historical challenges, such as the infrastructure challenge. Infrastructure in Africa tends to lead from the points of extraction to the ports. This is a historical thing; Africa is not well joined up internally because that was never done—it was not part of the colonial heritage, if you like. There is an enormous challenge around transport infrastructure, roads, railways, air links, et cetera, which are all part of this initiative. On top of those internal challenges, there are the external challenges of how you set about negotiating trade arrangements with countries outside Africa—Dambisa is much more expert on this than I am—whether you negotiate these preferential trade agreements with Europe, the US and others or whether you go the whole hog and try to do it all at once, because preferential trade arrangements can be changed. They are not permanent. There are lots of decisions to be taken around that.

Another challenge is making sure that everybody benefits. I mentioned economic growth before, but it is not always inclusive. Will everyone benefit from this trade agreement? I am pleased to say that people have been talking about the gender dimension of this and whether women will benefit; a lot of thought on women’s economic empowerment needs to go into this area. There are lots of challenges. It will not be simple or straightforward, but it is absolutely a project that should be undertaken and where some external support—not putting lots of dosh in, frankly, but lots of capacity building and technical assistance—could help. Perhaps after the end of this year there will be some free expertise in Europe and

the UK on how to negotiate trade arrangements; we will have a lot of experts who can help Africa to find its way through this.

Dr Dambisa Moyo: Looking back on 70 years of the post-colonial era, it seems to me that Africa has never had a shortage of visionary ideas and good intentions, so I tend to be a bit of a sceptic about large proclamations that are reconfigured, such as going from MDGs² to SDGs. These are just as important as the 1948 United Nations declaration on basic human rights. However, this is ultimately about execution. It is fundamentally about targeting results, being data-driven and forward-leaning, having measured outcomes and eradicating corruption. On those four metrics alone, I fear we have not done a good job.

You mentioned many other preceding trade agreements, from the preferential trade area, or PTA, to SADC and ECOWAS in West Africa. Ultimately, we have just not had the teeth in these programmes to deliver results. So, perhaps unsurprisingly, we need less talk and paper and fewer secretariats and committees on these issues. We need political will and commitment, not just from the African governments—we absolutely agree on that. The donors also have an important role to play, to say that it is just not good enough. You cannot have 70 years of real economic success in regions around the world such as China and across Asia that were poorer than Africa 50 years ago but are now lending money. China is the largest foreign government lender to the United States. That has happened in our lifetimes. Things can be quite transformative, but it is not going to happen by rehashing the paperwork or putting a lot more ideas on paper without real execution on the ground.

Q70 **Lord Grocott:** Myles Wickstead, you mentioned trade within the continent as opposed to trade of raw materials from the coast, or whatever. How long is it since people were talking about a Cape to Cairo railway or things of that sort? On a transport structure for Africa—let us take railways—is there a plan in place for what might be achieved by certain dates, or is it more ambition without real definition?

Myles Wickstead: As far as I am aware, this is an important element of the 2063 agenda and moving forward, with certain things being done by certain dates. We are coming towards the end of the first decade of that, with certain goals and targets that have to be met. I am sure they will be setting targets for what might be done over the next 10 years.

I am aware of certain elements of the Cape to Cairo route, for example, going from Ethiopia, through Kenya and down south. That is largely completed now. There is a piece in north Kenya that needs to be completed but, once that is done, you will have a route through by road rather than rail. That is certainly my ambition. I remember that when Nick Stern and I were working on this for the Commission for Africa we said, "Right, before we die, the two of us are going on a motorbike expedition on that Cairo to Cape Town route, because we absolutely want

² The Millennium Development Goals

to see it completed." It is a work in progress, and I think targets will be set as time goes on.

Dr Dambisa Moyo: I can reassure Lord Grocott that it exists. Cape to Cairo is three times the distance of New York to California. It is about 3,000 miles times three, so about 9,000 miles, and that road is completed. You drive through 15 countries and it will take you a couple of weeks to do it. You are absolutely right that there is a portion in Kenya where the road is a little bumpy and that probably adds a lot of time, but it is possible. It has largely been constructed by the Chinese government, which leads back to the conversation that we have already tapped into. So your motorbike ride is still on, Myles.

Lord Alton of Liverpool: For the completeness of the reply about the African Comprehensive Free Trade Area, in response to the question from Lord Grocott, the Committee has been told that just 28 of the 55 members of the African Union have ratified the free trade area so far. What more needs to happen on that bumpy road to complete the ratification process? What are the prospects of really making a reality of it?

Myles Wickstead: Ratification processes take a long time. We found that in Europe and we find it in the UN. These processes take time to go through. However, momentum builds up as more countries sign up to these things. I know there are one or two countries which are reluctant to go along but, as others sign up, that momentum will develop. I am pretty confident that this will happen. I can see that you are preparing to ask more difficult questions now. At the end of the day, countries will not want to be left behind because of accountability. If countries are left out of the benefits of being part of this free trade area, they will be under pressure from their people.

Q71 **Baroness Blackstone:** Would it be better if some countries were not part of this for the time being, either because of the extent of the conflict within them, as with southern Sudan, or because of huge corruption and the lack of any kind of meaningful governance—I mean that in the way that we would all understand it—as with Equatorial Guinea? Trying to incorporate countries such as these with a lot of countries that are very different in terms of their economic development and capacity for good governance is enormously difficult.

Dr Dambisa Moyo: Unfortunately, the answer is a bit more complicated. Without naming names, there are some countries which I think absolutely have to be in the discourse but which have a reputation for rampant corruption. Optically, from the African continent and outside it, there is a sense that, if these countries do not succeed, it is a lost cause.

There are three countries which have to be part of it not in name only but by having a really important seat at the table. In my mind, in no particular order, those countries are Kenya, South Africa and Nigeria. We have to think about how you negotiate and how they participate. This goes back to the point about the recession in South Africa. We will

probably also get on to climate change and some of the shocks that the continent is now experiencing. This is why it is so essential that these countries get it right. A failure from them, whether a default, recession, downgrading of their credit rating or any of these things, is really harmful and has material, second-order, knock-on effects for the rest of the region.

Baroness Rawlings: Before I ask my question, and before your journey, I want to mention a really good book by Shiva Naipaul which you have probably read. It is called *North of South* and is about a journey he made all the way through Africa quite a long time ago. It is a wonderful book and it is only short.

Myles Wickstead: I will put it on my presents list.

Q72 **Baroness Rawlings:** In the context of your very good book, *Dead Aid*, which I read quite a long time ago and a fascinating paper that we have been given, written in 2018, I think, which was very perceptive, how important do you think the agreement of the UN Sustainable Development Goals has been for Sub-Saharan Africa? What changes and improvements do you think have evolved since then?

Dr Dambisa Moyo: Thank you. Myles should definitely jump in after this. As I mentioned earlier, I do not have any fundamental objections to large proclamations on what needs to be done. I serve on a number of corporate boards and, as part of that exercise, it is really important for employees, the markets and other stakeholders to understand the goals, even if they may sometimes seem lofty.

As I mentioned earlier, there is nothing on that list I could quibble with, such as the targets or hopes for poverty eradication and issues around climate change. I will not go through the list, but fundamentally I have no objection to it.

If you recall, the SDGs are in many respects a reincarnation of the millennium development goals, with some exceptions. Fundamentally, in terms of ethos, is there anything really new in what we are trying to achieve for the African continent? I would argue probably not that much. I assume Myles will rightly say that these programmes have knock-on effects on how programmes are delivered, the way metrics are formed, et cetera. In that respect they could be material, but at a very high level we need to figure out how to hold people, and particularly Government, to account when we have those clear goals.

As to your specific question about how they have been rolled out, Myles intimated that there have been some specific examples, particularly around holding governments to account, of how they have played out. I reiterate that, ultimately, it is about the effectiveness of these goals. We all want to see Africa less dependent and exposed, even as we are sitting here in the era of coronavirus. There are real concerns about the implications if it ends up there. The continent is still incredibly vulnerable and I worry that the narrative here and elsewhere around poverty,

disease, war and corruption in Africa has not changed in 50 years. I see my parents, and it is the same narrative.

Myles Wickstead: As you will see from the badge I am wearing, I think the SDGs are of huge significance. I also think they are different from the MDGs in at least three important respects. First, they bring together a number of issues that were not in the MDGs. You cannot remember 17 goals or 169 targets but you can remember—or at least I can—five Ps: bringing together people and leaving no one behind, prosperity, planet, peace and partnerships. Those five Ps are crucial. They bring together these issues in a way that has not been done before.

The other significant thing about them is that they are universal. They apply as much to the UK as they do to Kenya, as much to the US as to Nigeria. Hence the UN Special Rapporteur visiting at the end of 2018 and saying that in the SDG context it is not right that a country as wealthy as the UK should have the levels of food poverty—I do not want to get into domestic politics—and food banks that exist here. The goals are universal, and some countries have embraced them. They are not a road map but a framework within which road maps can be created. A number of African countries and others have created their national plans around the sustainable development goals: Finland, Costa Rica, Ghana and Germany, which has someone in the federal Chancellor's office specifically looking at how the SDGs inform German national policy.

They can be a really important way of signalling progress, and countries, at least every four years, report back to the UN on that through their so-called Voluntary National Reviews. They can be really important. For me, they are a framework for hope and multilateralism at a time when both those things are under serious threat for us and for Africa.

Q73 **Lord Mendelsohn:** I want to move on to a more explicit assessment of climate change, its economic impact and how to deal with it in the context of economic development. We are clearly seeing a number of significant impacts on a variety of things, everything from weather to drought and the level of rainfall, and all the knock-on effects they have on the economy, security, health and other things. In addition, Dr Moyo, you have written extensively about rapid economic degradation—which has been one of the reasons why Ebola, for example, has been there—and the vulnerabilities of pandemic. Putting all that in one piece, what is your view over the medium and long term of the likely economic impacts and drags that this will cause? Are Governments and regional instruments well engaged on this in Africa? Are the international community and the UK doing enough sensibly to work with them to be able to mitigate that?

Dr Dambisa Moyo: I appreciate your putting the word “sensibly” into that question. I pride myself on being a numbers person, and we have to put this in context. Even today there are 1.5 billion people who have no access to cost-effective, reliable energy. You might think that these people live in rural parts of Africa; I assure you that that is not the case. I am talking about central cities and towns in Africa that have load shedding. My parents, who still live in Africa, have experienced it; it

means you have electricity for only two hours a day. So what does this mean?

For full disclosure, I should point out that I serve on the board of Chevron, which is one of the largest energy companies in the world. Some 90% of the energy produced around the world is produced by Governments—state-owned enterprises such as Saudi Aramco, CNOOC in China, PDVSA in Venezuela, the Nigerian Petroleum Development Company and Pemex in Mexico. You get the picture. We absolutely understand—I am speaking on my own behalf here—that there are all kinds of risks, but it is irresponsible to be campaigning for defunding fossil fuels. The implications against second-order effects are just not being fully appreciated in terms of education and healthcare.

I had the benefit of growing up in Africa in the 1970s and 1980s, subsequently being able to come to Oxford to do my doctorate there. I am now on the Oxford University endowment. We have real issues around investments; we have student bodies claiming they want more Africans, South Americans and Asians to come as students. We will not see those effects if people are not going to school, which is exactly the case in Africa.

What is the way forward? We have not just to support the public sector through these state-owned enterprises—that is another conversation—but ensure that the narrative and transition to cleaner energy incorporates energy corporations. I worry a lot that, because they are being pilloried and there is such a negative tone around the energy sector, a lot is being missed in terms of the costs and consequences for Africa specifically. I believe and know for a fact that not just Chevron but the energy sector more broadly—BP, Shell and many other corporations—are heavily involved in research and development that is very beneficial to Africa, from biofuels to water, solar, wind, battery, geothermal—there is a whole stack, and I could spend hours talking about the efficacy of these programmes. A lot of the science and R&D occurs in places such as Africa.

If we defund these corporations or support this narrative or campaign of defunding or not supporting them, there will be consequences on poverty and reduced living standards, which are already at a very low base; Africa's per capita income is still \$1,600, versus \$45,000 in the UK. It is materially low and is getting in many respects worse as the population grows. I am very much of the view that we need to take back the narrative and have sensible conversations about what is happening in this respect.

Myles Wickstead: I have a couple of points to make. First, the consequences of climate change can be significant—think of countries that grow coffee, tea and those sorts of thing. They survive within quite narrow temperature ranges, so you can change that quite dramatically.

Secondly, I think Africa has the resources to move to sustainable energy very quickly. It has more sun than we do. It has a lot of wind and the

potential for hydropower. I come back to the point about political will; when countries want to make that change, on the whole, they can do it. Look at Ethiopia, for example, which is going to become carbon neutral over the next five years through a combination of hydro, solar and wind power. It is certainly possible to develop small, off-grid solar systems. I am not an expert in this, but you do not have to have a huge, centrally powered grid to reach these remote areas. A lot of research is being done by energy companies and others into how you can generate local solar power to feed local towns and villages et cetera.

Frankly, we have to make that transition very quickly not just in Africa but elsewhere. This is an existential issue that we need to deal with really quickly. I was very pleased to see the Prime Minister announce at the UK-Africa Investment Summit that we will no longer invest in coal and that we will move away from investment in oil, gas and other non-renewable sources of energy.

Lord Mendelsohn: Your point about the energy sector is significant. At the UK-Africa Investment Summit, we announced that we would no longer fund coal, although I believe that UK Export Finance has not funded a coal project since 2002, so it took us 17 years to announce what we are doing. There were a limited number of announcements at the Summit and this brings us to the core question. The largest announcement was for a Bombardier contract, but its train division has been bought by a French company, so it is no longer a British project and the work will no longer be done in Britain.

There is something like £2 billion worth of deals and about £50 million of that is for low-carbon initiatives and other energy sources. We are very heavily dominated by extractive industries and energy stuff, so the cheeky question is, given that we have a remarkably strong and historically strong position in that and only that—we are worse than Belgium for meat—are we missing a trick in not doing more? Why has the UK not been a greater pacesetter in the opportunity to look for other energy sources in Africa? What accounts for this massive gap in investment and us not seizing that opportunity?

Dr Dambisa Moyo: I ask myself this question all the time because, for many energy companies, this is an existential crisis. We sit there every day being defunded in the capital markets, facing customers who are quite hostile to us now and facing a very hostile policy environment. I should say that I did my undergraduate degree in chemistry and the simplest answer—again, I do not want to flippant about this—is that making energy is hard. We live in a world in which, if somebody out of 8 billion people knew how to create energy in a sustainable, scalable and cost-effective way, we would have the answer.

The fact that we do not know the answer and are investing in all these different stocks, from algae, to nuclear, coal and new, clean energies such as solar, wind, et cetera, tells you that the production of energy is not an easy thing. I say that with humility because I know that there are British organisations—not just corporations but organisations in the public

policy space and academe—that are dedicating time and resources to crack this question. There is a wonderful documentary on Netflix if anybody is interested, called “Inside Bill’s Brain”. Bill Gates has dedicated an enormous amount of energy to try to crack this and has failed.

I will leave Myles to discuss the practical aspect of this, but we have tried biofuels and explored trade-offs between food versus fuel. There are so many aspects to this question that are swept under the rug but which fundamentally explain why this is a difficult challenge. I encourage you all that Britain is on the right side on these things, but we should not be naive in addressing these questions. If we knew how to solve the energy question, it would have been solved. Somebody on the planet would have solved it. It is a very difficult challenge. Myles may have a different view.

Myles Wickstead: I want to make one point. I do not know why British companies have not sought to invest more in Africa. It is probably partly to do with an out-of-date historical narrative. People still have this image of Africa in their head. That is certainly true with Ethiopia, which has been the fastest-growing economy in the world over the last 10 years but which people still think of as a place where there is drought and famine. The image is out of date.

On renewable energy and so on, the UK has a massive amount to contribute to Africa in terms of technology. We just need to make that link and connection. We could have more UK-Africa investment summits to encourage that or encourage more Africans to come here and make it rather easier for them to get visas. I do not want to get into that issue, but I wanted to slip that in because, to be honest, it is one of those issues that is creating a serious barrier to the UK-Africa relationship. We have to keep working away at it. We have to tell people that there are real opportunities to invest in Africa and that this whole area of renewable energy is one of the crucial ones.

The Chair: I have a feeling that several people around the table might want to ask supplementary questions on this vital issue, but I now turn to Baroness Blackstone for our last question of this session.

Q74 **Baroness Blackstone:** This inquiry is about not just Africa but the UK and its relationship with Africa’s political and economic development. It would be very helpful if you could tell the Committee a little about how the UK compares with other European countries and indeed North America in its approach to Africa, particularly as far as Africa’s economic development is concerned.

Myles Wickstead: I think we have taken Africa seriously, for obvious reasons. We have those long-term historical relationships and connections. We have very strong aid and development programmes in a lot of African countries which are very well thought of and respected. We need to increase our diplomatic effort in Africa, which is part of a more general point that our diplomatic effort has been underfunded and that is leading to problems with the development programme.

The FCO is clearly interested in using development funds to do what it should be doing—diplomatic activities. It is keen to get its hands on some of those funds, because it does not have enough resources to do its work. In my view, all aspects of our international policy need to be properly resourced. We need our 2% spend on defence and our 0.7% spend on development, and we need to increase our diplomacy and soft power efforts. That means more resources going into those efforts too.

The answer to your question is that we are not doing badly. The Commission for Africa under Tony Blair's premiership in 2004-05 was a high point—I would say that, because I was involved with it. To demonstrate that we continue to take Africa seriously, we need to put increasing resources on the diplomatic and soft power sides into the equation.

Baroness Blackstone: Do we have anything to learn from the French or Germans, for example? Are they doing better in some ways?

Myles Wickstead: All countries have different things to offer. We were quite good at withdrawing from our colonial relationships and building up different ones. The French have not been quite so good at withdrawing from those colonial relationships in the first place. Ask someone in West Africa what the capital of their country is and they will say Paris—I am exaggerating a little, of course. France is very active in francophone countries; it is doing a terrific job on security issues in some of the Sahel countries.

The US Assistant Secretary of State Tibor Nagy has been doing a terrific job in brokering some of those agreements, supporting the process in South Sudan and looking at countries such as Cameroon. There are still countries where there are serious issues that could erupt into violence of some sort or another.

On the whole, we are doing pretty well. I hope that, after the end of this year, we will continue to work very closely with our European colleagues. They have a lot of experience too, so building and maintaining those relationships will be very important.

The Chair: Dr Moyo, I know you have already referred in part to the contribution to the work on economic development made by other European countries and America, but would you like to add anything at this stage?

Dr Dambisa Moyo: Very briefly, there is a lot more that Britain can do. That is not to say that I give Britain a failing grade, but it is time for more innovation. I have just been asked to participate in a conference on technology based in France. I would love to see more thematic discussions. We spoke about the Africa-UK conference here; that is fantastic, but it can seem somewhat esoteric. The concerns for the next few years are to do with AI, technology and communicable diseases. I want to hear that. I know these discussions are happening, but we need a high-profile, very targeted thematic focus.

What else can the UK do? Sign up and recognise that the world is materially changing. Some 90% of the world's population lives in the emerging markets, so we should be part of the belt and road initiative or the BRICS bank; that may not mean pure membership but being part of that discussion is another area in which Britain has shown leadership and the United States has not. Being part of these very important areas is critical.

I would also go a little further. You made the point about the continuing French engagement. Sometimes you can try to do too much. Britain has long-standing relations with many anglophone countries in Africa. While there are compelling reasons to say that we want to have a UK-Africa relationship, at the same time, you should go to where there are easy ways to engage. Britain trying to go to Senegal or Côte d'Ivoire seems to me on a gut level to be a hard proposition. Why go against a closed door when there are places such as Kenya, Nigeria and South Africa which have very long-standing historical connections with this country and a very open door? Through them, there could be much more influence on the continent as a whole, but we sometimes give that short shrift. I would double down on those countries. They want the UK; you speak the same language and they understand the British context. That is where I would leave it.

The Chair: Thank you, Dr Dambisa Moyo and Myles Wickstead for your contributions. We all wish the session could be longer. I am now closing the public session.