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

Friday 15 May 2020

3 pm

Watch the meeting

Members present: Baroness Anelay of St Johns (The Chair); Lord Alton of Liverpool; Baroness Blackstone; Baroness Fall; Lord Grocott; Lord Hannay of Chiswick; Baroness Helic; Lord Mendelsohn; Lord Purvis of Tweed; Baroness Rawlings; Lord Reid of Cardowan; Baroness Smith of Newnham.

Evidence Session No. 12 Virtual Proceeding Questions 102 - 117

### Witness

I: Dr Ngozi Okonjo-Iweala, African Union Special Envoy to mobilise international support for Africa's efforts to address the economic challenges African countries will face as a result of the Covid-19 pandemic.

USE OF THE TRANSCRIPT

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

# Examination of witness

Dr Ngozi Okonjo-Iweala.

Q102 **The Chair:** This is a meeting of the International Relations and Defence Select Committee. Today, we are taking evidence for our inquiry into the relations between the United Kingdom and the countries of Sub-Saharan Africa.

I formally welcome our witness today, Dr Ngozi Okonjo-Iweala, who is the African Union's special envoy to mobilise international economic support for the continental fight against Covid-19. She has been appointed by the World Health Organisation as one of its special envoys for access to Covid-19 tools. She also serves as chair of the board of Gavi, the Vaccine Alliance.

As ever, I shall ask the first question and then call on my colleagues to follow on with more detailed questions. I have grouped the questions in a way that I hope will enable all my colleagues to participate and enable us to cover a huge amount of ground over a period of just one hour.

Dr Okonjo-Iweala, you are most welcome. Thank you for joining us. The first question is: what are the principal effects of the Covid-19 pandemic across Africa?

***Dr Ngozi Okonjo-Iweala:*** Thank you very much. The Covid-19 pandemic hit Africa first as an economic problem. When China, and subsequently Europe and the US, got the virus and locked down, the major markets for Africa's products went into lockdown; demand fell and prices fell precipitously. Africa exports mainly commodities, and the biggest markets are China, Europe and so on.

When the continent was hit with the virus, it had an immediate impact on exchange rates, which started depreciating against major currencies. There was a flight of capital to safety, remittances went down and tourism went down. Everything was impacted. There was both a demand and a supply side shock. At the same time, the supply chains for many of the products Africa imports, such as pharmaceuticals—we import 94%—were disrupted, and prices for those products went up, as well as some aspects of food. That is on the economic side.

When the pandemic hit as a health issue, Presidents implemented lockdowns. They acted very responsibly and immediately with social distancing measures, which are very difficult. Almost 70% of people work in the informal sector in our urban areas, so they could not earn on a daily basis. People have complained, at least to me, that they will die of hunger before they die of coronavirus. We have had a perfect storm and we hope it does not morph into a food crisis.

**The Chair:** I am now going to turn to my colleagues.

Q103 **Lord Alton of Liverpool:** First, I thank Dr Okonjo-Iweala for the wonderful way in which she introduced our discussion and for giving us the time today to think about these enormous issues. As she has just said, if we morph from this terrible pandemic into the ravages of hunger, one epidemic will be compounded by another.

I would like to ask about the extent to which the continent was prepared for the coronavirus pandemic. Have lessons been learned from previous epidemics, such as Ebola, looking back to the positive response of Sierra Leone? There were worrying reports last week from the DRC[1] of a new outbreak of Ebola there. Are there regional examples from which countries such as the United Kingdom can learn?

***Dr Ngozi Okonjo-Iweala:*** What a refreshing question about learning from regional examples from Africa. I love that.

I will answer in two parts. You are absolutely right that, because the continent is used to battling infectious diseases such as Ebola, measles and polio, several countries have developed infrastructure for detection, contact tracing and follow-through. My own country, Nigeria, had only 19 cases and six deaths because we used the polio platform that had been put in place by Gates, Gavi and the Government to help us track Ebola. We were able to use that. Several countries have the platform, which is an advantage. The other advantage is communication. We have learned in some countries how to talk about these diseases and break the cultural practices that might exacerbate them.

That said, the health systems are very weak and vulnerable. The pandemic was so unexpected that I cannot tell you that we were prepared. You can see that health systems all over the world are vulnerable. Even in rich countries, health systems have been overwhelmed. How much more so in developing countries? We do not have enough test kits; we do not have PPE. Senegal has just developed a test kit that costs $1, but it needs to be produced in volume and we do not have that yet, and the supply chains for those products have been cut off from us because other countries are bidding for access to the supplies.

**The Chair:** In the interests of time, I am going to ask Baroness Blackstone and Baroness Fall to ask their questions one after the other. Dr Okonjo-Iweala, perhaps you would wait for the second question and then I will turn to you for an answer.

Q104 **Baroness Blackstone:** Thank you for taking the time to talk to us, Dr Okonjo-Iweala. I want to ask how global partners, including governments and international organisations, can support the continent in relation to the public health impacts of Covid-19.

Q105 **Baroness Fall:** I too thank you for your time today. You have already touched a bit on the economic effects of the pandemic, but could we hear a bit more about how you feel it will affect Africa? Because there is a less severe shutdown than in our countries, where we have had a complete lockdown and are facing the possibility, we hope, of a V recovery, are we looking at something different in Africa that will have longer-term

[1] The Democratic Republic of Congo

implications and effects on supply and demand?

***Dr Ngozi Okonjo-Iweala:*** On the issue of global partners and how they can provide support, they can play a big role. Africa has worked hard to support itself. You cannot ask other people to help you if you do not first do the maximum to help yourself.

Policymakers have tried fiscal measures; they have brought out budgetary resources, and central banks have given lines to small and medium enterprises, but the fiscal space for Africa is very constrained. We are able to implement a fiscal stimulus of only 0.8% of GDP, compared with rich countries that have provided 8% to 10%. That is where the role of partners comes in, to provide the additional resources that will be needed both to buy supplies and strengthen health systems and to help with the economic impact, which is severe. Finance Ministers on the continent have estimated the immediate need to be $100 billion, possibly $200 billion if it lasts longer. I thank you, because partners have acted responsibly through the World Bank, the IMF and the African Development Bank. Some resources have come through, but it is not enough.

Let me mention three specific things where you can help. One is additional resources directly from the UK. We thank you for what you have done on Covid. The UK is one of the best countries in keeping to its pledge of 0.7%,[2] and we are very grateful for that. You can do more for Africa directly.

You can also support the World Bank to get more IDA,[3] supplemental emergency IDA, that it can pass on to African countries. You can urge the International Monetary Fund to get rich countries, including yours, to pool SDRs—the special drawing rights in the reserves of rich countries that they are not using. I think they need to go to Parliament. You could pull $100 billion and lend it to the central banks of African countries, but it is a political issue. If you can help with that, it would be great.

Lastly, you can support a two-year standstill in debt service for African countries. Let me tell you why that is important. It will immediately release into our hands between $30 billion and $44 billion that we would have used for debt service to deal with these expenditures. There is a lot more, but in the interests of time I will move on to the second question.

Personally, I think the impact of Covid-19 will be longer term than we think. The WHO forecast about 4 million to 5 million people on the continent being infected, with 150,000 deaths. At this moment, we have about 70,000 cases and 2,400 deaths. People ask, "How come it's so good?" There are all kinds of theories. Is it because of the demographics—we are young—or because we have some kind of

[2] The target for donor countries to spend 0.7% of Gross National Income on official development assistance, adopted as a target by a resolution of the UN General Assembly in 1970.

[3] The International Development Association (IDA), part of the World Bank, is the single largest source of concessional finance for the poorest countries in the world.

immunity? I do not know. I am not a physician or a scientist; I am an economist.

I am not sanguine. Africa is three or four weeks behind the curve, and we are not testing. Testing on the continent is low. People are dying. We do not know whether they are dying from coronavirus or something else. In my country, a lot of people in Kano died all at once and it was put down to respiratory disease or meningitis. I am sure it was Covid. We may have a serious undercount, and I think Africa's curve will continue to rise, so it will be a longer-term shock. In the longer term, two to three years, we need to plan for serious impacts on our economy and health systems. Africa is supposed to contract by 2% this year, as projected by the IMF. There will be serious impacts, and we need to plan for that.

Q106 **Lord Grocott:** Thank you very much for your responses so far. I think you have covered a fair amount of what might be included in an answer to my question, but I will ask it none the less in case there is anything you would like to add. How can global partners, including governments and international organisations, support the continent on the economic impacts of Covid-19? Perhaps I can make it slightly more specific by asking how it can be prioritised. What are the most important things that can be done by means of support to deal with the economic impacts?

Q107 **Lord Hannay of Chiswick:** Thank you very much indeed for your testimony, Dr Okonjo-Iweala. You have already begun to touch on the question I was going to ask, which was about what the UK specifically can do. I want to hear a little more detail about what you think the UK could do on some of the issues you mentioned in your opening statement—for example, trade, remittances and debt. You referred only to debt postponement, not debt forgiveness. Do you think that will have a role to play in the future? It will be a great help to hear what you think the UK could be doing.

**The Chair:** I apologise. I think Lord Hannay has a little problem with the audio, but I hope you were able to catch everything he said.

***Dr Ngozi Okonjo-Iweala:*** Thank you for the question. Coming back to global partners, as regards immediate priorities you talked about economics, but on the health side we still need help. The African Union has estimated an immediate need for $350 million to help the African CDC[4] and the national centres for disease control to cope with the pandemic. Part of that will also go on supplies. Partners can help to make that happen.

You can help by trying to unblock supply chains. If the UK has any supplies that could go to us, or resources it can give for the African Union's $350 million, that would be helpful. It has already collected $60 million from African countries and philanthropists, so for the immediate sum on the health side we still need help. Longer term, we will need help with strengthening health systems. DfID[5] has been very active. It knows

[4] Africa Centre for Disease Control, a public health agency of the African Union.
[5] The Department for International Development

all about this. We would like it to continue, not only through multilaterals but directly.

Turning to the economic impacts, there are two or three things. The continent has been hit by the supply and demand shock. We need to think in the short term about how to get resources to feed those who cannot work on a daily basis. Most of our people are informal workers and are not able to work when they are in lockdown. Social distancing and all those things are problems. We need immediate resources to strengthen our social safety nets and get food to children and families that do not have it, and direct transfers into the hands of households so that they can purchase food when the markets are open.

We need support for small and medium enterprises, which are by far the most important employers. That is liquidity support from partners, which is why I mentioned SDRs earlier. The UK could see how it can work with our central banks by giving advice. Even if you cannot give resources, can you proffer technical assistance and advice on how to manage some of those matters?

In the longer term, we need markets and trade. There are many Commonwealth countries on the continent, and the UK as a Commonwealth country is one of our largest trading partners. Let us see how we can have a win-win situation on the trade front where you purchase more of our products and we purchase from you. We need to look at strengthening trade ties, particularly post Brexit. That would really help the continent. Trade and work are even more important than direct aid. There is potential for the UK and partners to do a lot on that front.

I have already started to touch on what the UK can do. Many people from the continent are living in the UK. Of course, their remittances are welcome, but perhaps it could be made easier for them to send those funds. By the way, you have a lot of medical personnel from Commonwealth countries working in the UK. Encouraging some of the diaspora to go back to try to help could also be done, because many of them have dual citizenship.

There is trade, remittances and tourism. When we have a handle on the pandemic and people can travel again, UK tourism will be most welcome on the continent, particularly in East Africa where the UK is very present. We want all the things that would ignite economic activity. That makes a greater impact than aid. If we can trade and if you can help us get our companies back on their feet, that is better.

A very important question was asked about debt relief versus debt standstill. The answer is in two parts. We are asking for a two-year standstill across the board for both bilateral debt and private debt. The multilaterals have told us that they cannot at this point entertain debt relief or a standstill because of their credit ratings, but they will give lots of new money. That is one way of tackling it, but for bilaterals we think we need two years because of the longer-term impacts and the resources it will release. During those two years, we want to work with the bank and the fund to see which countries might need more debt relief and which do not.

Countries are different in the way their debt is stacked up. Some have more private sector debt; some have more bilateral debt to Europe and others, and to China. We need to look at it country by country to see what debt sustainability will look like. It will need two years, which is why we want you to support a two-year standstill. Talk to China and the other bilaterals for us to be able to have that, and if during the two years some countries need debt relief, yes, that is okay.

On private sector debt, there are a lot of scare tactics. We need your help there too, because private creditors and bondholders are saying to countries, “If you even dare ask for a standstill, you will be in default”. That is a very short-term approach, because if we do not do something in an orderly fashion now, there may be disorderly behaviour later by countries that cannot pay.

Q108 **Baroness Helic:** My question relates to health and social care workers in Africa, who are mainly women and are at far higher risk of income and job loss during the pandemic. In addition, a majority of the girls who are out of school now might be in danger of not going back to school. How can we best ensure that progress towards gender equality is not reversed as a result of Covid-19?

Q109 **Lord Mendelsohn:** Thank you very much for being here and giving us this evidence, Dr Okonjo-Iweala. I would like to make an observation about the way the Ebola crisis was dealt with in 2014-16, and the lessons that were learned and applied in 2018-20. Those were regional. In those terms, we saw a lot of progress and good practice as to how Africa had worked out how to deal with that.

There are two aspects. Now that the pandemic is Africa-wide, how well is the African Union doing in helping to co-ordinate countries’ responses to the Covid-19 crisis? Touching on a point you raised, Africa will be competing with the whole world not just for testing equipment and personal protection equipment but for treatments, equipment and drugs. How well will governments, the African Union or other sorts of structures be able to give Africa an advantage in that international competitive environment?

***Dr Ngozi Okonjo-Iweala:*** The issue of women and girls is critical, and we need to bear it in mind. I have only anecdotal evidence; I do not have statistics yet, which makes me uncomfortable, but as in other places we fear increased gender violence against women, so that is something to look out for.

The biggest impact that I hear about directly from women is the loss of economic power. As you know, over 50% of our small and medium enterprises, micro-enterprises and markets are owned and run by women. With the pandemic, lockdown and so on, they cannot earn.

Numbers of households are headed by women. They cannot earn income, so they are badly impacted.

You referred to girls out of school. There is a risk that when children are out of school some girls may not return. The biggest problem is that many households are not connected. Rich people can have their children learn online, just as is happening in the UK, the US and rich countries, but connectivity in many of our countries is low; in places, it is 15% to 20%, and in rural areas it is much less than that, so girls cannot have access.

That throws me back to the question: how do we not waste this crisis? How do we seize opportunities that are coming up? How do we make sure that Africa does not lose the reasonably good narrative it had before the crisis in two or three decades of growth? Looking at the issue of women, I think we can do better when we build back—when we have the stimulus and try to revive our companies—if we put women at the centre. They must have a voice in the way resources are used and decisions are made so that we do not build back in a way that marginalises them or takes us even further back.

We must include women in the decision-making process through civil society and community organisations. We must look at how we can improve connectivity so that girls, even if they are not allowed to go to school, can learn online. That is an opportunity we can look at. The UK can help us to look actively at cheaper satellite systems to try to connect women and girls.

Lord Mendelsohn asked how the African Union is doing. The African Union has done really well, if I may say so. As an African, I am quite proud of what I have seen. There has been a unity of purpose. The African Union came together quickly to try to pool resources and approaches to get health and medical supplies. It quickly put together a fund to help the CDC and CDCs in other countries. It appointed one of our private sector billionaire philanthropists, Strive Masiyiwa, to help with supply chains and logistics. Governments know that the private sector does it better, so Strive is working with a group of private sector people to break the logjam and get supplies. If we can work with the UK private sector, that will be fantastic.

Secondly, the AU appointed the envoys; there are five of us. Presidents and Prime Ministers came together and said, "Look, we need to have people who will help us mobilise resources so that we are not all over the place". Thirdly, it tried to harmonise measures on lockdowns and other things, and imposed social distancing. There has been a bit of misunderstanding here and there, on crossing borders and so on, but by and large there has been greater unity of purpose than I have seen in a long time. The reason is this: the weakest link in the chain can destroy everyone. If the last person is not free of the virus, everybody is at risk.

I have just remembered one more thing the UK can do. Three countries on the continent—Zimbabwe, Sudan and Eritrea—are having problems.

Sudan and Zimbabwe are under sanctions. We are saying, "Look, this virus does not know what sanctions are". If we do not help those countries in the same way as other countries are being helped, we will end up with them having the virus and reinfecting everybody else.

We need to gear up and find a way to put sanctions issues aside for health reasons, and mobilise resources for Sudan and Zimbabwe. Eritrea is slightly different. It owes about $100 million in arrears to the World Bank and, therefore, it is not getting help. There is a need to talk to the Prime Minister so that he can follow steps that will allow Eritrea to get more help. A fund to help Eritrea would be welcome.

Q110 **Lord Purvis of Tweed:** On a personal level, I was in Sudan at the end of March, so I have great sympathy with what you have just said relating to a country that I am particularly fond of, and I hope there will be some moves on that front.

I have a question about your Gavi chair role, and the role that an organisation such as Gavi or the Coalition for Epidemic Preparedness Innovations can play. One element of concern is that some countries are looking at fairly isolationist approaches to the development and, potentially, the exploitation of a vaccine. What role is the organisation that you chair playing in development and potential distribution to try to make sure that it is a global response to a global crisis, rather than an opportunity for individual countries to try to exploit it?

Q111 **Baroness Rawlings:** Thank you very much for your positive contribution, Dr Okonjo-Iweala. I have fond memories of Kano.

What action do you think will be needed to make certain that any future Covid-19 vaccine will be available to all countries, including in Africa, with the possibility of guaranteeing availability in generic form, too, thus avoiding the difficulties that Africa had with the AIDS vaccine?

***Dr Ngozi Okonjo-Iweala:*** On the role of Gavi and CEPI, I do not know. This morning, I saw on CNN something I want to share with you. President Macron had summoned the CEO of Sanofi, a French multinational company, to talk to him about what the company had just said, which was that, when Sanofi develops a vaccine, the US will have first dibs in getting it for all the US population because the US had given it the money for its research. Macron was very upset and asked him to withdraw that statement. That sets the scene for what we are afraid will happen.

There has been the launch of an international endeavour, which I think you know about, because the UK was prominent; Dominic Raab represented the UK at the launch by the WHO, with Presidents and Prime Ministers around the world. It is an international initiative to accelerate the tools for fighting Covid-19: vaccines, therapeutics and diagnostics. That was where two of us, me and Sir Andrew Witty, were appointed as WHO ambassadors, one from the global north and one from the global south, to try to make that happen. That is in addition to my Gavi chair.

Three workstreams have been identified: one for vaccines, one for therapeutics, and one for diagnostics. The leadership of the vaccine workstream is by Gavi and CEPI, so Gavi is directly involved. The role of the vaccine workstream is to make sure that the production and manufacture of vaccines is accelerated. WHO will give the regulatory and quality guidance that is needed, and Gavi's role will be to use the instruments that Gavi uses so well to incentivise volume manufacture by manufacturers, so that we have enough doses for everyone, and negotiate terms so that the vaccines are affordable to countries and equitably distributed. Gavi has something called the advance market commitment mechanism and the advance purchase commitment. The AMC negotiates volume with manufacturers and commits a market—we are in 73 countries, and we could do it all over the world—so that manufacturers, those producing, know that they will make their money back.

Underlining the question about generics is the fact that we argue that, when anyone produces that intellectual property, it has to be seen as a global public good. In other words, there cannot be a profit motive behind it; that is what will release it so that it can be manufactured even by companies in developing countries and equitably distributed. Gavi is at the centre of all that.

Action on a future Covid vaccine is related to the answer I just gave. You are absolutely right in the sense that we have had experience in Gavi with vaccines that were only accessible by rich countries, such as for H1N1, and even the HPV vaccine for girls; demand in rich countries is so high that we cannot get enough for adolescent girls in developing countries. That is not right, so we have to put in place right now the mechanisms that I just talked about, to make sure that we have volume and quantity for everyone and that poor countries are not locked out. The UK can play a very important role in being active in the international group to make sure that that happens.

Q112 **Lord Reid of Cardowan:** Thank you for your concise and comprehensive answers. My question is about a country with which you have a particular connection, Nigeria. Could you indicate the current issues as regards Nigeria's economy and to what extent they have been exacerbated by the Covid-19 pandemic?

Q113 **Baroness Smith of Newnham:** Dr Okonjo-Iweala, I too have a question about Nigeria, a country I have visited just once, at the time when you were Finance Minister. I visited Lagos, obviously a thriving city but one that is based on oil.

To build on Lord Reid's question, I think there are issues about how Nigeria sees its future and about how influential it can be in the African Union. To build on some of your answers this afternoon, how far can Nigeria press the case for the whole continent to gain access to more vaccines? Is there a way it can work through the African Union to lobby on behalf of the continent?

**The Chair:** Dr Okonjo-Iweala, this is the last group of questions that I will take. When you have completed your answers, which you have given so kindly today, we can see whether there is an opportunity for colleagues perhaps to drop in with an intervention.

***Dr Ngozi Okonjo-Iweala:*** With respect to my country, as a former Finance Minister—the longest serving, at seven years, and the first woman—I usually refrain from commenting on issues. When you are out of government that may be better, but as we are doing this I will say a few words to you.

Of course, the crisis has hit Nigeria particularly hard, because 90% of our exports are oil and 70% of our revenue comes from oil. That dependence on a sole revenue source is a problem. Once we had the demand shock, we were not able to sell oil, and the price fell precipitously, exacerbated by the actions of Russia and Saudi Arabia. Bonny Light remains at a very low price; last time I looked, it was back to $15 or $20. We have 60 cargoes of oil sitting on the high seas unsold. We have a serious problem in depending on that.

Covid-19 has precipitated a deep-seated structural problem that we need to look at. Just because of climate change, we needed to start to move to more low-carbon emission types of products, and to look at renewables and our gas. Nigeria is more of a gas economy than it is oil, so we can transition through gas and then move on to renewables. In short, your question is deep, because it points at the structural problems we need to fix.

As a Finance Minister, I can tell you one thing that people get mixed up. Nigeria's economy, since we rebased it in 2014 or so, is actually quite diversified, but unfortunately our revenue source is absolutely not. That means that we have not found a good way to tax the other sectors of the economy, such as agriculture, creative industries and some aspects of manufacturing. We have not found a way to tax them properly. A large percentage of our economy is in the informal sector, and that is a problem too. How do we formalise those things and tax them better?

We have a single revenue source but a diversified economy, so we are a bit better off than other countries. I think we should focus in future on how to diversify our sources of revenue and further strengthen the basis of our economy. Covid-19 has made the situation starker.

The second issue was related to Nigeria's role in the AU and its influence. Nigeria is not an easy country; it is very large, sometimes unmanageable and sometimes chaotic, but it is totally loveable and the most exciting country I know in the world. You do not know what is going to happen, and the potential to break through is there. I feel deeply for my country, because it is so exciting.

Nigeria has always had an influential role in the AU. Nigeria has 70% of west Africa's GDP, and Nigeria, South Africa and Angola have more than 50% of Sub-Saharan Africa's GDP. You cannot make progress on the continent unless you have Nigeria by your side, and South Africa too. It has great influence in the AU. We do not always have the most active leaders all the time—this is between you and me—but the AU still listens and Nigeria still has a voice. I think that most Nigerians are excited that the AU has appointed me as one of the envoys, and they hope, through that, that the wishes and desires of Nigeria for the continent to have those vaccines will be transmitted. I am doing the best I can.

**The Chair:** Two of my colleagues have indicated that they would like to ask further questions, and I can see a third.

Q114 **Lord Purvis of Tweed:** Dr Okonjo-Iweala, I would like to come back on a point you mentioned about Africa CDC, and the very interesting initiative. I read a report, which I found fascinating, about the founder of Econet, whom you mentioned as delivering the platform to bring together the supply chain for buying. I understand that he is Zimbabwean, but based in London, and the platform is to get stronger capacity in buying from China. To me, a fascinating illustration for our inquiry at the moment is the UK's relationship with the African Union, with China an ever-present element in the relationship with Africa.

How do you view the position of China at the moment? I saw that China took a different position from other countries on the request for debt pausing, rather than a multilateral approach. How would you describe the relationship with China at the moment, in the context of Covid-19?

***Dr Ngozi Okonjo-Iweala:*** To start with the debt issue, China joined the G20 when it declared it would sign up for a standstill until the end of this year. China has opened the door; it is the largest bilateral creditor on the continent, with debt service of slightly more than $8 billion, so its participation is paramount.

The AU President has taken steps to reach out to President Xi Jinping, to persuade China not only that it ought to participate but that it should take somewhat of a lead in giving the two-year standstill, enabling us to work out and reprofile debts for the private sector, and then see which countries will need much more with respect to private sector and bilateral. We are very much working with China, and the envoys will follow up on that letter to see what we can get. We think that a door has been opened.

There is a lot of commentary on the general issue of China and Africa, with some correct information and some misinformation. China is viewed favourably on the continent, for the most part. Personally, from my viewpoint, China's intervention is welcome, just like that of the UK, the US or others. All the envoys, and many others, have said repeatedly that we must work in transparency. Whatever China does, we need transparency and daylight so that no one will think that we are hiding anything. In any case, it is necessary for the populations to know.

Beyond that, China is the only country that seems willing to invest in infrastructure on the continent, and we feel that we cannot develop without infrastructure. Two thirds of our infrastructure is yet to be built. I looked at some numbers. In 2015, China had invested $21 billion in infrastructure on the continent, compared with Europe's $2 billion, or something like that. Was it from Europe or the US? In any case, there was very little from the West, about $4 billion. The orders of magnitude are huge. If China is willing to invest, as long as we can keep that investment transparent and nothing is hidden, it is a good thing. We welcome China, and we welcome the UK and the US.

China is the biggest trading partner at the moment. Of course, we will push towards more equal trade with China so that we can have a win-win situation. We sense an openness on the Chinese side to discuss some of the issues, and we will definitely push and be on the lookout to avoid the pitfalls that may come. I am not naive; we have to look out and make sure that it is a win-win for us.

Q115 **Lord Hannay of Chiswick:** We have not so far impinged on the question of security. There are parts of Africa where the security situation is terrible. Many of the ideas that you have put forward, and that we are looking at in the context of our report, simply cannot be applied. One thinks of Somalia, the Horn of Africa, the DRC, South Sudan and the Sahel. How do you believe that African countries—

**The Chairman:** David, I am sorry, but your volume is so poor that it does not allow you to give the full question. I am afraid that we will have to pass on to Lord Alton, because we are only getting about one word in 10.

Q116 **Lord Alton of Liverpool:** First, can I say that I was pleased to hear the enthusiasm for both Kano and Nigeria that our witness was expressing? If there is any question about leadership in Africa, she shows that there is plenty of it, and I hope that one day she will have the chance to be more than just Finance Minister in Nigeria and lead the African Union's response to Covid.

Specifically, I want to ask about the danger of Covid reversing development gains, the opportunity costs that it may pose for Africa and the way it takes focus from other issues. Recently, at a meeting in Parliament, we heard from Sir Richard Feachem, former head of the London School of Hygiene and Tropical Medicine. Talking about malaria, he said that in Sub-Saharan Africa there had been 200 million cases of malaria, with 403,000 deaths, and 61% of those were children under five. Are we losing focus on issues like that as a consequence of Covid-19?

***Dr Ngozi Okonjo-Iweala:*** I will answer that question and then maybe say a quick word on security, as I caught a bit of it. There are two very important questions about whether Covid could reverse the gains. Absolutely. Something I underlined somewhere in the middle of my statement is that we are afraid that we may lose the gains.

The continent has had issues, and has issues, with the structural reforms it needs to do, but the narrative was not that bad before Covid. The IMF was projecting 3.5% growth for 2020, compared with 3.6% GDP growth for the world. It was not that bad, but Covid has come with a huge exogenous shock, and if we do not act carefully and quickly it could reverse the gains of the last two decades. I am really afraid of that, which is why your inquiry, and what you are doing by looking into it and bringing support, is crucially important. We do not want a Nigeria or an Africa that goes backwards. That is very important.

With respect to the other issues, I am afraid that you are absolutely right. With Covid-19, we must not forget other infectious diseases and illnesses, and Gavi, whose board I chair, insists on that. You may recall that about two or three months ago, with Ebola in the DRC, 2.5 times more people died of measles than Ebola. That was because we took our eyes off the ball of those other diseases when we were focusing on Ebola. Richard Feachem is absolutely correct: we must continue work on the other diseases.

That is why Gavi has been arguing for its replenishment. I want to say a very big thank you to the UK, which is the biggest donor to Gavi and has just announced a significant amount, close to $2 billion, to support Gavi. Thank you for that. It is important, because it will enable us to keep up with routine immunisation against measles, diphtheria and other diseases, and not take our eyes off the ball. You make a good point. We all have to be vigilant about that.

On the question about security, although I did not catch all of it, I think it referred to how some of our actions can have an impact in places where there are serious security issues, such as the Horn of Africa, the Sahel and Somalia. That is indeed a very serious problem. The fragility and conflict affecting parts of the continent pose a big issue about how to deliver services with respect to Covid, and how we even know what is going on.

I think Somalia is a little better now, because there is some action from multilateral organisations to try to help the Somalian government to take action. With respect to the Sahel, parts of Mali are okay, although other parts are not okay. In short, where we have security issues, it is even worse. You saw the Ebola crisis in DRC; because of the fighting, it was not easy to fight Ebola and other diseases. We managed to administer vaccines to people. Gavi stockpiled experimental vaccines that the WHO used, but we could have saved more lives if there had been no conflict going on. It is a struggle, and I do not have all the answers, but we have to continue trying.

Q117 **Baroness Blackstone:** You put a lot of understandable emphasis on the medium and longer term, especially when it comes to reviving the economies of African countries and promoting more economic growth. To do that, as regards the contribution from the rest of the world, requires the purchase of your products, as you mentioned, but also investment. Do you think that the levels of corruption, at least in some countries, are a block to that? If so, what can you and your colleagues in the AU do about it?

***Dr Ngozi Okonjo-Iweala:*** Thank you very much for that question. As somebody who just wrote a book, which is selling well, called *Fighting Corruption Is Dangerous*, about my experience in Nigeria, I think it is a particularly important area. I commend the book to you. I am not trying to sell it, but take a look.

**Baroness Blackstone:** I would like to read it.

***Dr Ngozi Okonjo-Iweala:*** It is from MIT Press. We insisted to our governments, and to everyone, that, first, we have to have oversight of our moneys. With any extraordinary moneys that are spent in this Covid period, we must have transparency, accountability and trace. The best way of doing that is to work with civil society. We are in dialogue with a coalition of civil society organisations, some of which were already doing work on tracing budgets and how they are used, even before Covid. We have one in Nigeria called BudgIT, which started when I was there and is doing an excellent job.

We want to make sure that we work with those organisations, and that Presidents and Prime Ministers, many of whom are acting very responsibly, take this seriously. It is important that any money spent from our own money, let alone moneys that come from outside, is tracked and accounted for, so that citizens and those helping us from outside know where it went. We take that extremely seriously.

One of the things I say in my book—having lived in my country and so on—is that the difference between African countries, European countries and the US is not people but the lack of institutions. If there are very weak institutions in any environment, human beings are the same: they will take advantage of them. If you look around the world, there is an upsurge of corruption everywhere—in the US, the UK and in emerging market countries such as South Korea, Brazil and Malaysia. The absence of institutions in our countries is a problem, which is why I stress in the book building financial management systems using technology and biometrics in our civil service and payment systems. Going tech is very important. We need to strengthen our judicial systems so that we have independence of the judiciary.

Those are the institutions we need to build. When you do not have them, corruption becomes a big issue. Even in my country, where people talk of corruption, 99% of Nigerians are honest, hardworking citizens, who just want the Government to provide basic services and leave them to get on with their lives. It is only 1% who give the country a bad name, and that is similar in the rest of the continent. We need to push in the long term on institutions and strengthen them, and in the short term, with Covid, for civil society to work with us to make everybody accountable.

**The Chair:** Dr Okonjo-Iweala, thank you for a remarkable hour, giving us evidence on such a wide range of topics. We wish you well in the work that you are doing. Like Lord Alton, I have visited Nigeria, in my case only once; the people have such energy and the country is always memorable. Thank you very much indeed, and goodbye for now.

***Dr Ngozi Okonjo-Iweala:*** Thank you for your interest.