

## **Economic Transformation Lab**

### **“Attracting anchor investors in sectors that drive economic transformation in Africa”**

Two years ago, Maudo Jallow and a couple of his colleagues from the Tony Blair Institute wrote a piece entitled “Driving Africa’s industrialization on the back of COVID-19”. The piece, among other key factors, focused on the key role investment plays in driving industrialization or economic transformation on the continent and laid out some points around what governments can do.

However, since the piece was written, UNCTAD reports that even though Africa has reported a rise in FDI, most countries in the region only saw moderate rises in foreign investment and investment flows have not returned to pre-pandemic levels. UNCTAD also points out that investment projects for private sector development and structural change to increase productive capacity have been hit particularly hard by the pandemic, which has been detrimental to efforts to transform economies on the continent.

Using the framework set out in the article, this innovation lab will use case studies and recent research from top think-tanks, companies and governments to find policy interventions for African governments to adopt. The key recommendations for governments were as follows:

- **Conduct a rapid market assessment to identify new opportunities arising from government procurement, increased demand for certain goods or disrupted imports of manufactured goods**
- **Prioritize only 1 or 2 subsectors for the first 6 or so months to focus government efforts given limited bandwidth**
- **Identify bottlenecks faced by anchor investors in priority subsectors to develop a short, manageable list of tasks for the government to fix**
- **Champion coordination of relevant government agencies to task each to focus on one or two manageable interventions**
- **Problem solve iteratively to build political and economic momentum for reforms that improve the manufacturing enabling environment**