

SPECIAL REPORT

A S P I

November 2013

Aus-Africa Dialogue
Reflections and recommendations
11-12 July 2013



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Foreword

The Hon Julie Bishop, Australian Minister for Foreign Affairs

I congratulate ASPI and the Brenthurst Foundation on the success of this inaugural Aus-Africa Dialogue, held at Bunker Bay, Western Australia, in July. I was pleased to speak at the Dialogue and participate in the excellent panel and roundtable discussions.

The Aus-Africa Dialogue is a unique and highly valuable second track initiative. It brings together an influential, dynamic and expert group of Australians and Africans to discuss ways to strengthen relations between our two continents. It explores ideas on how Australia, through increased engagement, can assist Africa to reach its full economic potential. The dialogue also highlights how Africa can contribute to Australia's continued prosperity.

Some African economies are growing at rates higher than the Asian Tigers. Australia's commercial engagement in Africa will deepen with Africa's continued economic growth and its growing importance in global affairs. Africa is increasingly regarded as a continent of enormous promise, not just in the resources sector, but also in telecoms, services and education.

The discussion in Western Australia made clear that increased Australian trade and investment in Africa is the best way for Australia to help stimulate growth and development in Africa. The speakers also urged increased people-to-people links, continued engagement with small business, vocational skills training, particularly in the mining sector, and promoting enabling environments for investment and trade.

Reflecting the breadth and depth of the discussion, this Dialogue plays an important role in raising the key issues for policymakers in both Africa and Australia.

I thank First Quantum Minerals Limited for their generous support of the Dialogue and their commitment to ensure it becomes an annual event.

His Excellency Raila Odinga, former Prime Minister of the Republic of Kenya

I was delighted to participate in the inaugural 'Aus-Africa Dialogue' in Bunker Bay, Western Australia in July. I would like to extend my sincere thanks to our Australian hosts, as well as First Quantum Minerals for their kind support of the Dialogue. This initiative of the Brenthurst Foundation and ASPI speaks volumes about the desire of our two continents to deepen our relationship and understanding of each other.

Our discussions over two days reflected common concerns, especially around resources management, as well as opportunities where Australia and Africa can forge closer ties through trade and investment, education and training.

Both Australia and Africa have experienced high rates of economic growth in recent years. But in Africa—unlike Australia—the distribution of the benefits of economic growth has been highly uneven. For most Africans, high growth rates have not translated into significant improvements in their lives. How we address the issue of inclusion in our societies will be a key determinant of Africa's development.

Africa is the last frontier of economic development; it can no longer be content with being merely an exporter of commodities. Value addition and investments in human capital will help create much-needed jobs in a continent suffering from dangerously high unemployment—especially among our youth.

Intra-African trade is growing year on year, but it is still small when compared with Africa's trade with the EU or China. The main reason it remains so is because Africa lacks the infrastructure—power, roads, ports and so on—to support robust economic development. The 'Cape to Cairo' dream has become a necessity for Africa. Investment in infrastructure represents a golden opportunity for Australian firms seeking not just profits but also wishing to contribute substantially to the continent's development.

In the coming years, I look forward to observing the evolution of Africa–Australia relations through this unique annual forum.



Aide-mémoire

Peter Jennings and Greg Mills

Between 10 and 12 July 2013, African and Australian leaders from diverse political, public service, industry, academic and civil society backgrounds met at Bunker Bay in Western Australia. This inaugural Aus-Africa Dialogue started a conversation between people from both continents responsible for shaping their societies' future. This is a tremendously important task, but also a complex one. Africa is a continent, not a country, and the many states comprising modern Africa have different stories that can't be treated as one. Australia is a complex federation in which national, state and private interests create competing ideas and opportunities. Yet all the dialogue participants saw enormous value in deepening the conversation between Australians and Africans. We agreed that the opportunities are great if we work together creatively.

The Aus-Africa Dialogue was the brainchild of the Australian Strategic Policy Institute (ASPI) and the Brenthurst Foundation. Founded in 2001 and based in Canberra, ASPI is an independent, non-partisan policy institute with close links to government, researching and writing on strategic and national security issues. It aims to help governments make better quality strategic policy decisions. The Brenthurst Foundation, based in Johannesburg, was set the task by the Oppenheimer family in 2004 of developing strategies to enhance Africa's economic growth and development. We share a commitment to developing practical ideas and actions for governments, businesses and societies and to emphasising new thinking that challenges old assumptions. An ASPI – Brenthurst Foundation conference held in Zambia in May 2012 shared expertise on China's demand for natural resources and its impact on Africa and Australia, both in recent years and in the future. From that meeting, we identified the value of hosting an annual dialogue between Africans and Australians to share our thinking and deepen cooperation.

The reasons for building a closer engagement are very clear: Australian investment in Africa is large and growing, and includes some \$50 billion in current and prospective investment. More than 300 Australian companies are involved in 1,000 projects in Africa. African investment in Australia is around \$2 billion, but grew by \$550 million from 2006 to 2011. Australian aid spending in Africa has quadrupled since 2007 and is now at \$456 million annually. Australia has long been a major contributor to peace and security operations in Africa

and increasingly identifies strategic interests that give it a stake in African stability. Over 290,000 Australians were born in Africa, and some 13,000 African students study in Australia each year. Many ties bind us across the Indian Ocean—the management of natural resources, our experiences and ideas on cooperation with other continents, environmental sustainability, tourism, maritime issues, and even sporting ties and excellence.

In sum, our relations are driven by increasingly shared interests—not least in the interactions of major rising powers around the world—and by the idea that working together we can strengthen our societies, increase wealth, improve governance and bring our people closer.

The Aus-Africa Dialogue at Bunker Bay structured its discussions around a number of themes:

- Growth, jobs and security beyond the resources boom
- Good governance and professional and cultural exchange
- Increasing security cooperation
- Aid, investment and increasing people-to-people links
- Practical solutions for challenges, and opportunities and innovations for the future.

From engaging and lively discussions, a number of rich ideas emerged to shape an agenda for future work. These will be captured in more detail in an ASPI–Brenthurst joint publication. To summarise, here are some approaches broadly endorsed by participants.

On economic growth and business engagement, there's a very clear sense that we need to pursue economic opportunities together in a new way. Australia has to demonstrate its value proposition to Africa and others. African countries must do the same. We need to think about how to facilitate investment opportunities beyond natural resources. Our success will depend on establishing vibrant and robust national and regional debates on development choices. We need to consider the impact of free trade regimes. How this should be done, and with which countries or organisations, remains to be thought through, but a big-picture approach to establishing free trade agreements could help redefine assumptions about relations between Australia and African countries. It would also create a new sense of momentum in a relationship focused on investment and growth.

To support closer economic engagement, it's essential to develop strategies favouring small and medium-sized

enterprises (SMEs) and, in particular, businesses run by women. For Australians and Africans, SMEs are a key source of wealth and stability in society. In mining and resource businesses—a vital area of Australian engagement in Africa—there are opportunities to build on good work producing codes of best business practice that strengthen business engagement with local communities. Strategies to improve vocational training could build closer connections. More broadly, development cooperation aimed at boosting trade, investment and the flow of skills would be valuable.

We should foster activities and attitudes to help Africa understand that it is its own best market. Whatever we do to encourage the growth of a common market and greater intra-Africa trade will encourage more local investment and, flowing from that, foreign investment. There's a pressing need for African countries and organisations to improve the quality of their data gathering and reporting on economic activities—an area where Australia could assist. Finally in this area, a common theme among African participants was the urgent need for Australia to simplify and increase ease of access to visas for African entrepreneurs wanting to do business with Australia.

On people-to-people relations, we saw a need to develop practical opportunities for young people to develop stronger ties between our continents. This can be through universities at undergraduate as well as postgraduate level. We should also look at technical trades. A greatly expanded program of scholarships—widely defining what that term means—would be a very positive step. There was also strong support for sport and cultural exchanges as a way of building closer ties.

In the defence and security field, we saw good opportunities to enhance closer defence relations; first, in people-to-people contact; second, in sharing lessons learned about operational experiences; third, in practical areas such as maritime cooperation, the protection of fish stocks, the management of sustainable fishing practices, peacekeeping and counter-mine and counter-improvised explosive device (IED) training. Of particular note was the hard-earned success of African forces in bringing a measure of stability to Somalia and the valuable lessons gained from that work. Indeed, there was strong support for the increased focus on African security issues discussed in the Australian *2013 Defence White Paper*, which said:

Africa remains important for international security efforts, including supporting Africa's own regional peacekeeping, stabilisation and counter-terrorism

efforts. These include international efforts to address the transnational criminal threat posed by piracy off the east and western coasts of the continent, the African Union Mission to Somalia, and the African-led International Support Mission to Mali (AFISMA). Australia has committed \$5 million to a UN Trust Fund for AFISMA, and will continue to develop defence relations that support regional security efforts, both with bilateral defence partners and multilaterally through the African Union and other African institutions.

More broadly in international affairs, we saw value in sharing our approaches to issues of common concern. An initial focus could be on our common interests in the Indian Ocean region. Such strategies need to recognise the diversity and many different stories that comprise Africa, and recognise the regional variations in Australia, too.

We shouldn't forget about the historical experience of relationships between Australians and Africans. A number of participants with long experience on the two continents expressed a sense of regret that we've invested in too many false starts and forgotten past efforts to draw us closer together. Producing a history of Australia and African engagement would help to ground current activities in the reality of past experiences.

Where to next? There was strong support at Bunker Bay for the dialogue to continue, provided it helps to generate practical outcomes. The Brenthurst Foundation proposes to host the next Aus-Africa Dialogue in 2014 in Africa, and ASPI will host a third gathering in 2015 back in Australia. The next meeting in Africa will identify a specific strategic issue of common and practical policy concern to both regions and their economies. ASPI and the Brenthurst Foundation will look to develop a list of actions flowing from these meetings, intended to shape policy outcomes.

The Aus-Africa Dialogue was generously supported by First Quantum Minerals Limited, which will be invited to partner ASPI and the Brenthurst Foundation on future dialogues. The Australian Department of Foreign Affairs and Trade and Department of Defence also provided support. We're grateful to these organisations for their support and enthusiastic engagement in the dialogue.

Our two organisations welcome the involvement of other key partners and stakeholders who share our commitment to better and deeper relations between Australia and Africa.



Key reflections and recommendations

Terence McNamee and Anthony Bergin

In Dane Kennedy's recently published book on Africa and Australia, *The last blank spaces*, he describes how 19th-century European explorers sought to understand and control the two continents. In their minds, Africa and Australia were the 'conceptual equivalents of oceans, vast and empty spaces that could become truly knowable only through the application of scientific methods that seaborne explorers had pioneered'. They gave little, if any, thought to what locals might teach them about these unfamiliar lands. Yet their experience on the ground revealed that local knowledge was, in fact, essential to their survival. Their ability to overcome myriad challenges—from access to basic necessities like water and food, to dealing with customs and societies completely alien to their own—was often contingent on what they learned from guides, go-betweens and other indigenous people.

The central argument of Kennedy's book—about the tension between preconceived ideas and local knowledge—was a useful motif for the inaugural Aus-Africa Dialogue. Africa and Australia share some historical experiences of colonialism but today they are two continents that are just beginning to discover one another. The Aus-Africa Dialogue demonstrated that, for both Africans and Australians, the appetite for more knowledge is significant, and growing.

Africa is regarded as a place of growing economic promise and importance—and investors from all corners of the globe are clamouring to get in on the action. This is especially true of the resources sector, but there are encouraging signs that confidence in other sectors—telecoms, infrastructure, banking and so on—is growing as well. Interest in Africa's vast, unused arable lands—over 60% of the world's available and unexploited cropland—is growing rapidly in step with concerns about future global food security. And Africa's political clout has grown as well, as multi-party democracies are increasingly becoming the norm, even if many are far from perfect.

Indicative of growing interest in Africa, Australian firms—as well as engineers, technicians, managers and others—have been cropping up in some of the remotest corners of the continent. More than 200 ASX-listed mining and resource companies are operating more than 700 projects across approximately 40 African countries.

At the same time, the perils that still lie along Africa's path towards more broader and inclusive economic development

shouldn't be underestimated. As we've seen recently in many parts of Africa, the danger of backsliding—both politically and economically—is still ever present. Africa's rich endowment of natural resources has yet to benefit its populations in the way it has done in Australia, or indeed in other parts of the world, from Canada to Norway to Chile.

Africa's made great strides in promoting macroeconomic stability and introducing key reforms at the micro level. But for Africa to fundamentally alter this equation for the better, it must build the robust institutional frameworks and the physical and human infrastructural foundations needed to capitalise not only on its resource endowment but, perhaps even more vitally, on Africa's coming demographic dividend.

Africa boasts a huge cohort of young people who, if guided wisely, could drive a new era of explosive and dynamic economic growth in the continent. An estimated 1.1 billion Africans will be of working age by 2040. Conversely, those same young people could also be source of tremendous instability in Africa—and indeed further afield—if they can't find meaningful livelihoods and opportunities in their home countries.

Australia's never experienced anything like the huge explosion in youth population or the rapid urbanisation that Africa is currently undergoing. However, Australia has, at different stages of its own development, experienced the same massive lift in the terms of trade that Africa's resource exporters have enjoyed over the past 10 years. This opens up huge opportunities, but they can never be fully realised without the help of foreign investment—and this is the same for Australia as it is for African countries. Africa and Australia have much to share about how to create an attractive investment climate and, critically, ensure better economic development outcomes from our resource wealth.

Surprisingly, the Aus-Africa Dialogue revealed more consonance and points of intersection between the two continents—across numerous issues—than many of the participants had assumed beforehand. There was also a strong consensus that the biggest future challenges affecting Australia and Africa will be ones that don't respect borders, such as global economic shocks, transnational security threats and climate change.

Of the various observations that emerged from two days of intensive debate and discussions among the dialogue participants, we've identified a number of key reflections and recommendations on which concrete policies to strengthen relations between Africa and Australia could be built. It's important to note that the list below is an accurate rendering

of the balance of possible ‘Australian-led’ versus ‘African-led’ recommendations suggested by the dialogue participants. The preponderance of the former was to be expected, given the greater capacity and resources of Australia to effect improvements in the relationship in the near term.

Mining

Much of the ‘hard’ data on the Australia–Africa relationship cited at the dialogue confirmed that relations are most advanced in the area of mining. Australian investment in Africa is worth over \$50 billion, mainly in the natural resources sector. Australia’s commercial interests in Africa, mainly in mining and oil, have nearly tripled since 2005. More than 200 ASX-listed mining and resource companies are operating more than 700 projects in about 40 African countries.

Africa holds 95% of the world’s reserves of platinum group metals, 90% of its chromite ore reserves, and 85% of its phosphate rock reserves, as well as more than half of its cobalt and one-third of its bauxite. The continent also possesses about one-tenth of the world’s oil supply. Between 2000 and 2008, higher revenues from natural resources accounted for about a quarter of Africa’s growth.

Despite such vast resource wealth, in many parts of Africa there’s little or no capacity to create the institutional environment required to produce wider benefits from the resource in the way that Australia’s been able to achieve. Although addressing this situation requires a multidimensional effort ranging across all sectors of government and society, some specific reforms in the resources sector will significantly aid the overall process.

Recommendations

- Australian state departments of mining should share their expertise in developing and implementing mining codes with African countries.
- Australia should assist in auditing vocational skills and support mining training in a range of areas.
- Africa and Australia should share lessons on the interactions between agriculture and mining.
- Linkages between key African and Australian research centres related to mining should be strengthened.
- Australia should assist Africa in establishing intellectual property rights over innovations and

new techniques practised on the African continent, notably in the resources sector.

Business and trade

Commercially, Africa is the world’s fastest growing continent. Over the past decade, five of the top 10 fastest growing economies in the world were in Africa.

In eight of those ten years, Africa grew faster than East Asia. The World Trade Organization estimates that 66% of Africa’s trade is in fuels and mining products, while the African share of global trade overall remains thin, at just 3%.

The dialogue highlighted Australia’s growing interest in trade and investment opportunities in Africa (Table 1). Australia–Africa two-way trade was worth A\$10.39 billion in 2012—more than double its level in 2009. Seven of the top 10 fastest-growing Western Australian companies of the past decade have assets in Africa.

Regional and bilateral trade agreements are becoming the more popular means of trade facilitation, and African nations, especially, should engage in those discussions so as to not lose preferential treatment that supports many industries, and therefore potential overall development catch-up. Better trade facilitation will help remove barriers between the two continents without relying on slow-moving global trade facilitation agreements that have been stalled in recent years.

Table 1: Australia–Africa trade rankings, 2012

		Two-way trade		Australian exports	
Ranking	Country	Value (A\$m)	Country	Value (A\$m)	
1	Nigeria	2,706	South Africa	1,525	
2	South Africa	2,399	Egypt	512	
3	Libya	1,148	Mozambique	329	
4	Gabon	1,124	Ghana	203	
5	Republic of Congo	900	Former Sudan	191	
6	Egypt	568	Mauritius	105	
7	Mozambique	340	Tanzania	79	
8	Ghana	210	Nigeria	75	
9	Former Sudan	191	Sudan	62	
10	Mauritius	118	Senegal	59	

Source: Based on Australian Bureau of Statistics data.

If used responsibly, an increase in trade flows and subsequent increases in GDP have the potential to promote development both in African nations and in Australia. Strengthening economic ties between the two continents will also improve diplomatic relations.

It's mainly up to individual African countries to improve the quality of their business environments, but there's scope for Australia to share knowledge acquired from its mining and exporting experiences. Australian officials have developed expertise in designing favourable regulatory frameworks for extractive industries; African nations would benefit from their advice on simultaneously attracting industry and making fair and substantial earnings to be used for investment in infrastructure and development, and to create domestic economic linkages and diversify their economies.

Recommendations

- Australian companies should mentor small African businesses along the supply chain, where appropriate.
- The emphasis in development cooperation on helping small African businesses—especially women-owned or staffed enterprises—should be increased to enable them to create and sell products domestically, regionally and internationally.
- Australia should improve the timeliness of visa processing for Africans, especially for young African entrepreneurs.
- The idea of Africa as 'its own best market' should be promoted: by deepening economic integration, intra-African trade will increase and the business case to invest in Africa will become more compelling for foreign companies.

Education

Education is now Australia's second highest export earner, after mining. Although linkages with African research centres are mostly weak or non-existent, and African students comprise a tiny percentage of international student numbers in Australia, AusAID (which is soon to be reintegrated into the Department of Foreign Affairs and Trade) has expanded its African scholarship program in recent years. Some universities in Australia also have staff and student exchange programs with African universities.

Discussions at the Aus-Africa Dialogue shed light on the potential for Australia to do much more to support in-country education capacity building, especially by building the vocational education and training sector. Given the acute youth unemployment crisis affecting most African countries—in some countries higher than 80%—there's a strong case for an increased emphasis on technical vocational training to help create skilled workers for Africa's mining, engineering, manufacturing and other industries. This would also advance SME development and self-employment.

Recommendations

- Australia should broaden tertiary scholarship programs for Africans to study in Australia, especially in the vocational area, and develop 'sister' relationships with African universities. There should be a special focus on issues related to urbanisation.
- Direct linkages between key relevant research centres in agriculture, land and maritime agencies should be established, and Australia should assist in the establishment of vocational trade skills colleges.
- Australia should consider expanding the 'reverse Colombo Plan', which is to send large numbers of Australian undergraduates to study and work in Asia as part of their degrees, to include Africa.
- Australia should establish an African Studies Centre to better coordinate expertise on African issues.
- Information sharing on curriculums at primary and secondary school level should be deepened.
- Australia and Africa should share more information on human capital development and related strategies for learning, career paths, work and contributions to society.

Government

The participants at the Aus-Africa Dialogue recognised the challenges inherent in structuring a relationship between a continent that's one country and a continent that's 54 countries. Each African country naturally has its own national agenda—its own priorities, its own vision for the kind of nation it seeks to become—so neither Australia nor any other country should ever assume that Africa speaks with one voice. Nevertheless, across Africa's numerous borders and many different cultures and languages, African countries share some very important common concerns and challenges—but also opportunities. Those commonalities

permit Africans to speak, if not with one voice then at least in close harmony, on particular key issues that arose during the dialogue.

One of the critical transitions in Africa discussed at the dialogue was the rise of African civil society. This presents enormous opportunities for change on a continent where government has, historically, often perceived civil society as a threat (some still do). The Australian Government, as all governments engaging with Africa, must recognise that civil society is an increasingly important actor on the African continent and structure its bilateral engagements accordingly.

Recommendations

- Balancing the pitfalls of a one-size-fits-all approach with budgetary and resource realities, Australia should develop a nuanced 'Africa strategy' to build its future relations with Africa. The strategy must comprise sub-level country approaches to identify opportunities for community, business and government to strengthen African engagement.
- Africa should specifically be added to the responsibilities of the Parliamentary Secretary assisting the Australian Minister for Foreign Affairs to enable more frequent high-level government-to-government contact and help raise Africa's profile in Australia, including at high levels within the Australian Government.
- An Australia–Africa Council in the Department of Foreign Affairs and Trade should be established to encourage trade and people-to-people links and to facilitate cultural interchange.
- Ties between Australia and the African Union—through a special representative or visiting envoy—should be deepened to build information on bilateral trade, business development and security cooperation.
- A study on the effectiveness of Australian aid to Africa from the 1960s to the present (à la recent UK Aid Effectiveness Study) should be conducted as a basis for improving the quality of Australian assistance to Africa.
- With government driving the process, a 'Team Australia' approach, which realises the synergies available among a wider range of Australian stakeholders involved in Africa, should be fostered.

Cultural exchange and youth engagement

The critical contribution of young participants at the Aus-Africa Dialogue highlighted the need for greater cultural and youth exchanges as a dynamic force for stronger links between the continents and a solid foundation for long-term people-to-people ties between Australia and African countries. Efforts to encourage and expand cultural relations will require tapping the potential of African-born Australians, especially those who've risen to senior positions, as key drivers of the process.

Recommendations

- We should establish youth exchange programs between Australia and Africa, structured around key interests or specialities such as music, theatre and sport and themes such as the promotion of good governance, peace and justice.
- Scholarships for Australian students to participate in internships with Australian companies operating in Africa should be developed.
- Australian players should promote awareness of the African concept of *Ubuntu* (humanity, kindness) as a wider model for personal development and humane interactions between different peoples and cultures.

Security and defence

The Australian Defence Force (ADF) and the Australian Federal Police (AFP) have had engagements with African states on security and defence, mainly through contributions to peacekeeping, capacity building, landmine clearances and cooperation on international crime and counterterrorism. Yet, in general, the AFP and the ADF have a limited permanent presence in Africa, even though Africa was raised to a higher priority in the strategic environment in Australia's *2013 Defence White Paper*.

Several participants at the Aus-Africa Dialogue observed that a more secure Africa is one in which Australian engagement can flourish, so it makes sense for Australia to increase its contribution to peacekeeping, counterterrorism and counterpiracy efforts in Africa. It was also observed that forced migration is one of the issues with profound cross-cutting impacts on security, politics and society in both Australia and Africa, albeit in different ways.

Recommendations

- Australia and Africa should strengthen security cooperation through exchange programs, studies and visits.
- There should be greater emphasis on maritime security cooperation between East African governments and Australia in the Indian Ocean.
- Participation in exercises, seminars and lessons-learned conferences from operations in both Africa and Australia should be actively encouraged.
- A platform for discussing the security impacts of climate change should be established.
- Mutual understanding of the issues driving forced migration should be enhanced through official exchanges and greater research, with an emphasis on mitigation strategies and refugee rehabilitation.



Background paper 1

Africa and Australia: together on the long walk to peace and prosperity

Sabrina Joy Smith

The African continent is rising, and Australia is becoming well engaged with this transformative growth story. The image of Africa as a poor, war-ravaged continent dependent on foreign charity is changing and is being replaced by the image of a hopeful, politically resilient, resource-rich and innovative continent that's progressing rapidly.

In recent years, Australia's become aware of the importance of engaging fully with the 'new' African continent, and is seeking to build partnerships with African countries based on mutual benefit and mutual respect. The days of relations based purely on the paradigm of aid-donor and aid-recipient are coming to an end. Australia must view Africa as a continent of vast opportunity and forge ahead with establishing renewed close relations with the diverse countries of the continent.

A noxious mixture of conquest, colonialism, war, despotism and dehumanising poverty has marred the history of most African states. The resilience of many African societies and their commitment to overcoming this history and to break the cycle created by such a legacy are now beginning to bear fruit. Historically, Australia hasn't had significant relations with African states, but now, in the epoch of an African renaissance, it can truly begin to connect with African countries as never before. Australians must become Africa-literate for the sake of our long-term national interests. Australia's relations with our African neighbours across the Indian Ocean will continue to grow in political and economic significance, and Africa must never be pushed to the periphery of Australian foreign policy again.

This paper examines the key issues on which Australia and African countries and African organisations can engage in order to create an environment conducive to flourishing, sustainable Australia–Africa relations. They are security and governance; business and resource management; and China–US relations in the African context. These issues are all interrelated and can't be viewed in isolation from one another. Security and governance are given predominance here because at this point they're the most important for the current and future viability of Australia–Africa relations.

Security and governance

The African Union (AU) is a powerful representation of the African renaissance and the strength of pan-Africanism. It was launched in 2002 to be fundamentally different in both form and practice from its predecessor, the Organization of African Unity (OAU), which had been established in 1963. The AU is a new organisation to unite the states of the continent and to create a new kind of Africa.

The mandate of the OAU was essentially to unite the newly independent states of Africa and to rid the rest of Africa of colonialism and white minority governments. Unfortunately, the OAU was based on the principle of non-intervention in the affairs of member states and became known merely as a 'talk shop for African dictators'. At the time, African leaders were most concerned about their sovereignty and protecting and maintaining the state borders they'd inherited.¹

The AU, on the other hand, was created to unite African efforts to address the endemic problems of the continent: poor governance, poverty, political instability, insecurity and conflict. It emerged at a time when democratic states were becoming increasingly common in Africa.² The AU is mandated to intervene in member states when 'grave circumstances' arise, such as 'war crimes, genocide and crimes against humanity'.³ It's also mandated to take action against 'unconstitutional changes of government'.⁴ The AU is founded on the principle of 'respect for democratic principles, human rights, the rule of law and good governance'.⁵ This reflects a radical departure from the OAU's principle of non-intervention and illustrates a willingness to confront African security crises and threats to the safety and wellbeing of African populations. There's a concerted effort to act on the mantra of 'African solutions to African problems'. As former AU Commissioner of Peace and Security, Ambassador Said Djinnit, stated:

Africans cannot ... watch the tragedies developing in the continent and say it is the United Nations' responsibility or somebody else's responsibility ... We cannot as Africans remain indifferent to the tragedy of our people.⁶

While AU funding is predominantly derived from outside Africa, that doesn't detract from the potential of the organisation to create real change and improvements on the continent. A united Africa, in which the wellbeing and security of African populations is placed centre stage, has the capacity to build a more secure and peaceful Africa.

In 2011, Australia opened a new embassy in Addis Ababa, Ethiopia. This embassy is accredited to the AU and highlights

Australia's commitment to engage and support the work of this significant pan-African organisation. The Australian Department of Foreign Affairs and Trade reports that since 2008 'Australian ministers and senior officials have regularly attended African Union Summits.' Australia's also been diligent and active in establishing diplomatic ties with Africa's sub-regional organisations—the Economic Community of West African States, the East African Community, the Southern African Development Community, the International Conference on the Great Lakes Region, the Intergovernmental Authority on Development and the Common Market for Eastern and Southern Africa.⁷ Earlier this year, one of Australia's leading universities, the University of Melbourne⁸, was privileged to host two visiting dignitaries from the AU: Her Excellency Dr Aisha Abdullah, AU Commissioner for Political Affairs, and Dr George Mukundi Wachira, Coordinator, African Governance Architecture and Platform, Department of Political Affairs, African Union Commission.

Both visitors presented passionate speeches to their Australian audiences about the role of the AU and the current challenges faced by many African states. Dr Abdullah's key message was to highlight the important link between governance, security and peace on the continent. She outlined the key challenges to peace and security: the continued existence of inadequate and unaccountable governments, the inequitable share of resources, the continuation of severe human rights violations, the breakdown of the rule of law, and the blight of systems based on patronage, corruption and exclusion. Dr Abdullah emphasised the need for inclusive and responsive political processes and respect for human rights. Furthermore, she stated the need to improve preventive diplomacy and mediation efforts on the continent, and to focus on structural and root causes of conflict in African states and the fact that the 'use of force' isn't a sustainable method for achieving peace. She discussed the necessity for equality in economic development and the role of the extractive industries and heightened investment. She also explained that there's an opportunity for Australia to provide expertise and assist the consolidation of democracy.

Dr Wachira followed the commissioner's speech with a rousing presentation that delved more deeply into the link between governance and peace in Africa. Dr Wachira stated that there's a need to engage more with African societies in order to address the continent's problems. He discussed the need for African states to improve engagement with their citizens, to encourage devolution and to strengthen local

government and political inclusiveness (not the dominance of one ethnic group). Dr Wachira explained that a key challenge for Africa is building unified states. He emphasised that local issues and problems within African states, such as impunity and corruption, need to be a focus, rather than an exclusive focus on perceived 'global threats' (such as terrorism). On investment, Dr Wachira explained that 'risky investments' in unstable and insecure environments may deliver high returns but are never sustainable; there's thus a need to invest also in the rule of law and constitutionalism in African states. He emphasised that Australian investment should benefit African populations and not just be about quick gains.

After a long campaign, Australia took up its seat at the United Nations Security Council in 2013. This was hailed as a great achievement for Australia and our standing in the world. The Australian media noted warmly that it was largely due to the support of African nations that Australia was able to gain this opportunity to participate at the highest level on global security policy. A vast majority of the security issues that Australia deals with while on the council for its two-year tenure will be related to Africa. While Australia's a 'middle power', significant gains for the wellbeing of humanity have been achieved by middle powers when they've focused and advocated on specific security issues.⁹ Australia shares its Security Council seat with Rwanda. It's hoped that Australia can contribute to increased security in African conflict hotspots during its tenure on the council and engage with Rwanda on security situations in the Great Lakes region.

Security's fundamental to the wellbeing of African societies: without it, nothing can be achieved. In recent years, Africa's become more stable and more secure. While peace and security remain tenuous in many postconflict states, impressive progress has been made. For example, in 2006 Liberia made history by electing Africa's first female president, Ellen Johnson Sirleaf.

In many African countries, wars have ended, including the horrific wars in Liberia and Sierra Leone. Africa's longest running war, between North and South Sudan, officially ended in 2005 and South Sudan seceded from the north in 2011 after a referendum. However, tensions remain high between the two countries over oil and disputed border areas. The hostilities between Eritrea and Ethiopia have settled down to some extent. After a recent coup, the Central African Republic is now reportedly embarking on a 'transition period'.¹⁰ Political violence and severe repression continue to cause immense suffering to populations in many African states, such as in Zimbabwe and Eritrea.

The Great Lakes region and especially the Democratic Republic of the Congo (DRC) have been the site of the deadliest wars and genocides of modern times. Rwanda has made progress in many areas since the 1994 genocide and is now experiencing significant economic growth and stability. Burundi has made substantial progress towards improved security and stability. However, the eastern DRC remains an epicentre of insecurity and extreme violence, despite the presence of the world's largest and most expensive UN peacekeeping force. The security crisis of the eastern DRC is political, economic and regional and thus requires solutions centred on Congolese politics, the ethnic and political problems of neighbouring countries and the management of resources. A renewed international and African focus on the eastern DRC following recent rebellions has involved the planned establishment of a new 'intervention brigade' to undertake 'offensive operations' against rebel groups.¹¹ How effective a force of this nature will be and the impact it will have on civilian protections remain to be seen. It's hoped that Australia will engage with Rwanda on the plight of eastern DRC while they both hold Security Council seats.

The threat posed by Islamist militants operating under the umbrella of Al-Qaeda in the Islamic Maghreb (AQIM) remains significant. It's reported that these groups are operating in parts of Algeria, Libya, Niger, Mauritania and Mali.¹² The Islamist militants are able to gain funding through involvement in drug trafficking and hostage taking in the area and piracy in the Gulf of Guinea.¹³ The President of Ghana, John Dramani Mahama, recently warned that they 'could destabilize the whole of West Africa'.¹⁴ The Nigerian army has been on the offensive against Boko Haram in northern Nigeria, and reports indicate that progress has been made against these Islamist militants.¹⁵ In July, a UN force will be deployed to Mali. It will be composed of West African troops already on the ground and be supported by 1,000 remaining French troops.¹⁶ Australia's contributing \$5 million to the UN trust fund for the African-led International Support Mission to Mali (AFISMA).¹⁷ While impressive gains have been made by the AU force in Somalia, the threat posed by al-Qaeda affiliated al-Shabaab is still of great concern. The problem of combating piracy off the coast of Somalia remains a major challenge for the international community.

Australia's a committed supporter and active participant in peacekeeping and security enforcement missions in African countries. A more secure and stable Africa is one in which Australian engagement can flourish, and it's in our long-term economic and political interests to contribute to achieving greater security and stability.

We've been an active contributor to international counterpiracy efforts, including by providing funding to the UN in order to improve antipiracy legal frameworks. Last year in Perth, Australia held an international conference on developing counterpiracy strategies, and the Royal Australian Navy has contributed to the combined maritime forces off the Horn of Africa.¹⁸ We've contributed personnel from the Australian Federal Police and the Australian Defence Force to serve in the UN peacekeeping mission in South Sudan, and provided financial and equipment support to the AU's peacekeeping mission in Somalia.¹⁹ Australia's responsive to humanitarian disasters in Africa, being one of the top five government donors to the World Food Programme in its efforts to save people recently affected by famine in the Horn of Africa.²⁰

Australia needs to advocate for political solutions rather than military responses to security crises in African countries, to support the AU in building up its capacity for preventive diplomacy, to speak out loudly when election irregularities and fraud occur, and to not simply follow the tone adopted by other Western powers. As a middle power with a global outlook, Australia can have a voice of moral reason in world affairs, particularly in Africa. We don't have colonial connections or a blemished historical record when it comes to our relations with African states, so we can act more impartially and without bias.

Several African states are classified as having authoritarian regimes: Sudan (North), Eritrea, Ethiopia, Rwanda, Comoros, Swaziland, Angola, Congo-Brazzaville, Gabon, Cameroon, the Central African Republic, Equatorial Guinea, Burkina Faso, Togo, Guinea Bissau, the Gambia and Algeria.²¹ It's tragic that so many authoritarian regimes continue to exist, and transforming them must be a priority of the African and international communities.

However, it's important to remember that the number of democracies in Africa has risen sharply, while the number of authoritarian regimes has declined, so that now the democracies (of varying shades) outnumber the authoritarian regimes. Many African states are 'hybrid' regimes²², and it's hoped that they'll move into the democratic category in the near future, since that appears to be the overall trend that the continent is following.

The Economist has stated that:

[A]t the end of the cold war only three African countries (out of 53 at the time) had democracies; since then the number has risen to 25, of varying shades, and many more countries hold imperfect but worthwhile elections

(22 in 2012 alone). Only four out of now 55 countries—Eritrea, Swaziland, Libya and Somalia—lack a multiparty constitution, and the last two will get one soon. Armies mostly stay in their barracks. Big men leaders are becoming rare, although some authoritarian states survive. And on the whole more democracy has led to better governance: politicians who want to be re-elected need to show results.²³

Business and resource management

Africa's spectacularly rich in natural resources. It's estimated that Australian investment in Africa is worth over \$50 billion, mainly in the natural resources sector.²⁴ There are significant business opportunities for Australian companies in Africa in two main areas. First, our long expertise in both open-cut and underground mining will be sought after in Africa, whether in Australian operations or in providing services to others, such as Chinese companies. Second, we have broad resource servicing skills, such as in engineering, mine management, equipment supply, technical services (such as assaying), exploration drilling, and legal, accounting and finance services. All these provide entry points into the burgeoning African growth story.

At this stage, what's most important is that international investment and business in Africa facilitate development and improve the living standards of African populations. Many of Africa's poorest people live in the continent's most resource-rich states. In Africa, the mining, oil and gas industries produce seven times the amount that the continent receives in donor aid.²⁵ As the Africa Progress Panel states in its 2013 *Africa progress report*:

Imagine an African continent where leaders use mineral wealth wisely to fund the better health, education, energy and infrastructure. Africa has oil, gas, platinum, diamonds, cobalt, copper and more. If we use these resources wisely, they will improve the lives of millions of Africans.²⁶

The 2013 *Africa progress report* focuses on the extractive industries of oil, gas and mining. The report reveals the appalling levels of corruption that plague Africa's resource sectors and prevent African populations from benefiting from their countries' resource wealth. Kofi Annan explains that the revenue losses experienced by African states due to corrupt practices, transfer pricing, tax evasion and the undervaluing of assets are global problems and require a united global solution.²⁷

It is estimated in the report that transfer pricing (moving profits to jurisdictions with lower tax) costs the continent \$34 billion a year. The *African Progress report* uses the mining sector in the DRC as a key example. It explains that the DRC 'incurred losses of \$1.36 billion between 2010 and 2012 as a result of the alleged undervaluation of state assets in five mining deals.' It states that 'with some of the world's richest mineral resources the DRC appears to be losing out because state companies are systematically undervaluing assets. Concessions have been made on terms that appear to generate large profits for foreign investors.'²⁸ And this while the Congolese are one of the world's poorest populations.

The transparent and equitable management of resources is a key aspect of democracy consolidation in many African states. With our expertise in the resources sector, we can help. Australian business and investment in African countries must be about enabling political stability and security, which will in turn enable more secure and profitable long-term investments. It's only through greater transparency and accountability in resource sector deals that many of those states can achieve development, peace and security. The creation of sovereign wealth funds, along the lines of the Norwegian sovereign wealth fund or Australia's Future Fund, would be beneficial in many African states.

Africa features in many places in the most recent Australian Defence White Paper. The paper states that the Indian Ocean is becoming the 'world's busiest trade corridor ... One-third of the world's bulk cargo and around two-thirds of global oil shipments' travel through it.²⁹ This means that ensuring the stability and security of Indian Ocean sea lines of communication is a top priority for Australia. This can only be achieved by increasing cooperation and dialogue with Australia's African neighbours.

China-US relationships in the African context

It's evident that the US is feeling the pressure to keep up with China's growing presence and influence in Africa.

Chinese President Xi Jinping visited three African countries on his first overseas trip as head of state. China's currently Africa's 'top business partner', its investments in Africa are estimated to exceed \$40 billion, and its African trade's worth more than \$166 billion.³⁰

In May, US Secretary of State John Kerry visited Ethiopia and attended the 50th anniversary of the AU—in the AU's new \$200 million Chinese-built headquarters. During discussions about the possibility of a presidential trip to Africa, Kerry said:

Six of the ten or 12 fastest growing countries in the world are in Africa ... We are all concerned about our economic future. China is investing more in Africa than we are and it doesn't have to be a zero-sum game. We have to recognize where our future economic interests and capacity may lie.³¹

President Obama and the First Lady will be travelling to Africa from 26 June to 3 July. Their itinerary includes South Africa, Tanzania and Senegal.

Australia needs to sit up and take notice when a current superpower and a future superpower pay such attention to Africa. China's our top trading partner and the US is our strategic ally. We have the capability and the opportunity to be constructive partners with both in Africa, as well as with African states. We could use our understanding of Chinese-American issues in the Asian context to great benefit in Africa. Australian policymakers must recognise that it doesn't make sense for Australia to focus nearly all its energies on China, while China's focusing a large portion of its own on Africa.

Another issue involving Asia-Australia-Africa relations is the illegal wildlife trade. There have been calls for Australia to focus on this issue and work with China and 'regional transit states' to combat the 'blood ivory' trade.³² According to a recent report, 'Most ivory is obtained illegally from Africa and manufactured and sold in Asia. Elephants from east and southern Africa are stripped of their ivory, which is shipped to Southeast Asia to be turned into commercial products, and then often on-shipped to Thailand and China'. There's also evidence of a 'growing link between conservation, development, crime and security in the illegal ivory trade'.³³

Conclusion

Australia-Africa relations have evolved significantly in recent years. There's now an opportunity for Australia and African countries and organisations to engage and cooperate at a higher level to tackle insecurity, instability, crime and conflict in African states and international waters. If this opportunity is seized, a relationship of long-term mutual benefit will develop, involving increased Australia-Africa business, investment and political cooperation on several fronts. Australia and African states and organisations must forge ahead determinedly on a road to greater peace and prosperity for populations on both continents.

There's no better way to conclude than with the poetic and inspiring words of Thabo Mbeki's famous 'I am an African' speech³⁴:

I am born of the peoples of the continent of Africa. The pain of the violent conflict that the peoples of Liberia, Somalia, the Sudan, Burundi and Algeria is a pain I also bear. The dismal shame of poverty, suffering and human degradation of my continent is a blight that we share. The blight on our happiness that derives from this and from our drift to the periphery of the ordering of human affairs leaves us in a persistent shadow of despair. This is a savage road to which nobody should be condemned. This thing that we have done today, in this small corner of a great continent that has contributed so decisively to the evolution of humanity says that Africa reaffirms that she is continuing her rise from the ashes ... Whatever the difficulties, Africa shall be at peace! However improbable it may sound to the skeptics, Africa will prosper!

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Background paper 2

Is Africa the new frontier in emerging markets?

John Asafu-Adjaye

Africa's a vast continent, equal in area to the US, Europe, Western Europe and India put together. For decades, the news coming out of Africa was all doom and gloom. The media was awash with stories of coups d'état, despotism, civil wars, famine and disease. In 2001, *The Economist* described Africa as 'the hopeless continent'.

In the past few years, the narrative on Africa has changed. A good measure of political stability's been achieved and the flood of civil conflicts on the continent has reduced to a trickle.¹ Whereas about three decades ago only three African countries were known to hold democratic elections, now the number's well over 40. And some of the continent's economies are booming.

An economic surge

Over the past decade, six of the best performing economies in the world have been African. Since 2006, low-income countries in Africa, most of which are in sub-Saharan Africa (SSA), have achieved average annual growth rates of over 5%. For example, in 2011 Ghana was the fastest growing economy in the world, with real GDP growth of 14%. Stephen Radelet cites 17 SSA countries that have achieved steady economic growth, deepened democracy, strengthened leadership and reduced poverty over the past 15 years, and another six that have demonstrated positive signs over a shorter time.²

This growth's been fuelled mainly by higher commodity prices due to increasing demand for minerals, particularly in China and India, as well as increased domestic demand and rising private capital flows. The International Monetary Fund has forecast average annual growth in SSA countries in the coming three years of over 5%, and the World Bank projects investments in Africa to reach US\$54 billion a year by 2015.

In the view of Greg Mills and Jeffrey Herbst, Africa's now in its third liberation. The first was liberation from colonial and racist regimes, and the second was from the autocrats who often followed foreign rule. She now stands on the verge of a third liberation that will take the form of an economic evolution.³

Africa's richly endowed with natural resources, with 40% of the world's gold resources, 90% of diamonds and 60%

of untouched cultivable land. Despite these natural riches, the continent is the world's most impoverished—nearly half (48%) of the population lives on less than US\$1.25 per day. African countries lag behind the rest of world in key socioeconomic indicators, such as nutrition, health and education. Despite having 15% of the world's population, Africa contributes only 3% of the world's GDP. African countries comprise 33 of the world's 49 least developed countries. Sub-Saharan Africa is also the region most off track to meet its Millennium Development Goals by 2015, the target year. The continent's development prospects are also under threat from climate change, because most of the population depend on natural resources and rain-fed agriculture for sustenance and livelihoods.

Africa's current population of nearly 1 billion is projected to reach 2 billion by 2050, surpassing that of India (1.6 billion) and China (1.4 billion). The continent has a youthful population (50% are under 24 years old) and a burgeoning middle class, which is estimated to triple to more than 1 billion in the next half-century. The growing middle class will continue to boost consumption, residential construction and private investment. There'll also be increasing demand for global services, such as technology, training and education, that will present opportunities for Australian companies. Vijay Mahajan notes in his book, *Africa rising*, that Africa is a continent with massive needs and surprising buying power.⁴

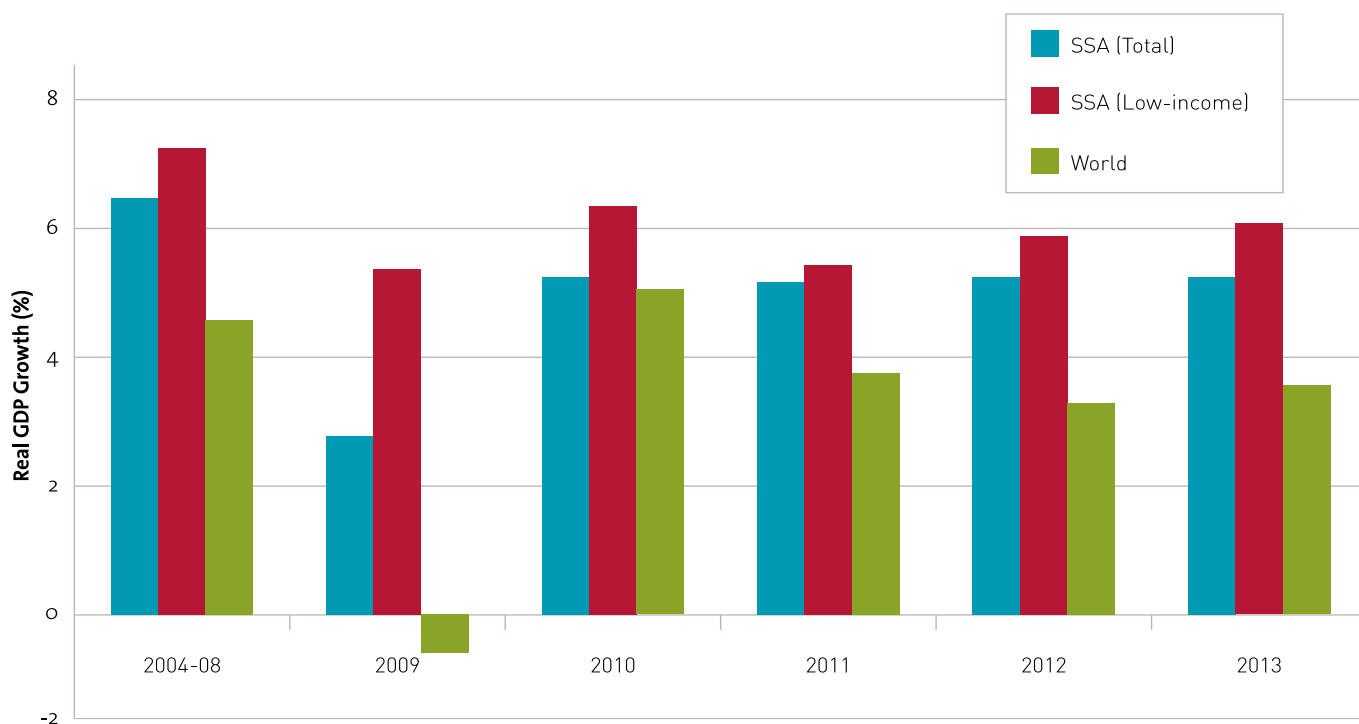
Against this background, this paper provides a snapshot of development trends in Africa. It also discusses Australia's business engagement with Africa, with an emphasis on opportunities for Australian firms.

The remainder of the paper discusses the following in more detail:

- trends in key macroeconomic indicators, with a focus on SSA
- Australia's current trade with Africa, including business opportunities for Australian firms
- the challenges of doing business in Africa
- policy issues to be addressed by the Australian Government and African governments.

Development trends

SSA's economic growth outpaced the rest of the world's from 2006 to 2012, at an average annual rate of 6% (Figure 1). Growth in 2012–13 is projected to be 5.25%. In contrast, due to uncertainties about global economic recovery mostly

Figure 1: Real GDP growth: sub-Saharan Africa vs. the world, 2004 to 2013

Source: International Monetary Fund (IMF) 2012. *Regional economic outlook: Sub-Saharan Africa—maintaining growth in an uncertain world*, IMF, Washington DC.

caused by the continuing stresses in the Eurozone, global economic growth is projected to be 3% in 2012–13. African countries appear to have weathered the worst effects of the 2008 global financial crisis (GFC), mainly because most of them aren't fully integrated into the global economic system.

The star performers on the African economic scene include Ethiopia, Ghana, Rwanda and Mozambique. Ethiopia, which is mainly dependent on agricultural exports, has maintained a strong average annual growth rate of about 10% since 2006 (Figure 2).

Mozambique, starting from a low base after years of civil conflict, has ramped up its economic growth to maintain average real GDP growth of 7% a year since 2006. Ghana began to export crude oil in December 2010, and its growth rate reached 14% in 2011. In 2013, it's projected to be 8%. Middle-income SSA countries such as Botswana and South Africa suffered negative growth in 2009 as a result of the GFC and are only just beginning to recover.

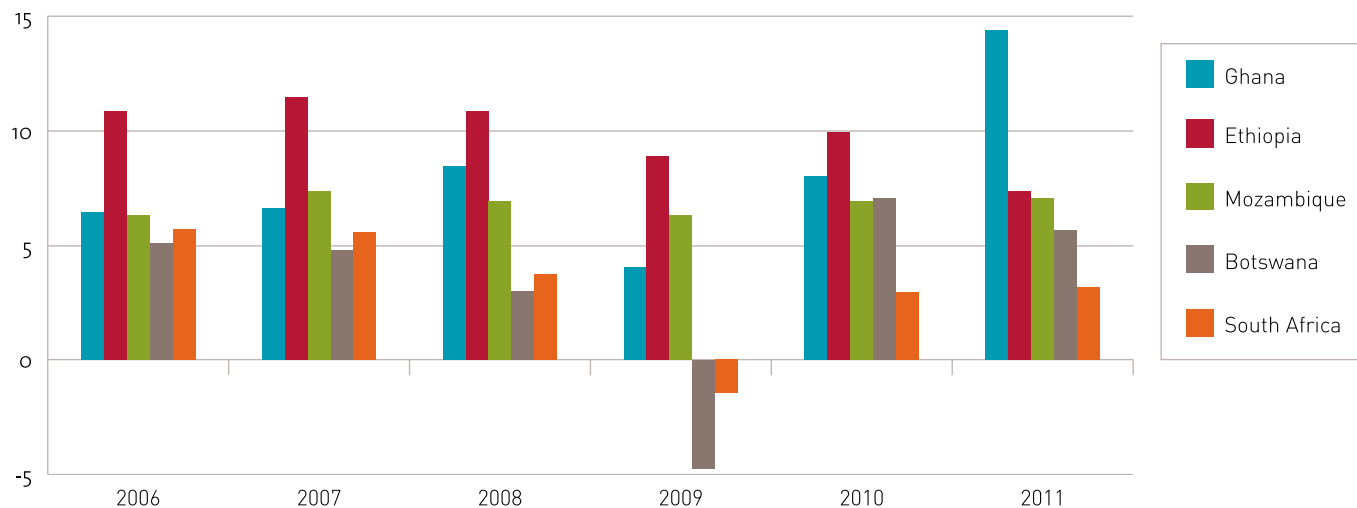
There's evidence that the improved growth performance in SSA is due not only to favourable commodity prices, but also to better macroeconomic management. Some of the countries that benefited from the Heavily Indebted Poor

Countries (HIPC) initiative and the Gleneagles proposals in the mid-2000s were able to take advantage of debt relief and divert resources into productive domestic investments.

Inflation in the region has been trending downwards since 2006 and is projected to reach a single digit by 2013 (Figure 3). There was a spike in inflation 2011 due mainly to higher food and fuel prices and drought in the Sahel region. However, those inflationary pressures have started to ease since then. During the GFC, lower government revenues and countercyclical spending caused budget surpluses to shrink and deficits to deepen. However, since 2009 the overall fiscal balance (as a percentage of GDP) has been declining and is expected to narrow further to -1.4% by the end of 2013. Current fiscal deficits tend to be high in most non-oil-exporting countries, while oil exporters such as Angola and the Democratic Republic of the Congo have run surpluses with the help of favourable world prices.

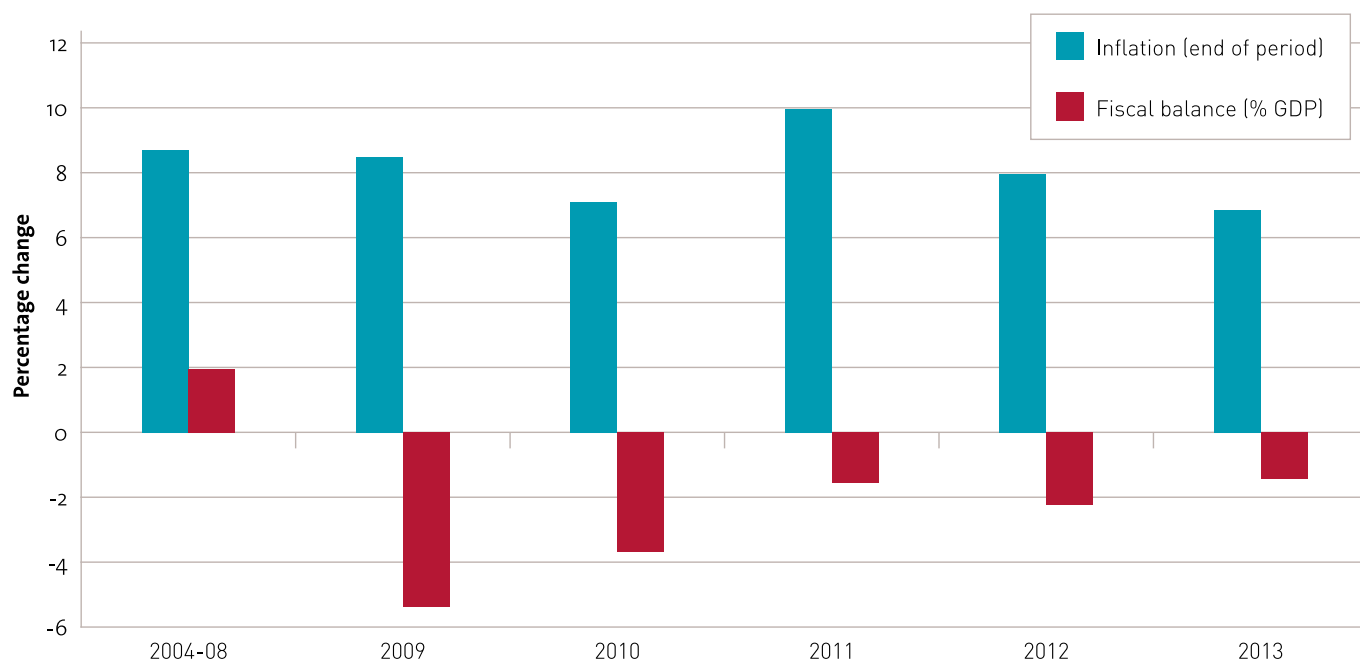
Progress is being made in the fight to reduce poverty. The poverty headcount ratio, measured as the proportion of people living on less than US\$1.25 per day, fell from 58% to 48.5% between 1996 and 2010 (Figure 4). The number of children in school has increased and child mortality has decreased considerably, despite high population growth.

Figure 2: Real GDP growth, selected sub-Saharan countries, 2006 to 2011



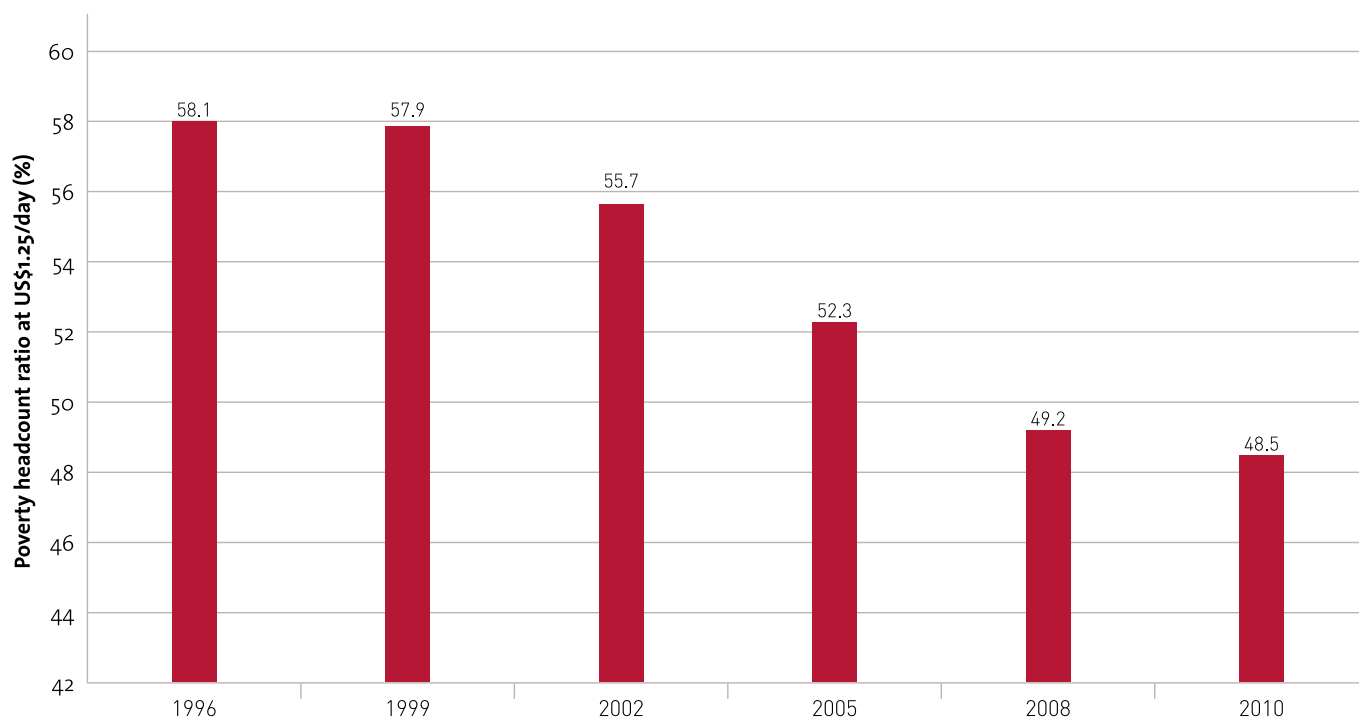
Source: World Bank 2013. *World Development Indicators*, World Bank, Washington DC.

Figure 3: Sub-Saharan Africa: inflation and fiscal balance, 2004 to 2013



Source: IMF, *Regional economic outlook: Sub-Saharan Africa*.

Figure 4: Sub-Saharan Africa: poverty headcount ratio, 1996 to 2010



Source: World Bank, *World Development Indicators*.

However, SSA's impressive economic growth hasn't brought strong falls in unemployment, especially youth unemployment. This is due, in no small part, to its reliance on mining and mineral exports. Mining is capital intensive and tends to create relatively few direct and indirect jobs because of its weak linkages with the rest of the economy. Most of the multinational companies operating in Africa tend to spend very little in the countries they operate in, apart from on a few token projects as part of their social responsibility. The onus therefore falls on governments to use their take from mining revenues to improve the welfare of their citizens. To date, that hasn't happened in many resource-rich countries.

SSA's heavy dependence on aid and natural resource revenues has resulted in the failure or inability of the region's governments to adequately mobilise domestic revenues for development. For example, the average aid-to-GDP ratio of SSA countries was 53% from 1990 to 2007, while tax revenue mobilisation was only 16% of GDP. Over that period, the tax-to-GDP ratio in SSA increased by only 8.5% compared to an average of 87% for Latin America, North Africa and the Middle East.⁵ It's been shown that, regardless of their natural endowments, SSA countries can only improve tax revenue mobilisation with improved institutions.⁶

Economic prospects for Africa in the coming years remain bright. Of course, its exact growth trajectory will depend on several external factors, including the duration and intensity of the euro crisis and the extent to which that affects the global economy. However, Africa's posted consistent growth figures over the past decade and has so far been fairly resilient to global financial downturns, which provides some justification for this optimism. At the end of a recent conference on African development held in Japan and co-hosted by the African Union, the World Bank and the UN, Japanese Prime Minister Shinzo Abe remarked that Africa will be a growth centre over the next couple of decades until the middle of this century, and that therefore Japan should invest more on the continent.⁷

Australia's engagement with Africa

Australia's engagement with Africa a few decades ago was mainly in response to security or humanitarian crises and was often done in concert with world bodies such as the UN or the Commonwealth. In 2009, the Rudd government signalled its intention to pursue a stronger engagement policy with Africa. This shift in policy emphasis led to a rise in the number of diplomatic and trade missions in Africa. Australia has

established ties with regional African organisations such as the African Union, the Economic Community of West African States, the Southern African Development Community, the East African Community and the Common Market for Eastern and Southern Africa. Australia's bilateral merchandise trade with Africa has grown by about 6% per year over the past decade, to about A\$9 billion. The Department of Foreign Affairs and Trade estimates current and prospective Australian investment in Africa to be about A\$50 billion, most of it in the resources sector.⁸

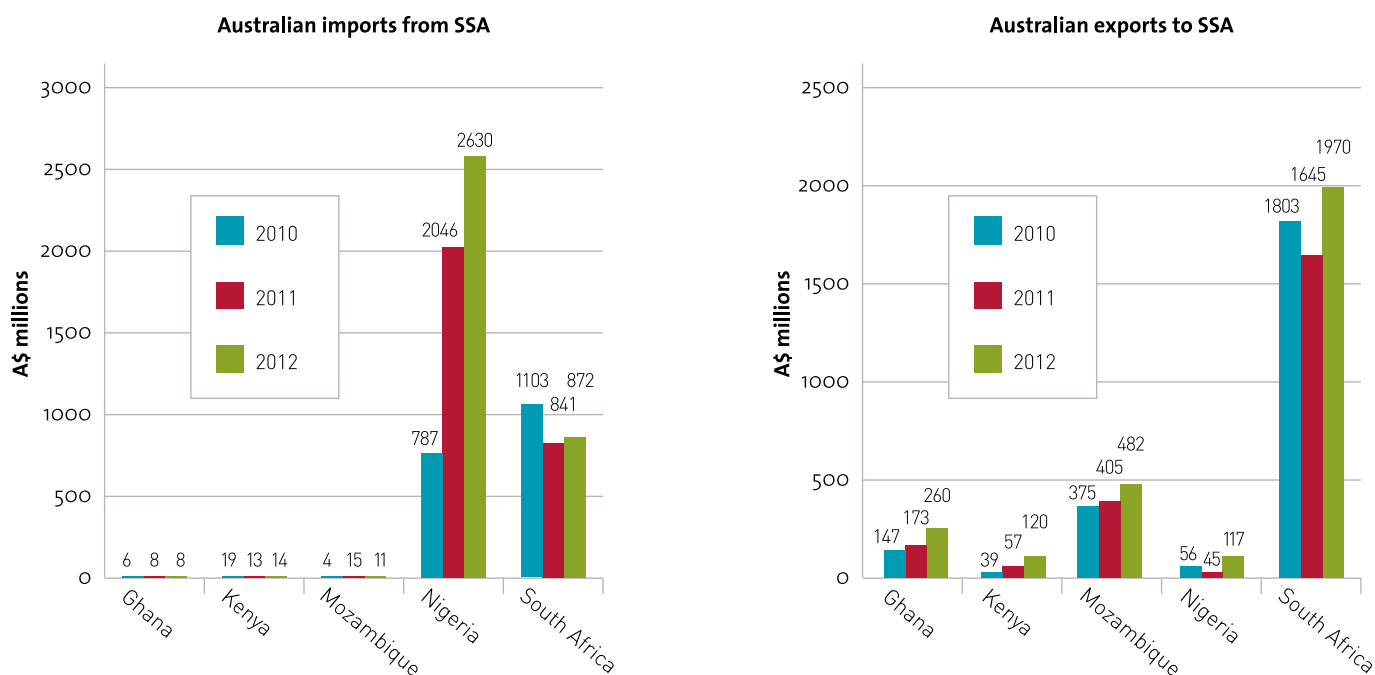
The Australian Government has committed to increasing aid to Africa to 2015–16 as part of its overall increase in the aid budget to about \$9 billion.⁹ Between 2008–09 and 2010–11, Australian aid to Africa increased from A\$116.4 million to A\$200.9 million. The shift in policy towards Africa comes on the back of similar shifts by major powers such as the US and China. China is now Africa's biggest trading partner and has a presence in several African countries where road-building projects are underway as part of bilateral trade agreements. Annual bilateral trade between China and Africa has increased from under US\$5 billion in the mid-1990s to about US\$150 billion. Chinese investment in Africa, which was virtually nil about a decade and a half ago, is now estimated at around US\$40 billion.¹⁰

Australia's commercial interests in Africa, mainly in mining and oil, have nearly tripled since 2005. At the start of 2011, about 220 Australian mining and oil companies were involved in some 595 projects spread across 32 African countries.¹¹ In 2010 alone, an additional 48 companies became involved and 143 new projects started up in Africa. Australian minerals and resource companies have more projects in Africa than in any other region of the world.

Australia appointed a new trade commissioner in 2012, to be based in Accra, Ghana, as part of a diplomatic expansion in West Africa. Australia and Nigeria agreed in 2011 to establish a Trade and Investment Council to explore joint business opportunities in Nigeria, which is West Africa's most populous country, with a population of 165 million. Australian resource companies currently have about 90 projects in operation in West Africa. They include mines, processing plants and production facilities.

Figure 5 shows Australia's trade with selected African countries. Nigeria and South Africa are Australia's largest trading partners in SSA: bilateral trade with each of them totalled nearly A\$4 billion in 2012. Starting from a very low base, Australian exports to Ghana increased by 76% between 2010 and 2012, while exports to Mozambique increased by 29%.

Figure 5: Australia's trade with selected sub-Saharan African countries, 2010 to 2012



Source: Australia Bureau of Statistics (ABS) 2013. *International trade in goods and services, Australia*. cat. no. 5368.0, ABS, Canberra.

There are growing cultural links between African countries and Australia, fostered by growing African diaspora communities in Australia. There's also evidence of a growth in interest and engagement in Africa by the Australian public. It's estimated that almost 35% of funds donated by the Australian community to Australian NGOs is directed to programs in Africa. In 2007–08, that amounted to A\$280 million for NGO programs in 39 countries in Africa.¹²

The challenges of doing business in Africa

Doing business in Africa presents a unique set of challenges to foreign firms, but in the midst of those challenges lie excellent business opportunities. Apart from the resources sector, there are opportunities in telecommunications, energy, infrastructure, financial services, construction, property development, retailing, logistics, tourism and hospitality.

The main challenges of doing business in Africa include inadequate infrastructure, costly logistics (linked to infrastructural deficiencies), skills shortages, red tape and corruption.

African countries, particularly those in SSA, have historically scored badly in global indexes such as those produced by the World Bank (Ease of Doing Business), World Economic Forum (Global Competitiveness) and Transparency International (Corruption Perceptions). However, recent editions of those indexes show that African countries have been making significant improvements. For example, the 2013 Ease of Doing Business Index report¹³ indicates that, of the 50 economies making the most improvement in business regulation for domestic firms since 2005, 17 are in SSA. From June 2011 to June 2012, 28 of 46 SSA governments implemented at least one regulatory reform making it easier to do business. In the 2013 report, five SSA countries (Botswana, South Africa, Mauritius, Ghana and Zambia) appeared in the top 100. The 2012 Ease of Doing Business report also found that 36 of 46 governments in the region implemented reforms in at least 10 areas measured by the report.

Corruption

Corruption, in particular public corruption, is known to be pervasive across the continent. It's widely agreed that corruption in public administration is due in part to poor public service remuneration and working conditions. Clearly, corruption not only deters much-needed investment but also

undermines African governments' efforts to achieve their development goals.

The extent of corruption differs across SSA countries, but, overall, corruption levels have been falling for some time. Transparency International measures the perceived level of public sector corruption in 185 countries and territories around the world to score its Corruption Perceptions Index. Because actual corruption is difficult to measure across countries, the index is currently the best estimate of corruption in various nations.¹⁴ While index rankings for SSA countries are generally low (a low score means more corruption; a higher score means less), many have shown improvements over the past decade. The least corrupt SSA countries in Africa are Botswana, Mauritius, South Africa and Ghana in that order, and all (with the exception of South Africa) have seen gradual falls in corruption since 2006 (Figure 6).

Some countries (such as Rwanda) have made massive improvements in the past few years. It's important to note that the best-performing economies in Africa are also those that have lower and falling levels of corruption.

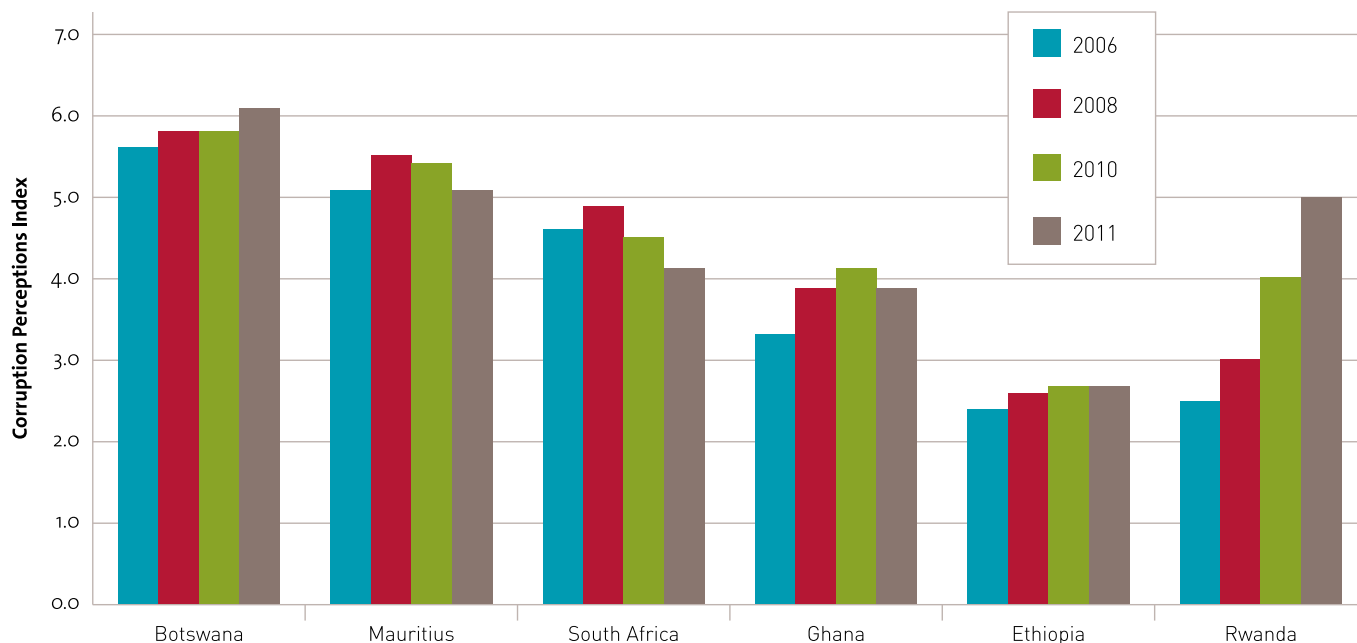
Infrastructure and logistics

The poor state of physical infrastructure in SSA, in particular electricity systems and transport, is one of the biggest impediments to increased productivity and higher economic growth. A couple of statistics provide a sense of the magnitude of SSA's infrastructure deficit: the power generation capacity of the 48 countries that comprise SSA (which together are populated by about 800 million people) is about the same as that of Spain, with its 45 million people. Rapid population growth also places enormous challenges on existing infrastructure, which is often obsolete and poorly maintained.

Poor infrastructure severely inhibits business productivity. Studies, such as that by the Infrastructure Consortium of Africa, have shown that poor road, rail and port infrastructure adds 30%–40% to the costs of goods traded among African countries. A recent World Bank study found that the poor state of infrastructure in SSA—including electricity, water, roads and information and communications technology (ICT)—reduces national economic growth by two percentage points every year and cuts business productivity by as much as 40%.¹⁵

SSA's poor roads and low road density hinder logistics and make it more expensive to export from SSA countries than

Figure 6: Corruption Perceptions Index for selected sub-Saharan African countries, 2006 to 2011



Source: Transparency International (various years) *Corruption Perceptions Index*, Berlin.

from other countries. Table 1 compares shipping costs, road density and logistical performance in selected Asian and SSA nations. It shows that the cost of shipping a container from SSA is nearly two and a half times the median cost of shipping one from Southeast Asian countries. The cost of power outages to SSA businesses is almost double the cost to Southeast Asian businesses.

The World Bank estimates that about US\$93 billion is needed annually over the next decade to overhaul SSA's infrastructure.¹⁶ About two-thirds of that amount (about US\$60 billion) is required for entirely new infrastructure and \$30 billion is needed to maintain existing infrastructure. Currently, only about US\$25 billion is being spent annually, leaving a substantial shortfall that has to be financed.

The continent's huge infrastructure deficit represents a significant opportunity for foreign investors willing to finance ports, railway lines, toll roads, power stations, hospitals and broadband ICT networks.

One spectacular example of what public-private partnerships can do for infrastructure in SSA is in the ICT sector. In little more than a decade, the number of mobile phone users in Africa grew from around 2 million in 1998 to more than 400 million in 2010, and more than 65% of the population now lives within the reach of wireless telephony networks.¹⁷ The ICT sector has attracted 76% of regional investment (or

US\$60 billion), and 97 projects have been implemented in 37 countries. Consequently, even people among the lowest income groups have access to ICT through mobile networks.

Skills shortages

Africa's critical shortage of skilled professionals is mainly due to the population's relatively low education level and a troubling brain drain of the continent's most highly educated people to greener pastures overseas. However, there are indications that the situation's starting to improve.

Overall, the labour force participation rate has increased by 17% since 2000. In addition, the literacy rate has shown improvement since 2000 as governments on the continent ramp up educational expenditure in efforts to reach their Millennium Development Goals. Spending on education is currently about 4.5% of GDP for SSA as a whole. Higher spending on education has increased net primary school enrolments from 54% in 1996 to 76% in 2011.¹⁸

Some companies operating on the continent have taken a proactive approach to skills shortages by investing in graduate recruiting and training programs, as well as by providing clear career development paths to increase skills and retention.¹⁹

Table 1: Infrastructural impediments: Southeast Asia and sub-Saharan Africa compared

Country/region	Road density (km of road per 100 km ²)	Cost to export (US\$ per container)	Logistical performance (efficiency of customs clearance) ^a	Value lost to power outages (% sales)
Indonesia	22.0	704	2.4	2.4
Philippines	n.a.	816	2.7	3.4
Vietnam	48.0	555	2.7	3.7
Southeast Asia (median)	35.0	774	2.6	3.4
Sub-Saharan Africa	14.5	1927	2.2	6.1

Note: 2009 estimates.

a Scale: 1 = low, 5 = high.

Source: IMF, *Regional economic outlook: sub-saharan Africa*.

Policy implications

Africa's progress has a number of important policy implications for African governments and the Australian Government.

The continent's recent economic growth has been robust and reasonably resilient to external shocks, such as the GFC. Although a few hotspots remain, most African countries are now multiparty democracies in which governments are changed through the ballot box.

Progress has been made in macroeconomic management, which has no doubt played a big part in the continent's economic growth. However, to take growth to the next level and make substantial inroads into poverty reduction and job creation, there's an urgent need to address the key impediments to investment and growth—corruption, red tape, inadequate infrastructure and the skills shortage. Although some progress has been made in these areas, a lot more remains to be done. Governance systems need to be strengthened across the continent. The business environment needs to be enhanced by streamlining regulations and removing red tape.

The severe infrastructure deficit requires innovative solutions. African governments not only need to devote an increasing share of their GDP to infrastructure, but also need to explore alternative models, such as public-private partnerships, which have been successful in the ICT sector. There'll need to be significant institutional reform to make such partnerships effective in road transport, energy and water infrastructure. There's also a strong need to diversify the available sources of funding by developing domestic and regional capital and debt capital markets.

African governments need to increase expenditure on education and skills training in order to address the skills shortage. The Australian Government can help build capacity in these areas. Already, much is being done through the African aid budget, which currently targets maternal and child health, water and sanitation, and agriculture and food security. The rationale for this approach is that these are areas where SSA's progress is most off track and where Australia has particular strengths. There's also been an increase in the number of scholarships awarded to African students.

Australia's increased its diplomatic and commercial engagement with countries in the region in response to Africa's growing economic and political importance. There's been an increase in Australian aid and a rapid growth in investment by Australian firms, mostly in the resources sector.

However, Australia should consider new initiatives to help build capacity in the areas of governance and infrastructure improvement. Australia should aim to help SSA countries build infrastructure, reduce corruption and red tape, and boost local skills.

Notes

- 1 There were 21 successful coups on the continent in the 1960s and 18 in the 1980s, but fewer than 10 since the turn of the century.
- 2 S Radelet 2010. *Emerging Africa*, Center for Global Development, Washington DC.
- 3 G Mills, J Herbst 2012. *Africa's third liberation*, Penguin Books South Africa, Cape Town.

- 4 V Mahajan 2008. *Africa rising*, Wharton School Publishing, New Jersey.
- 5 M Keen, M Mansour 2009. *Revenue mobilization in sub-Saharan Africa: challenges from globalization*, IMF working paper WP/09/157, International Monetary Fund.
- 6 T Bothole, J Asafu-Adjaye, F Carmignani 2012. 'Natural resource abundance, institutions and tax revenue mobilisation in Sub-Saharan Africa', *South African Journal of Economics*, 80(2):135–156.
- 7 British Broadcasting Corporation, 'Africa "centre of world growth"', 3 June 2013.
- 8 Department of Foreign Affairs and Trade (DFAT) 2013. ['Australia and Africa', DFAT, Canberra, available from <http://www.dfat.gov.au/geo/africa/index.html>].
- 9 Australian Agency for International Development (AusAID) 2010. *Looking west: Australia's strategic approach to aid in Africa 2011–2015*. AusAID, Canberra, 2010.
- 10 G Mills, A Trejos, P Jennings 2012. *Fuelling the dragon: natural resources and China's development*, special report, Brenthurst Foundation and Australian Strategic Policy Institute.
- 11 Australian Trade Commission (Austrade) 2011. *Australia's business interest in Africa's resources sector triples*, available from <http://www.austrade.gov.au/About-Austrade/News/Media-Releases-and-Speeches/2011/Australian-business-interest-in-Africas-resources-sector-triples>.
- 12 Australian Council for International Development 2011. Submission to the Parliamentary Inquiry into Australia's Relationship with the Countries of Africa, submission no. 37.
- 13 The Ease of Doing Business Index is based on the average of 10 subindexes: Starting a business; Dealing with construction permits; Getting electricity; Registering property; Getting credit Protecting investors; Paying taxes; Trading across borders; Enforcing contracts; Resolving insolvency.
- 14 The Corruption Perceptions Index draws on assessments and opinion surveys carried out by independent and reputable institutions. It is based on a 10-point scale: 0 = highly corrupt and 10 = very clean.
- 15 World Bank 2010. *Africa's infrastructure: a time for transformation*, World Bank, Washington DC.
- 16 World Bank, *Africa's infrastructure: a time for transformation*.
- 17 World Bank, *Africa's infrastructure: a time for transformation*.
- 18 World Bank, *World Development Indicators*.
- 19 World Bank, *World Development Indicators*.





Agenda

11 – 12 July 2013

Thursday 11th July

0845 – 0900

Arrival, official welcome & dialogue opening

- Mr Peter Jennings, Executive Director, ASPI
- Mr Michael Spicer, Advisory Board, The Brenthurst Foundation; Non-Executive Chairperson, Business Day/Financial Mail; Former CEO, Business Leadership South Africa

0900-1030

Session 1 – Growth, jobs, and security beyond the resources boom

Chairperson : Mr Peter Jennings, Executive Director, ASPI

Panelists

1. The Hon. Julie Bishop MP, Deputy Leader of the Federal Opposition; Shadow Minister for Foreign Affairs; Shadow Minister for Trade
2. Ms Sheila Khama (Botswana), Director of Extractive Resources Services, ACET (Ghana); Former CEO of Debswana/De Beers Bots
3. Mr Grame Barty, General Manager for Growth and Emerging Markets, Austrade
4. Mr Lumkile Mondi (South Africa), Chief Economist, Industrial Development Corporation (IDC)
5. Dr Tony Chukwueke (Nigeria), CEO, Tenoil

Questions to consider:

- What do current growth projections look like in both continents
- Infrastructure transformation: energy, transport, water
- How we can be efficient and cost effective suppliers
- How do our economies and societies hedge against volatility/economic shocks eg. downturn in China's commodity demand
- How could we both manage political and social divisions and community expectations
- What will be the community expectations of public spending
- How do we get the fiscal settings right to balance the boom and busts

1030-1100

Morning tea

1100-1230

Session 2 – Good governance, professional and cultural exchange

Chairperson: Dr John Asafu-Adjaye, School of Economics, the University of Queensland

Panelists

1. Mr Peter Conran AM, Director General, Department of Premier and Cabinet
2. Ms Manka Angwafo (Cameroon), Founder of Hadithi (technology-based not-for-profit in Kenya)
3. Ms Di Fleming, President, Africa Australia Business Council (Vic); Director Ducere Foundation (Australia and Africa)
4. The Honorable Minister Senator Sekai M. Holland, Zimbabwe Minister of State, Organ for National Healing, Reconciliation and Integration, Office of the Prime Minister

Questions to consider:

- What steps can be taken to promote good governance practice
- What is the current level of professional and cultural exchange and how does this compare to other regions
- How to operate within different business climates across various African countries
- Which sectors would benefit from increased professional exchange
- What cultural exchange programs are currently in place and where do growth areas exist (sports, theatre, music)

1230-1400

Lunch

1400-1530

Session 3 – Increasing security cooperation

Chairperson: Dr Terence McNamee – Deputy Director, The Brenthurst Foundation

Panelists

1. Senator the Hon. David Johnston, Shadow Minister for Defence
2. General Martin Luther Agwai CFR GSS, former Chief of Nigerian Army Staff; Former Chief of Training and Operations of the Nigerian Armed Forces
3. Mr Brendan Sargeant, Deputy Secretary Strategy, Department of Defence
4. Ambassador Martin Kimani (Kenya)
5. Senator David Feeney, Parliamentary Secretary for Defence

Questions to consider:

- How strong is security cooperation between the two continents
- Where is there room for growth in security cooperation

- Dangers posed by terrorism and criminality in various regions
- What impact does corruption in certain African countries have on cooperation
- What is being done to address piracy, transnational crime, and climate change
- How can we work together to advance international security eg. in UN

1530 – 1600

Afternoon tea

1600-1730

Session 4 – Aid, investment, and increasing people-to-people links

Chairperson: Mr Thomas Nziratimana, Co-founder and General Manager – TransAfrika Resources (DR Congo)

Panelists

1. Ms Sanyu Mugambwa, Governance Adviser, Tony Blair-Africa Governance Initiative, and former Australian diplomat
2. The Hon. Felix Mutati MP, Former Minister of Commerce (Zambia)
3. Dr Julia Newton-Howse, CEO, CARE Australia
4. Mr Zondo Sakala, Vice President, African Development Bank

Questions to consider:

- How is the role of aid in recipient countries changing
- Which countries no longer rely on aid and how successful have their development models and economic systems been during the transition away from aid
- How can we promote investment beyond the resources sector and encourage investment partnerships
- What type of exchange currently exists between the two continents and where is there room for growth
- What has been limiting the development of people-to-people links

Friday 12th July

0900-1000

Session 5 – Opportunities and innovations

Chairperson: Mr Robert Sithebe, KPMG (Swaziland)

Panelists

1. Mr Peter Jennings, Executive Director, ASPI
2. Dr Albert Butare (Rwanda), Former Minister of State in charge of Energy, Communication and Water (Republic of Rwanda)
3. Mr Michael Spicer, Advisory Board, The Brenthurst Foundation; Non-Executive Chairperson, Business Day/Financial Mail; Former CEO, Business Leadership South Africa
4. His Excellency Raila Odinga, Former Prime Minister of Kenya

A summary of the previous 4 sessions with practical solutions for challenges, opportunities and innovations for the future.

Australian Participant Biographies*

(Alphabetical. *Current at the time of the Dialogue)

Associate Professor John Asafu-Adjaye

School of Economics, University of Queensland

Dr Asafu-Adjaye has a strong background in development economics, environmental economics (including climate change economics), quantitative economics (including applied econometrics), macroeconomic modelling (including CGE modelling), and policy analysis.

He has carried out research and consultancy work on environment and economic development issues in several countries. Previous clients include the Government of Papua New Guinea (in support of a World Bank project), AusAID, FAO, National Centre for Development Studies, Australian National University, Queensland Treasury, Queensland Environmental Protection Agency, the UN Economic Commission for Asia and the Pacific, African Development Bank, World Bank, the African Economic Research Consortium, ExxonMobil and KPMG Ltd.

Dr Asafu-Adjaye is the author or co-author of over 70 research-based publications, including eight books and monographs, five book chapters, 49 refereed journal articles, and 11 commissioned reports.

Mr Andrew Barnes

Director, Southern and Central Africa Section, Department of Foreign Affairs and Trade

Andrew Barnes is currently Director, Southern and Central Africa Section in the Department of Foreign Affairs and Trade. During his career in DFAT, Andrew has also been the department's exchange officer in the Canadian Foreign Ministry and earlier had a posting to Stockholm as First Secretary. In 1995-96 he worked for the World Food Program and Catholic Relief Services in southern Sudan on emergency food relief projects and managing IDP camps.

Mr Grame Barty

General Manager, International Marketing for Emerging Markets, Austrade

Grame Barty has over 30 years of international business and government experience in innovation, business building, program implementation, new market development, exporting and investment attraction. As a senior multinational executive in Fujitsu and Nortel he secured investment into Australia in broadband telecommunications

research and development facilities and manufacturing by those companies.

In 2008-2011 as the senior executive in Austrade for North America and South America based in Los Angeles he developed new markets; including the establishment of a Consular and Trade office in Colombia, negotiated bilateral trade and investment facilitation agreements with Brazil, Peru and Colombia, and stimulated new industry opportunities and cooperative agreements in bio-fuels and the water sustainability and management sectors.

He has recently been appointed Austrade General Manager, International Marketing for Emerging Markets, which includes Africa, India, Latin America, Middle East, Eastern Europe and Mongolia.

Ms Scherri-Lee Biggs

South African-born Australian Model; Fashion Designer

Ms Biggs was born in South Africa and emigrated with her family to Australia when she was 12. From a young age, she was schooled in dance and ballet, but started to pursue a career in modelling at age 16, after being scouted by Vivien's modelling agency. Ms Biggs became Miss Universe Australia on 7 July 2011 in a ceremony held at Melbourne's Sofitel hotel, outdoing 21 other delegates from across the country. This certified her with a place in the Miss Universe pageant, held in São Paulo, Brazil on 12 September 2011, where she placed in the Top 10.

The Hon. Julie Bishop MP

Deputy Leader of the Opposition; Shadow Minister of Foreign Affairs; Shadow Minister for Trade

Julie has served as a Cabinet Minister in the Howard Government as Minister for Education, Science and Training and as the Minister Assisting the Prime Minister for Women's Issues. Previously Julie was the Minister for Ageing.

Julie was elected to the House of Representatives as the Member for Curtin in 1998. She has served on a number of parliamentary and policy committees including as Chair of the Joint Standing Committee on Treaties.

Before entering Parliament Julie was a commercial litigation lawyer at Clayton Utz. She became a partner of Clayton Utz in 1985 and was the Managing Partner of the Perth firm from 1994 to 1998. Julie graduated with a Bachelor of Laws from the University of Adelaide in 1978 and attended Harvard Business School in Boston in 1996 completing the Advanced Management Programme for Senior Managers.

Dr Sue Boyd

Immediate Past President, Australian Institute of International Affairs (Western Australia Branch)

Since 2003, Dr Boyd has been based in Perth and works as a company director, international affairs advisor, executive business coach and works with Aboriginal corporations. A member of the Senate of the University of Western Australia, she is Chair of the External Environment and the Centenary Committees and an Editorial Committee member of the In The Zone Conferences. She is a member of the Advisory Board of the Pacific Regional Human Rights Organisation, SPC-RRRT, based in Fiji. She is the Immediate Past President of the Australian Institute of International Affairs (WA). She worked as a volunteer teacher in Zambia over independence, in 1964-65.

Dr Sue Boyd was an Australian diplomat for 34 years, including as Ambassador or High Commissioner in Bangladesh, Vietnam and Fiji and Consul General in Hong Kong. Other postings included the UN in NY, East Germany and Portugal, including visits to then Portuguese Colonies of Angola and Mozambique. She also worked on East Timor.

Mr Peter Conran AM

Director General, Department of the Premier and Cabinet, Western Australia

Mr Peter Conran commenced as Director General of the Department of the Premier and Cabinet on 28 November 2008. In this capacity, he leads the Department in advising and serving the Premier and Cabinet. Mr Conran has over 30 years of policy and leadership experience within the Western Australian, Northern Territory and Commonwealth Governments.

His diverse positions have included Senior Advisor, Cabinet Secretary and Head of the Cabinet Policy Unit within the Office of the Prime Minister. Additionally, he has been Deputy Director General of this Department and Secretary of both the Department of the Chief Minister and the Attorney General's Department in the Northern Territory.

Mr Roger Cook

Deputy Leader of the Opposition, Western Australia; Shadow Minister for Health and Science, Western Australia

Roger has worked for a range of Federal and State Members of Parliament, serving with the offices of Jim McGinty, Stephen Smith, and Senator Chris Evans in policy and electorate officer roles. Following these roles he was

employed at a number of Aboriginal Land Councils as CEO and in a communications role assisting industry and government to reach agreement with Aboriginal Native Title groups.

Elected as the Inaugural Member for the State Seat of Kwinana in 2008 Roger works continuously in the Kwinana Community and assists many residents, school groups and sporting clubs.

Senator David Feeney

Parliamentary Secretary for Defence

Senator David Feeney is an Australian politician. He has been a Labor member of the Australian Senate since July 2008, representing Victoria. Since 2010, Feeney has been the Parliamentary Secretary for Defence.

Feeney worked for the Labor Victorian Premier, Steve Bracks, as Director of Strategy, and was the Campaign Director for Labor during the 2006 South Australian state election. During the 2007 federal election campaign Feeney was Labor's Assistant National Secretary, in charge of marginal seat campaigning.

Ms Di Fleming

President, Australia Africa Business Council (Vic); Director, Ducere Foundation (Australia and Africa)

Di is the President of the Africa Australia Business Council (Vic) where she is pursuing bi lateral trade through innovative developments that integrate business development, sustainability, education within and between continents.

Di is also the CEO Ducere Africa School of Government and a member of the Victorian Government's Growth Areas Authority. Di was the founding director of RMIT's Centre of Excellence in Design 2003 – 2007 with an associate professorship in digital design and the Chair of the 2006 Victorian Premier's Design Awards and State of Design and the Inaugural International Digital Design Biennale at the Melbourne Museum 2004.

Assistant Commissioner Neil Gaughan APM

National Manager Counter Terrorism, Australian Federal Police

In February 2013 Neil took over responsibility for the Counter Terrorism (CT) portfolio. The CT function provides the AFP with the ability to prevent, disrupt and investigate terrorist activity against Australia and Australian interests both domestically and internationally.

CT conducts and coordinates counter terrorism investigations across states and territories, contributes to national countering violent extremism strategies, develops initiatives to enhance the capacity and capability to identify, deter, prevent, disrupt and investigate terrorist activities both domestically and internationally and commits to collaborative and cooperative engagement with regional partners to combat terrorism regionally and globally, including ongoing multi-lateral engagement and the provision of investigative, intelligence and forensic support and advice.

Neil has tertiary qualification in public administration, public policy and risk management.

Ms Khadija Gbla

Inspirational speaker; Advocate; Cross Cultural Facilitator and Consultant

Khadija Gbla is a passionate leader of the African community and an inspired advocate for equality. She has been a peer educator for the Women's Health Statewide program on female genital mutilation since 2004, and for Shine SA, the leading sexual health agency in South Australia, since 2006. She is also a member of the YWCA and was a member of the Steering Group which established our Two Degrees of Separation program, which offers mentoring support to young women from a variety of backgrounds. For her social justice activities Khadija has been recognised by a number of significant Australian business and political organisations, and in 2011 was named Young South Australian of the Year and Young African Australian of the Year.

Dr Brendon Hammer

First Assistant Secretary, Americas and Africa Division, Department of Foreign Affairs and Trade

Dr Hammer has been First Assistant Secretary of the Americas and Africa Division in the Australian Department of Foreign Affairs and Trade (DFAT) from May 2013. Before this he spent three years as Deputy Head of Mission at the Australian Embassy in Tokyo. Dr Hammer rejoined the Department of Foreign Affairs and Trade (DFAT) in June 2009, to head its South-East Asia Division, after having served from May 2004 as Deputy Director-General at the Office of National Assessments (ONA). At ONA he oversaw development of assessments across the full range of international developments impinging on Australia's international interests.

Senator the Hon. David Johnston

Liberal Senator for Western Australia; Shadow Minister for Defence

Since the 2007 election David has been a member of the Shadow Ministry, both as Shadow Minister for Resources, Energy and Tourism until September 2008 when he was appointed Shadow Minister for Defence and elevated to Shadow Cabinet.

His involvement with the Liberal Party of WA began with membership to the UWA Liberal Club (1974 -79). Between 1986 and 2001 he was a member of the Kalgoorlie/Boulder Branch. In 1997 David was honoured to be elected to serve as State President of the Liberal Party of WA, a position he held for four years.

His Defence-related committee work through the Senate Foreign Affairs, Defence and Trade Committee has included significant inquiries into Materiel Acquisition and Management in Defence (2003); the Effectiveness of Australia's Military Justice System (2005). David was Chair of the Senate FADT committee from 11.9.2006 until his appointment as Minister in 2007.

Dr Julia Newton-Howes

Chief Executive Officer, CARE Australia

Julia Newton-Howes became Chief Executive of CARE Australia in October 2007. As CEO she has focused on ensuring gender equality and women's empowerment are central to CARE's programs.

Julia is on the Board of CARE International and is Vice President of the Australian Council for International Development (ACFID). She is also a Member of the AusAID Business Engagement Steering Committee and a Member of the Lowy Institute for International Policy Advisory Panel for the G20 Studies Centre. Julia joined CARE Australia from AusAID, where she was the Assistant Director General.

Julia was born in India and spent her early life in Zimbabwe, leaving to attend Imperial College at London University, where she obtained a bachelor degree and PhD in science. After spending a number of years in scientific research in Australia, Julia decided to pursue her passion for development.

Mr Brendan Sargeant

Deputy Secretary, Strategy, Department of Defence

Brendan Sargeant is the Deputy Secretary for Strategy in the Australian Department of Defence. Mr Sargeant has wide experience in Defence and has held senior appointments including Acting Deputy Head of the Defence Personnel Executive, Minister/Counsellor Defence Policy, Australian Embassy Washington, Deputy Director Intelligence, Defence Signals Directorate, and Head of Strategic Policy Division.

In 2006 Mr Sargeant transferred to Centrelink and held a number of senior appointments, including General Manager, Information Technology Planning and Project Coordination, and General Manager, Strategy and Capability. In February 2010 Mr Sargeant was promoted to Deputy Secretary Strategy (Operations), Department of Defence and subsequently transferred to his current position. Mr Sargeant has degrees in Political Science and English Literature.

Mrs Jill Stajduhar

Business Development Manager (Energy), University of Western Australia

Jill Štajduhar was appointed to the roles of Western Australian Energy Research Alliance Manager (WA:ERA)[2008] & Australian Centre for Natural Gas Management Manager (ACNGM) [2010]. Jill oversees the administrative activity in both unincorporated ventures. The WA:ERA unincorporated joint venture is an alliance between UWA, Curtin and CSIRO Petroleum providing multidisciplinary research teams to undertake research in the oil & gas arena. The ACNGM unincorporated joint venture is an alliance between UWA and Curtin providing executive education for managers in the natural gas business.

This multi-disciplinary administrative role within the UWA Energy and Minerals Institute underpins the University's commitment to supporting the minerals and energy industry. From 1990 – 2000 Jill was Executive Officer of the International Association of Teachers of English as a Foreign Language (IATEFL) based in the United Kingdom with members in 114 countries. Jill has held a number of committee positions across a variety of industries.

Mr Bill Turner

Chairman, Australia-Africa Mining Industry Group (AAMIG)

Bill Turner, former President and CEO of Anvil Mining Limited, retired in mid-2011 after 16 years with the company. He took Anvil into Africa in 1995 and since 2002, has overseen the building of three copper mines in the Democratic Republic of Congo and the development of a culture with a strong focus on corporate social responsibility (CSR) issues.

Bill has substantial experience in political and operational risk management and a good appreciation for the connections between enlightened approaches to CSR, risk mitigation and developing competitive advantage. Anvil (now MMG) became a supporting company of EITI in May 2010, the 49th company to do so.

Bill has worked for more than 30 years in developing and emerging countries of SE Asia, the Middle East, the former Soviet Union and latterly Africa.

ASPI Participants

Mr Stephen Loosley

Chairman, ASPI Council

Mr Loosley is Strategic Counsel with Minter Ellison Lawyers. He was appointed to the ASPI Council in July 2001 and became Council Chair in April 2009.

Mr Loosley was the General Secretary of the NSW branch of the Australian Labor Party (1983–90), prior to being elected to the Australian Senate in 1990, where during his term he served as Chairman of the Joint Standing Committee on Foreign Affairs. He also served a term as ALP National President (1991–92).

Currently, he is Senior Vice President of the European-Australian Business Council and is Deputy Chair of the Asia Society, as well as being a member of the Vice-Chancellor's Advisory Committee, University of Wollongong. Mr Loosley is the nominee of the Prime Minister on the ASPI Council and served as Chairman of the Community Consultation Team for the 2009 Defence White Paper.

Mr Peter Jennings

Executive Director, ASPI

Peter Jennings joined ASPI as Executive Director in April 2012. Peter's career has included extensive experience advising government at senior levels; developing major strategic policy documents; conducting crisis management, and researching, writing and teaching international security.

Most recently, Peter was the Deputy Secretary for Strategy in the Australian Department of Defence. He has previously held a number of First Assistant Secretary positions in Defence including First Assistant Secretary International Policy Division, First Assistant Secretary Coordination and Public Affairs and Secretary of the Defence Audit and Risk Committee.

Dr Anthony Bergin

Deputy Director, ASPI

Prior to joining ASPI, Dr Bergin was an Associate Professor of Politics at the University of NSW, Australian Defence Force Academy. From 1981-1985 he taught political science at the Royal Australian Naval College. From 1991-2003 he was the Director of the Australian Defence Studies Centre. He served for four years as an Adjunct Reader in Law at the ANU, where he taught international law. He is currently an Honorary Fellow at the Antarctic and Climate Ecosystems, Cooperative Research Centre.

Dr Bergin has been a consultant to a wide range of public and private sector clients. For over a decade he has served as a member of the National Defence Committee of the Returned and Services League.

At ASPI he is responsible for corporate and parliamentary engagement and 1.5 track dialogues. Dr Bergin has written extensively on a wide range of national security and maritime issues in academic journals, books, and ASPI reports. He is a regular media commentator and author of several hundred op-eds for *The Australian*, *The Age*, *Sydney Morning Herald*, *Australian Financial Review* and the ABC opinion forum, *The Drum*. He regularly blogs on *The Strategist*.

African Participant Biographies*

(Alphabetical. *Current at the time of the Dialogue)

General Martin Agwai CFR GSS

Former Chief of Armed Staff, Nigerian Armed Forces; Former Chief of Training and Operations, Nigerian Armed Forces

General Martin Luther Agwai retired in 2009 as a four-star general from the Nigerian Armed Forces, where he served as Chief of Defence Staff. During his nearly forty-year career he held a number of distinguished posts, including: Staff Director and Chief Instructor at the Armed Forces Command and Staff College; Nigerian Defence Advisor; Deputy Military Advisor at the United Nations Headquarters in New York; and Force Commander of both the African Union Mission in Sudan and the AU/UN Hybrid Operation in Darfur.

General Agwai also served as Deputy Force Commander of the UN Mission in Sierra Leone, where he introduced 'hot spot' disarmament to further the mission's disarmament, demobilisation and reintegration efforts. In 2003, he was named Commander of the Order of the Federal Republic by the Nigerian government. And in 2010, the Africa Centre of Strategic Studies awarded him the Visionary Award for his dedication to peace and security in Africa.

Ms Manka S. Angwafo

Founder, Hadithi (Cameroon)

Manka Angwafo is the founder and Director of Hadithi, an online repository of open access research.

Currently based in Nairobi, Kenya, Manka began her career in the financial services industry as a merger and acquisitions analyst, working on company valuations and market analysis. She also worked as a core staff member in the office of the Chief Economist for Africa at the World Bank Headquarters in Washington, DC.

In this capacity, Manka co-authored several volumes of 'Africa's Pulse', a regional flagship report analysing the latest economic trends across Sub Saharan Africa, and co-edited 'Yes, Africa Can: Success Stories from a Dynamic Continent'. A graduate of Tufts University, Manka is a young Africa-based entrepreneur, passionate about education and knowledge sharing.

Dr Albert Butare

CEO and Founder, Africa Energy Services Group

Dr Butare is the former Minister of State for Infrastructure in the Republic of Rwanda and is a founder and CEO of Africa Energy Services Group Ltd.

He currently plays a key advisory role to Governments in the Eastern Africa Region on matters related to energy and the environment, and he actively participates in the EU-Africa Energy Partnership, a bi-annual event focused on achieving a number of African energy targets in response to UNSG's Energy for All initiative.

Albert has more than twenty years of energy, communication technology and water infrastructure experience in Africa. During his tenure as Minister for Infrastructure, he managed high level public sector policy and project development and implementation focused on promoting various development goals. Albert is a winner of the U.K based Ashden Foundation's International Award for Renewable Energies. He holds a BS in Process Engineering, a Masters in Energy and Waste Management and a PhD in Energy Policy Formulation, Tools and Instruments for Effective Implementation.

Dr Tony Chukwueke

CEO, Tenoil Petroleum

Dr Tony Chukwueke is currently the CEO and Technical Director of Tenoil Petroleum and Energy Services, an indigenous Nigerian oil and gas exploration and production wholly owned by Heirs Holdings Group, in addition to providing advice to a number of oil and gas investors in Nigeria and internationally.

He is also leading Transcorp Energy in positioning the company as a reputable domestic energy player in the on-going privatisation of publically owned Nigerian electric companies. In addition, Tony works as the Chairman of the Imo Refinery Project, assisting the government and NNPC to establish a viable Nigerian Greenfield Refinery Project.

He has over thirty-five years of international oil and gas experience. He joined Shell Petroleum Development Company of Nigeria as an exploration geophysicist in 1978, earning the title of Corporate Chief Geophysicist by 1993. Tony was both the Value and Portfolio Manager and Business Development Manager Africa for Shell. He also has experience working with the Nigerian Government, and was appointed the Director of Petroleum Resources in 2005.

Honorable Minister Senator Sekai M. Holland

Minister of State seconded to the Organ for National Healing, Reconciliation and Integration by the Office of the Prime Minister (Zimbabwe)

Mrs Holland was elected after returning from eleven months of treatment after being severely tortured along with one hundred and thirty nine other civil society leaders at Machipisa Police station in Highfields, Harare. Nearer the beginning of her career, Mrs. Holland undertook a Fullbright

Junior Fellowship and was among the early group of African students awarded Sir Robert Menzies Government's Special Commonwealth Africa Assistance Programme (SCAAP). She has organised support for African and other Liberation Movements in the Australasian region since the late 1960s, as well as participating in the founding of the Australia's Anti-Apartheid Movement and Aboriginal rights campaigns. Minister Holland was also a founding member of the following groups: Zimbabwe Institute of Mass Communications, Federation of African Media Women in Zimbabwe and Movement for Democratic Change.

Ms Sheila Khama

Director, Extractive Resources Services, African Centre for Economic Transformation (Ghana); Former CEO, Debswana/De Beers Bots (Botswana)

Sheila Khama is a director of the African Centre for Economic Transformation (ACET), an economic policy institute that supports long-term African economic transformation. She started her career in the natural resources sector, working with a water supply authority and later as a compliance officer for companies in the Botswana subsidiary of the Anglo American Corporation. Between 2002 and 2005 she managed marketing and communications for First National Bank of Botswana Ltd. and then moved on to act as Chief Executive Officer of De Beers in Botswana.

Sheila served as Non-Executive Director in a number of other companies, including Debswana Diamond Company. Currently, she is a member of Lafarge SA, AngloGold Ashanti, the Natural Resources Charter Technical Advisory Group at Oxford and the Good Governance of Extractives and Land Resources of the UN Sustainable Development Solutions Network.

Ambassador Martin Kimani

Permanent Representative and Head of Mission to the UN, UN Environment Programme and the UN Human Settlements Programme (Kenya)

Ambassador Martin Kimani previously worked with IGAD, serving first as Senior Counter Terrorism Advisor to the Capacity Building Program Against Terrorism and later as the Director of the Conflict Early Warning and Response Mechanism (CEWARN).

Ambassador Kimani also served as a Senior Researcher at the Institute for Security Studies and Acting Director of the Ansari Africa program at The Atlantic Council in Washington DC. While writing his dissertation at Kings College, he taught at the UK Joint Services Command and Staff College.

Having started his career in finance, he also helped establish the Africa Division at Exclusive Analysis Ltd., a political risk analysis firm. Ambassador Kimani is a nominated Fellow of the African Leadership Initiative and the Aspen Global Leadership Program. In addition, he will be a Distinguished African Fellow at the South African Institute of International Affairs (SAIIA) in 2013.

Dr Terence McNamee

Deputy Director, The Brenthurst Foundation.

Terence McNamee is the Deputy Director of The Brenthurst Foundation.

He previously served as Director of Publications at The Royal United Services Institute for Defence and Security Studies (RUSI) in London and Editor of its flagship publication, the *RUSI Journal*.

He has been a writer and consultant on various projects in the areas of international security, post-conflict reconstruction, peace-building, and economic development. His recent publications include *On the Fault Line: Managing Tensions and Divisions within Societies* (2012, co-Edited with Greg Mills and Jeffrey Herbst); *DECADE: Transition and Turmoil* (2010, Pictures Edited by Eammon McCabe); and *War Without Consequences: Iraq's Insurgency and the Spectre of Strategic Defeat* ([Editor], 2008).

His current research interests include China in Africa. Terence holds a PhD from the London School of Economics in International Relations.

Mr Lumkile Mondli

Chief Economist and Africa Head, Industrial Development Corporation (South Africa)

Mr Lumkile Mondli is currently Chief Economist at the Industrial Development Corporation (IDC) in Johannesburg, South Africa. He is also a member of the State Owned Enterprises Presidential Review Committee and serves on the Boards of Arcelor Mittal South Africa and Yard Capital.

Previously, Lumkile was a member of President Mbeki's Economic Advisory Panel. He has written and presented his findings on a number of economic development problems faced by the South African economy. His professional interests include financial economics, trade and political economy.

Ms Sanyu Mugambwa

President Joyce Banda's External Advisory Team (Malawi); Governance Advisor, Tony Blair's African Governance Initiative (AGI); Former Diplomat

Sanyu Mugambwa is a Governance Adviser for the Tony Blair-Africa Governance Initiative, based in Malawi. She has more than six years of experience in the Australian Department of Foreign Affairs and Trade (DFAT), serving as a diplomat for the Australian Government. Sanyu was based in Kenya with regional responsibility for Uganda, Rwanda and Tanzania, and Sierra Leone as a Peace Building Adviser.

After leaving DFAT, she joined Africappractice, a strategic consultancy based in London, where she managed a team providing strategic communications and public affairs support to multinational companies operating in sub-Saharan Africa. She has also worked as a consultant for AusAID and the Australia-Africa Partnerships Facility. Sanyu has a Bachelor of Laws, a Masters of International Business & Law and is undertaking an MSc in Public Policy and Management.

Mr Felix Mutati

Member of Parliament for Lunte; Former Minister of Commerce (Zambia)

Felix Mutati was the Opposition Leader in the Zambian parliament and has held various senior governmental posts, including: Cabinet Minister for Trade and Industry, Cabinet Minister for Energy and Water Development and Deputy Cabinet Minister for Finance and National Planning.

From 2006-2011 he was the Chief Negotiator for the Eastern and Southern African region. Felix's other positions include: Member for the UNCTAD Development Board, Chairperson of the AGOA Forum (AGOAF) and Coordinator of Group of LDCs at the WTO. In 2007, he hosted the High Level Meeting for LDCs on the Africa Competition Programme in collaboration with UNCTAD and the Government of India, which included the participation of the UNCTAD Secretary-General. Moreover, he was Co-Chair of the Seventh WTO Ministerial Conference in 2009.

Mr Thomas Nziratimana

Current General Manager, Government and Community Relations, TransAfrika Resources Limited; Former Deputy Governor of South Kivu Province, Democratic Republic of the Congo

Thomas co-founded TransAfrika Resources in May 2007 and is currently an Associate at The Brenthurst Foundation. He was involved in socio-economic, development-related research at the University of Burundi in 1990, after graduating from Lubumbashi University.

In 1997, he joined the DRC government and served as the adviser to the Secretary General of the Alliance for Democratic Forces for the Liberation of Congo (AFDL). He was subsequently appointed first secretary of the DRC's embassy in Zimbabwe. In 1999, he served as chief representative of the Congolese Rally for Democracy (RCD) in South Africa, where he was involved in the Congolese peace process. In 2004, he was appointed vice-governor of DRC's South Kivu Province, managing the economy, finance and development portfolios.

His Excellency Mr Raila Odinga

Former Prime Minister of Kenya

The Right Honorable Raila Amolo Odinga is the former Prime Minister of the Republic of Kenya and has been Member of Parliament for Langata Constituency within the city of Nairobi since 1992. In February 2011, he was appointed Special Peace Envoy of the African Union following the post-election crisis in Côte d'Ivoire. Notably, Mr Odinga has been detained without trial three times.

Outside of his political career, Mr Odinga is a successful entrepreneur, having established East Africa Spectre, a manufacturer of gas cylinders for the East African region, and Spectre International. He became the founding member of the Forum for the Restoration of Democracy in 1991, the

National Democratic Party in 1996, the Liberal Democratic Party in 1997 and, most recently, the Orange Democratic Party of Kenya, in 2005. Mr Odinga recently received an honorary Doctor of Letters degree from the University of Nairobi for his role in restoring peace to Kenya following the controversial 2007 elections.

Ms Jewel Okwechime

Business Consultant, Tenoil Petroleum

Jewel is a business consultant working with Dr Tony Chukwueke of Tenoil Petroleum and Energy Services. She is an International Business Entrepreneur, as well as a Chartered Chemical Engineer and Environmentalist. She has worked for a number of major oil and gas companies, including: BP, Shell, ExxonMobil and Schumberger. She now provides ad hoc services to various industries around the world.

Jewel's major clients are in the UK, Nigeria and Australia. She is a Professional European Engineer under the FEANI (Fédération Européenne d'Associations Nationales d'Ingénieurs), a Chartered Engineer with MIEAust-Engineers Australia, and a Chartered Chemical Engineer and Environmentalist with the Institute of Chemical Engineers and Society for the Environment. Jewel received her Masters of Engineering, Chemical & Bio-process Engineering from the University of Surrey, Guildford.

Mr Zondo Sakala

Vice-President, Country and Regional Programmes and Policies, African Development Bank (AfDB)

Mr Zondo Thomas Sakala is the Vice-President, Country and Regional Programmes and Policies, at the African Development Bank (AfDB). In this capacity, he oversees the Operations Complex I (ORVP) whose main mandate revolves around: (i) dialogue and programming of AfDB's operations in the Regional Member Countries; (ii) policies and operational resources; (iii) procurement and fiduciary services; and, (iv) partnerships and cooperation. As Vice-President, he is a member of the Bank's Senior Management Team and contributes to its overall Strategic Orientation. Zondo Sakala joined the Bank in September 1983. Over the years he has acquired a rich and varied experience in AfDB's operations and corporate processes and governance.

Mr Robert Sithebe

KPMG (Swaziland)

Robert Sithebe is a chartered accountant by profession and is a partner in the KPMG Swaziland practice. Besides his role as an audit partner for a number of Swaziland's largest entities, which include sugar manufacturing companies, organisations in the telecommunication industry and banks, he has responsibility for risk management and human resources in the Mbabane office.

Robert completed his accounting training contract in KPMG's Johannesburg office and studied at the University of the Witwatersrand for his B. Comm (Hon) degree prior to qualifying as a Chartered Accountant. Robert spent some time in the UK working as an internal auditor for CDC Group PLC and has also worked as a financial controller for Swaziland's largest sugar manufacturing group. He is Chairman of the Swaziland Institute of Accountants.

Robert also has an interest in building an understanding of how developing countries, especially in Africa, can achieve superior sustainable growth and subsequently advance living standards through good governance and sound economic policy choices.

Dr Anil Sooklal

Deputy Director-General, Asia and the Middle East,
Department of International Relations and Cooperation
(DIRCO) (South Africa)

Dr Sooklal is Deputy Director-General: Asia and the Middle East, Department of International Relations and Cooperation (DIRCO). He is also South Africa's BRICS sous-Sherpa and National Focal Point for IBSA (India-Brazil-South Africa) and the IOR-ARC (Indian Ocean Rim Association for Regional Cooperation).

From 2006 – 2012 he was Ambassador to the European Union, Belgium and Luxembourg. During this time, he served as Chair of the SADC Committee of Ambassadors (2008 – 2009), Chair of the Tripartite (SADC, EAC, COMESA) Committee of Ambassadors (2008 – 2009), Member of the Bureau of the ACP Committee of Ambassadors (2007), and Deputy Chair of the Sustainable Development Committee, ACP (2011).

Before joining Government in 1995, he followed an academic career, having held teaching positions at the University of KwaZulu-Natal and the University of South Africa (UNISA).

Mr Michael Spicer

Advisory Board, The Brenthurst Foundation; Vice President
(Corporates and Africa), Business Leadership (South Africa)

Mr Spicer has a wide involvement in business and public life. He was appointed in 2006 as an inaugural member of the Presidential International Advisory Board of Mozambique and now Chairs that body. He is also immediate past Chairman of the Council at St. John's College, from where he matriculated before completing his BA and MA degrees in history at Rhodes University with distinction. He joined the Board of Governors of Rhodes University in November 2009 and was appointed Chairman in May 2012. In July 2012 he was invited by President Joyce Banda of Malawi to be a member of the Presidential Economic Advisory Council. He is the Trustee of the Birdlife National Trust.

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RRP \$5.00

ISSN 2200-6648