The Brookings Institution
Africa Growth Initiative
Foresight Africa Podcast

"A fairer credit rating system for African countries could save billions"

2024 ,July 10 ,Wednesday

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Episode Summary:

Subjectivity and bias in credit ratings cost African countries up to $24 billion in interest and over $46 billion in foregone lending. On this episode, host Landry Signé is joined by Raymond Gilpin and Daouda Sembene to discuss their 2024 *Foresight Africa* piece "Making Africa's credit ratings more objective." Gilpin and Sembene discuss the reasons this subjectivity and bias exist, the costly implications, and government and private-sector solutions for improving credit rating objectivity across the continent.

[music]

SIGNÉ: Hello, I am Landry Signé, senior fellow in the Global Economy and Development Program and the Africa Growth Initiative at the Brookings Institution. Welcome to *Foresight Africa* podcast, where I engage with contributors to our annual Foresight Africa report, as well as with policymakers, industry leaders, and other key figures. You can learn more about this show and our work at Brookings dot edu slash Foresight Africa podcast.

Today on the podcast, I'm pleased to be joined by two guests: Raymond Gilpin and Daouda Sembene. Raymond Gilpin is the chief economist and head of strategy for the Regional Bureau of Africa at the United Nations Development Program. Doctor Gilpin was the academic dean at the Africa Center for Strategic Studies and economics director at the United States Institute of Peace here in D.C. prior to joining UNDP.

Daouda Sembene is the founder and CEO of AfriCatalyst, a global development advisory firm that works to create partnerships between local and global stakeholders to solve Africa's development challenges. Prior to founding AfriCatalyst, Doctor Sembene was executive director at the International Monetary Fund.

Welcome to the show, Doctor Raymond Gilpin.

GILPIN: Thank you so much for having me, Landry.

SIGNÉ: Welcome to the show as well, Doctor Daouda Sembene.

SEMBENE: Thank you, Landry, and good to be with you.

SIGNÉ: Fantastic. You both contributed to making Africa's credit rating more objectives in this year's edition [of] *Foresight*. How did you two meet? And can you further elaborate on your collaborations? Doctor Gilpin?

[2:40]

GILPIN: Thank you so much, Landry. Daouda and I met when working on this initiative, looking at the effects of credit ratings on the costs of borrowing for African countries. Obviously, his reputation precedes him. He had been a very, very effective advocate and thought leader on African economic and financial issues, even before he went to the IMF as an executive director.

And subsequently, I mean, founding AfriCatalyst I think he really planted a stake in terms of the role of African organizations in questioning a lot of the received orthodoxy and helping African countries rethink development pathways and development strategies. And so, there was an obvious synergy between what we're doing at UNDP's Africa Bureau and the great work that AfriCatalyst is doing.

SIGNÉ: Daouda, do you share Raymond's perspective?

[3:42]

SEMBENE: Totally. As Raymond said, we very much have been in touch for the past several months. It was just natural given the shared interest that AfriCatalyst and UNDP have in helping African countries achieve their development objectives. And so, for us, it was certainly natural when, Raymond and I met and our teams to discuss about partnership and see how we jointly could really support the efforts by African governments.

And I think it was naturally that we ended up having some discussion about how to do it also in the context of credit ratings and make it actually much more optimal. So, yeah, I think it’s it's a pleasure for those who know Raymond, he's been dynamic and very thoughtful and very energetic chief economist at the Africa Department of UNDP. And of course, thanks to him, I think it was extremely valuable and productive to have this partnership between the UNDP and AfriCatalyst. So, looking forward to continuing to sustain this partnership, and to move forward with the various initiatives that we have.

SIGNÉ: Absolutely. Of course, everyone knows that Raymond is not just one of the most influential chief economists when it comes to Africa, but also one of the global thought leaders on the question of economic development.

So, your *Foresight* piece explains that a lack of data could be one of the reasons for the subjectivity in Africa's credit ratings. In your view, what are the key areas African leaders can focus on to strengthen their data quality and capacity to engage more effectively with the rating agencies? Raymond?

[5:33]

GILPIN: Thank you very much. As you know, credit ratings are basically the way that the market prices risk. Not just in Africa, but worldwide. And you price risk based on a number of criteria, including how well is your economy managed. What sort of institutional and regulatory frameworks govern it. And what's your economic and financial capacity to repay loans or credits.

To be able to do this, you as a assessor need to have access not just to data in these three areas, but current data, verifiable data, granular data. In many cases, countries may have data, but it has not been validated. It's probably not being collected in a timely manner. And then you might have data gaps.

And so, when you don't have the full data sets, you don't have timely data, you don't have relevant data, then the market has to guess. To guess about capacity to pay. To guess about how robust your economic management arrangements are. To guess about the efficacy of your institutional and regulatory frameworks.

And this is why African countries need to pay a lot more attention to investing in mechanisms and agencies that not only collect the data, but also make the data available in a form that the market could understand. And across the board, African countries over the last two or three decades have done a great job in getting data required for things like Article 4 consultations. We know how to do that. But now that in many more African countries are going to market, it's a different issue. And so, we have to pay more attention to the data that the market requires.

SIGNÉ: Anything to add, Daouda?

[7:46]

SEMBENE: I would fully agree. I think what people usually define a credit rating as being an assessment of the ability or even the willingness of a corporation or the government to repay their debt in full and on time.

I think this is important because for the market to make that assessment, they need to have some institution or some agency that are able to do it on their behalf. So, what you would see usually is it's a role that is, devoted to credit rating agencies, which try to do that.

How they do it? They need the data that Raymond talks about. And that data can be very specific. It's a data that is about assessing the credit worthiness of a corporation or the government. So, basically what the rating agency would do is to compile any indicators that is very much relevant to assessing that credit worthiness. For government, for instance, it can be total revenue. It can be export revenue. It can be also expenditure. It can be the level of debt. Ad so, all of that actually are criteria for showing whether the country would be able to repay its debt.

And of course, when the credit rating and the markets look at that, they are interested in a number of features that Raymond talks about, whether it is the timeliness of the data, the transparency of the data, but also the accuracy and the reliability of the data. Because if you want to really have a good assessment of an ability to repay by a government, you want to make sure that the data and the indicators that you need for that are available and fully transparent.

And of course, many countries in Africa have been making a lot of progress and a lot of inroads into enhancing their statistical system, into making sure that they can meet all the standards for good issuance of and compilation of data. And I think based on that, of course, that can facilitate the assessment and the work done by credit rating.

But there's still some work that needs to be done. And that's also the reason why I think we have been able to partner with UNDP to put in place an initiative that hopefully will help also bring more awareness and transparency into the type of data that is needed, and that the government needs to know and make sure that they compile in a timely manner so that to facilitate the work of rating their credit worthiness.

SIGNÉ: Daouda, would you mind elaborating on specific cases where you have seen countries, African countries, taking the right steps to improve data quality and capacity to engage more effectively with rating agencies?

[10:20]

SEMBENE: Oh, yeah. There are so many cases that I can cite. As you indicated, when you were introducing us, I had the privilege of being a member of the executive board at the IMF. And, of course, you know, the IMF is very much involved into those standards and norms for data dissemination. And I have seen some African countries doing extremely well into making their data and statistical system much more effective in their performance and transparency.

And I do with member countries, like my home country of Senegal, being one of those countries that also were very much quoted among those who were doing very well in that. Of course, other countries also across the continent, I cannot cite all of them, also have been doing a lot of work. And I think this is something that very much has resonated.

I think the question now is how to make sure that those progress are very much communicated to the market. But also most importantly, to make sure that they are readily available for making the work of assessing the credit worthiness of our countries much more easier and transparent.

Because at the end of the day, if the credit rating agencies are left alone to compile their own data with certainty, maybe that would not be the best way to really engage them. And I think, it is a good to make sure that those efforts that the countries are making are being sort of properly communicated and have made available to the market so that it can hopefully benefit the ratings for our specific countries.

SIGNÉ: Do you want to share more examples, Raymond?

[11:54]

GILPIN: No, I think, Daouda has mentioned that a number of African countries have made significant progress. The issue here becomes how we ensure that countries like Ghana, countries like Kenya that have taken steps to enhance their statistical capacity, are able to do so in a way that communicates risk more effectively to the market. I think that's why initiatives like the one that we have been discussing with AfriCatalyst and others become vitally important.

SIGNÉ: Insightful, Raymond. Beside the lack of data, what are some of the other reasons this bias exist? Daouda?

[12:40]

SEMBENE: Well, I think, the good thing with data is, is they give you an objective way of assessing credit risk associated with an entity, whether it's a corporation or a government. When you don't have enough, you may be tempted to use some other less objective ways. That's one.

But second also is even when you have all the data, there is part of evaluation that do not necessarily always actually rely on objectivity. So, basically that's where other factors may, sort of, come in. More subjectivity, for instance. And I think Raymond is much better suited than me to discuss about the research that they have done in this area, and which was really showing how African countries could potentially save more than $74 billion if ratings by credit rating agencies were more in line with the economic fundamentals.

So, what it means is there is always some sort of subjective factors sometimes that can create that bias that you talked about, and that can also contribute to creating a risk premium that is not necessarily well-founded. That's one.

And when we also talk about bias, we also have to distinguish here between the conscious and unconscious bias. So, I think there is some work and some studies that have been made that also show that sometime in the process of making credit ratings, there are subjective element like, for instance, the culture of the analysts or some other not so objective factors that can come into play. It's not only the analysts that are doing the job, but there is also the credit rating committee at some point also that also have to validate their last work and they're also, I think, opinions that are not always based on evidence may actually play and actually in introducing a bias.

So, I think that's the reason why I think the more we can make sure that the data is available and of course the work is done based on that and on more objective manner, the more the bias could be reduced.

SIGNÉ: Thank you Daouda. And you mentioned Raymond, so, I will turn now to him to share more about the studies that you mentioned, Daouda.

[14:50]

GILPIN: Yeah. Thank you so much, Landry. And I think Daouda is absolutely right. We first of all have to look at the data as one way to reduce the amount of subjectivity in the process.

But you asked the question about key beyond data, what else is it that we need to focus on? I think there are two other things. The first is the methodology. How do credit ratings agencies arrive at their ratings? What methodology do they adopt? Most African countries going to the market, about to issue Eurobonds, usually farm this out to an organization to do it on their behalf. So, within the country, we find that there is not a lot of understanding about what the methodology is.

And why this is important is because when it comes to some of the subjective parts of determining the ratings, there are many things that African countries can do, many interventions they can make that would reduce subjectivity. Let me give you one example. If, for instance, you are in a part of the African continent where there has just been an unconstitutional change of government, the market reacts and says, oh, this whole region is suspect, and therefore we are going to mark you down in terms of governance. And that is not fair to countries that are not. But what some literature calls the bad neighborhood effect affects those countries. So, understanding the methodology and the roles, responsibilities, and entry points of African countries at every stage becomes very, very important.

[16:40]

The second thing beyond data and methodology is the process. And, you have spoken to quite a number of African financial officials, African finance officials. And one of the things that doesn't surprise me is that they don't really understand how the process rolls out. And there are points at which a government could negotiate, where government could intervene. And most governments just forego those opportunities because they don't really understand, at this point I could make a case, and this is how I make a case based on what my ratings are.

And so, familiarizing African officials in government with both the methodology and the processes and areas in which they could be more helpful and impactful and strengthen their cause, I think is something that we need to take on a lot more.

The report that we published in 2023 is very, very important in the sense that we didn't come in and say all of these biases, which we called “idiosyncrasies” in our report, all of these biases are just the fault of the credit ratings agencies. They said there's many more things that African countries themselves could do to help address this problem. And we are viewing it not just as a financing issue, but also as a

Sustainable Development Goals issue, because to attain the goals we have to ensure that African countries are able to access not just the right amount, but at the right cost.

SIGNÉ: Insightful, Raymond. Have other regions experienced similar biases and been able to overcome them around the world? And if so, how can policymakers and credit rating agencies learn from them for better outcomes in Africa? Daouda?

[18:50]

SEMBENE: Well, thank you very much. And before maybe responding to this question, maybe just add in just one point to the very comprehensive sort of response that Raymond has just provided. I think one issue also is it's very hard to make an evaluation if you are not on the field. What I mean here is not credit rating agencies are not in the field. They are. But the reality is, most of those big three are only in South Africa, where they they are based. And I think when you are talking about looking at how countries fare in terms of making their data, compiling their data and reporting their data, I think it's fair to say that you can gain a lot by being on the field. And I think having a broader presence can also help reduce any potential bias, especially those that are not necessarily conscious. And that may derive on their lack of awareness about the progress that the countries are making.

So, it's just to say the point that I think it's important also to really increase the presence in the countries that are being assessed so that the credit ratings can very much reflect any efforts that they are making. I think that's important.

[19:57]

On the second part of the question, I think, starting from what Raymond was saying on the importance of the methodologies that are followed and developed by credit rating agencies, I think it is something that certainly we need to make sure that African authorities, country authorities are very much aware of those methodologies that are followed by the agencies, because then it can give them the right opportunities in the right sort of strategies to make sure that they can optimize their ratings. That's one.

But it's also for the sake of transparency. I think if you are entitled or trusted with the responsibility of rating credit risk, it is important to make sure that you do it in a very transparent manner. And that's what many credit rating agencies are going to do. So, the more progress is being made in that area, the better.

And I think that's something that also policymakers can can learn. And I think for that you need to have more proactive engagement between credit rating agencies and policymakers in Africa. And I think if we do so, we should be able to help secure better outcomes when it comes to that.

Now, how other regions have fared, I think it's hard to say. But one thing that is very much prevalent in the literature is many African countries tend to be the most affected by these biases that we are talking about. And I think that it also means that there is maybe some scope for making sure that we push for more positive and productive and constructive engagement between African countries and their credit rating agencies so that any progress or anything that could positively reflect on the ratings is very much made available.

But also, I think that credit ratings agencies are doing their part in making sure that they avail themselves with the right information to make the most accurate rating assessment as possible.

SIGNÉ: And Daouda, you mentioned many times credit agencies without specifying which one you are talking about. Can you be specific so that our audience will understand?

[21:56]

SEMBENE: Well, you see, the credit rating market is quite oligopolistic. So, I think, yes, there are some local credit rating agencies, not too many in Africa, but most of the time when people talk about credit rating, they also refer to the global credit rating agencies, including mostly Standard and Poor's, Fitch, and also Moody's. Not to point any fingers, but most of the time, I think that's what a lot of people have in mind when they talk about credit rating agencies.

But that being said, I think what we have seen also is there are some very, very strong and good credit rating agencies that are based in Africa. And I think it's also something that is part of the story and that we would like to also push is I think there is also a value in empowering local credit rating agencies. And I think the more diverse the ecosystem of credit rating agencies is, the better for having the most transparent and also the most effective and accurate credit rating assessment.

SIGNÉ: Fantastic. And speaking about the local credit rating agencies, Raymond, how do you see the importance of having the Africa credit rating agencies? And do you think it is part of the solution to having or making Africa credit rating more objective?

[23:20]

GILPIN: Thank you so much, Landry. We have a number of African credit ratings agencies. I know of Bloomfield in Cote d'Ivoire. And you also have in South Africa, in Nigeria. And these credit ratings, don't you usually price sovereign risk for external debt, but they usually focus on domestic financial markets.

And so, you do have these agencies who are doing a really great job. They're also raising awareness in terms of, in terms of methodology. I know that Bloomfield since has a different take on the methodology to account for local Ivorian market realities. And so, these are all very positive.

In addition to these, we know that the African Union is also pursuing an Africa credit ratings agency. It's at a very early stage. So, I mean, in some ways the jury's still out on that one.

[24:15]

But I think this links a little bit to the question you asked Daouda a few minutes ago about what Africa could learn from the rest of the world. Credit ratings, you know, are problematic worldwide. This is not just an African problem. Across the world I know a couple of years ago when the U.S. was downgraded, there was a big brouhaha around that. But what I'd like to point to is the European example. After the financial crisis, the credit ratings agencies, of course, we're going to look at Europe as a more risky investment proposition. And what the European countries did was they came together, and they required certain regulations that kind of protected European sovereign ratings from a lot of subjectivity, post the crisis.

If an African entity could serve Africa well in this context, that is an example to take. Because I don't think the solution to the problem is creating a new agency that would just have its own ratings that people may or may not paying attention to. But if the African countries could force regulation that would then get the ratings agencies to be either more transparent in their methodology and approach, have more analysts based on the continent, so they could understand the context a lot better, I think then we're making progress and then we're adding to what capacity exists.

We are also ensuring that there is no African exceptionalism, we're just correcting for some market failures that derive from there not being data or the context. And I think that would be for me a more effective way to influence outcomes across the African continent. And learning from that example in Europe post the financial crisis.

SIGNÉ: Fantastic, Raymond. Your piece mentions a UNDP project that aims to deploy high-level experts and former ratings analysts to work with African governments during the ratings process. Can you elaborate on this project and where it currently stands, Raymond?

[26:43]

GILPIN: Thank you so much. We're so proud to be able to do this in partnership with AfriCatalyst. It's very important for us to be partnering with leading African institution in this, because we don't believe that we should just parachute into the circumstance and pretend as if we have all the answers.

What we are looking at is the reality that for the continent as a whole, the investments required to get back on track to attain the Sustainable Development Goals, depending on who you ask, is between $190 and $250 billion every year. That is the gap, not the total amount, the gap. And where are African countries going to get that money? Especially since most of them are no longer eligible for concessional financing. Increasingly it's going to be borrowing, increasingly it's going to be bonds.

And so, the issue of getting credit ratings right takes on a development financing flavor. And that is why in this initiative we want to do three things. First, we want to provide high level advisory services to African countries. Not to giving financial advice, but just being able to walk African countries through the whole process. So, some of the issues that were mentioned earlier, some of the gaps in terms of knowledge of the methodology, the process, the roles, responsibilities, ability to negotiate, to be more aware of them.

And so, we are putting together a concilium. We have the initial members on board. And these people will be available to African countries to provide them with the knowhow and knowledge required to get the data right, to get the methodologies right, and to get the processes right.

The second part of this initiative is a web portal. And this portal is going to be able to do four things. The first thing is that it's going to provide access to databases, broad array of data that African government and professionals could use.

Second thing, we're going to make available to all African countries details of the methodologies for all the credit ratings agencies, both African and global, and so that it wouldn't be, like, any mystery anymore. We're trying to demystify both the methodology and the process.

The third part, we want to also make available to African government and professionals a lot of the policy and scholarly papers that have argued the pros and cons of various aspects of credit financing. And so, making them more available to the literature. We have done the homework, brought it together, and put it on the portal.

The fourth part of the portal is a reach back capacity, where countries that so desire could ask us any questions relating to the process, relating to methodology, and our advisors will be able to respond to them. And will be able to respond not in terms of providing financial advice but will be able to respond in providing options and scenarios for them.

[30:09]

The third part of my initiative is a community of practice, because we believe that the answers to a lot of the challenges that African countries face are within the continent itself. And so, we want to create a platform for African professionals to be able to cross-pollinate ideas, share ideas, Wiki some of the answers.

And so, we start preparing them for a future where development financing is going to be a lot more about these issues rather than just a focus on official development assistance, which is usually called aid, or multilateral and bilateral assistance. And preparing Africa's middle-income countries for entry into this particular financing space that would allow, hopefully allow, them to accelerate progress towards the SDGs.

SIGNÉ: Fantastic, Raymond. I like how you are connecting the world of ideas with the thought leadership, insightful policy work that you have done, and practice, ensuring that policy makers are empowered to deliver better outcomes.

As you know from previous *Foresight Africa* podcast episodes, I love finishing this session with a couple of questions for all my guests. AGI looks at Africa from an economic perspective, and we focus on how to accelerate economic growth and structural change while fostering inclusion, especially for youth and women on the continent.

Building on your work and experience, what is one piece of advice you will give to African and global policymakers to ensure the best outcomes for development financing on the continent? Daouda?

[32:13]

SEMBENE: Well, thank you, Landry. Before I respond to that question, allow me to also express how we at AfriCatalyst are honored to be working with UNDP on this initiative. Of course, we don't need to give you everything that the UNDP has done for Africa since the beginning. Talking about the credit ratings, UNDP was the first organization that helped a number of African countries to be able to have credit rating assessment from global rating agencies. And I guess by now we have over many, many tens of countries in the region in the, in the continent now doing that. So, we are very much honored to have this opportunity to work with the UNDP.

And let me tell you, maybe, very much at the high level, I think this work on improving credit ratings for African countries is extremely critical because it has a lot of implications. If you are able to improve your rating, it means that you can borrow at lower cost on the market. And this is actually the feature, because when you look at all the trillion of financing that are needed in the Global South for achieving the SDGs, and also the sustainable development objective of our countries, you cannot do it without having market access at a very high scale.

And by improving your ratings, African countries can reduce the rate at which they can borrow in global financial markets. And that would actually save them a lot of resources to allocate to other critical areas and priorities, whether we are talking about their health, whether we are talking about climate, or some other actually priority spending. So, this is critical.

And, I think this initiative, we hope is going to help in in this area. But we are also very much mindful of the fact that there are some other African organizations, especially at the APRM [African Peer Review Mechanism] and the African Union, that are also doing some work that is extremely important and critical for this purpose. So, we very much are happy to all, contribute to this.

[34:07]

So, now, to respond to your question, you asked for one word of advice. Well, I would just say one word; to me is the word "partnership." Partnerships is extremely critical in many forms. Partnership within African countries—it means partnership between the government, the public sector, and also the private sector. This is critical for fostering private sector development within our country, so that also our domestic stakeholders are able to contribute to the mobilization of the resources that we need to address the challenges that African countries are facing.

So, that partnership between the government and private sector is extremely critical. That partnership between the government and civil society within our countries is extremely critical for achieving that objective that you talked about, which is to boost to more development financing. That's one.

But partnership is also critical between our countries and their partners outside Africa. So, whether you're talking about multilateral development banks that are critical partners for many African countries, whether you're talking about private investors that are investing in our bonds or in other debt instruments that are issued by African countries. Whether you're talking about bilateral partners, whether it's traditional or nontraditional partners, all of them are extremely critical.

And the best way you can get the most out of them is by really building and securing and sustaining strong strategic partnerships that can help you get more development financing in addition to the domestic revenue that you mobilize within Africa to make sure that you can respond to the daunting challenges that we are facing in an environment of global climate change and the environment of security challenges in some countries or the type of challenges and fragility and conflict and others, I think you need to make sure that you take the most out of all of your partners. And you can do that only by making sure that you develop the right partnership, and you can also sustain them.

So, this is what we try to do at AfriCatalyst, is to help bring our little contribution in that respect. And I believe if we get the right strategy partnership right, I think we can go a long way toward helping Africa raise the development and climate financing that it needs.

SIGNÉ: Insightful, Daouda. I really like how you highlight the multiple dimensions of partnership. Raymond, what would you recommend to African and global policymakers to boost development financing on the continent?

[36:44]

GILPIN: Thank you so much. I think I would go for "break the mold." Since independence, we have had one approach to development, which is we need a little bit of development aid, a lot of technical assistance, and somehow, magically, we would see development. We look back over the last six, seven decades in some instances. And it's mixed. But what we are compelled with is the fact that between now and 2030, and as we go through the stages towards the Agenda 2063, we have to do things radically differently.

And so, let us break the mold and start thinking about what we can do to access the kind of resources, not just in terms of the size of the envelope, or the cost of that envelope that would allow Africa to take those next steps on its development journey. So, let's break the mold and do and do things differently.

SIGNÉ: I like how you highlight the paradigmatic change, Raymond, not just addressing some small inefficiencies, but rethinking holistically how to finance development.

Raymond, continuing with you. Given your successful career in development, in global development, and your very impactful action, what advice would you give to youth hoping to follow in your footsteps?

[38:21]

GILPIN: Thank you so much. I hope that they chart their own way, and don't follow our footsteps. Because we've not always been as impactful as we could be. We have great hopes for the next generation.

I would say two things. One, be hungry. And secondly, take control. Be hungry because there are a lot of problems that we need to solve across the African continent. Be intellectually hungry. Use technology and unpack issues and bring together kinds of strategic partnerships that leverage capabilities, that also help us to design solutions to challenges that we've had for the longest time. Be hungry to do that because there is a sense of urgency there. And there's a lot of capability and capacity, particularly with the youth. So, use that, have that, have that hunger.

And, secondly, don't be satisfied to sit at the back or say a few things as a youth, but be more engaged in being part of the solutions and being part of designing and repositioning the continent.

And I think that if we can see those two things becoming more part of the youth contribution, then I'm very confident that in the near future will begin to turn the corner on many issues.

SIGNÉ: Powerful, Raymond. Daouda, what do you think? What would you recommend?

[40:03]

SEMBENE: Well, Landry, I also share the view of Raymond that I would actually urge the youth to follow their own path and not to try to follow anyone's others' steps. Why? Because I think by doing your own thing based on your own passion, determination, and also skills that you can actually get where you can get.

If anything, I would very much hope that the young Africans that are listening to us are even able to do much more than we, their elders, have been able to achieve. And I have no doubt that this is going to be the case, because when I see now actually how the young people in across the continent are really coming ways innovative ways of doing their own things and getting into entrepreneurship, getting into, sort of, creating startups, and also doing things that we and them is maybe not necessarily thinking of. I'm extremely confident that they would certainly do and surpass actually that.

So, I would not, try to lecture them to follow us. But what I can say is certainly that whatever way they're trying to pursue, there would be obstacles. But I think they should always remember that obstacles are those things that you see when you take your eyes off your goal. Someone said it, and I think this is very much the thing that needs to be kept in mind.

Because at the end of the day, whatever you set yourself to achieve, if you give yourself the right tools and you give yourself for the energy that you need to put in on it, and also the determination that you have, there is no way you should not be able to get there.

Of course, it requires hard work sometimes. Also, it requires luck. But most of the time, I think when we put the hard work there and we also have the right strategies, but most importantly also the right partners—it can be actually someone from your family; it can be someone, you know, at school; it can be someone, you know, from the neighborhood, but not necessarily always someone from the government, because we grew up in our generation thinking that any solution would have to come from the government.

What I am now very much happy to see is the younger people do not have that mentality, and this is the right way to go. Africa will get where it needs to get, not because simply of the work of the governments. It is important, of course, that work. But the most important part of the work is the work that will be conducted and performed by the private sector, by the young people, but by communities.

And one last thing I would say is whenever you try to do things, there would be failure. There would be sometimes actually also under-performance sometimes. But you always need to keep in mind that when you lose, don't lose the lesson. Thank you.

SIGNÉ: Insightful! Daouda, Raymond, thank you so much for joining me today.

SEMBENE: Thank you for having us. Landry.

[music]

GILPIN: Thank you so much for having us, Landry. It's been a wonderful conversation.

SIGNÉ: I am Landry Signé, and this has been *Foresight Africa*. To learn more about this show and our report, visit Brookings dot edu slash Foresight Africa podcast.

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My special thanks to the production team, including Kuwilileni Hauwanga, supervising producer; Fred Dews, producer; Nicole Ntungire and Alexandria Cordero, associate producers; and Colin Cruickshank, audio engineer.

This show’s art was designed by Shavanthi Mendis. Additional support for this podcast comes from my colleagues in Brookings Global and the Office of Communications at Brookings.