

# REBRANDING AFRICA FORUM

*Make Africa Great*



## THEME

“HOW THE DIGITAL REVOLUTION CAN  
SHAPE AFRICA’S FUTURE »

OCTOBER 29TH-30TH 2021  
BRUSSELS

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#RAF2022

**REBRANDING**  
**AFRICA FORUM**  
*Make Africa Great*  
16 OCTOBRE - OCTOBER 16TH 2021

*7ème*  
**Edition**  
**Bruxelles - Brussels**

**THÈME : LES OPPORTUNITÉS DE LA RÉVOLUTION NUMÉRIQUE  
POUR LE CONTINENT AFRICAIN**

**THEME : HOW THE DIGITAL REVOLUTION CAN SHAPE AFRICA'S FUTURE**



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# INTRODUCTION

After an absence of a year and a half due to the Covid-19 pandemic, the Rebranding Africa Forum (RAF) returned to Brussels on October 30th 2021, with the same leitmotiv that had inspired it since its first edition in 2014. The purpose of the RAF is to take a clear-sighted, unvarnished and uncompromising but resolutely optimistic look at Africa and to build bridges between the actors of the present and the future of this continent with its immeasurable potential, despite the equally immense challenges it faces in transforming this potential into emancipating achievements.

In order to do so, the 2021 edition brought together, like the previous ones, a number of experts from all over the world, around a theme that has become essential today and even more so on the African continent: The opportunities of the digital revolution for Africa. Two panels addressed this theme: the first, "Digital social networks in Africa: ethical, political and socio-economic challenges", and the second, "The digital revolution in Africa: current status and investment opportunities". The aim was to contribute to the development of strategies for another transition, the digital transition. This has become a major challenge, considering the ongoing digital revolution, including on the continent.

Indeed, from almost no connection to 4G telephony, in just a few years, Africa has made "a great technological leap forward" and achieved a real digital leap. With an average annual growth rate of 7%, Africa now has more



than one billion mobile phone users. More households on the continent now have a mobile phone than have access to electricity or clean water, according to a World Bank report. The number of subscribers to digital platforms (films on demand, music, etc.), estimated at 680 million at the end of 2018, is expected to follow the same growth, as is the annual revenue from e-commerce, which is expected to reach 75 billion US dollars in 2025, i.e. ten times more than in 2014.

Africa is also a world leader in terms of mobile payments, thanks to M-Pesa, Orange Money and Mtn mobile Money. The data and statistics could be multiplied, but they all indicate that the digital revolution is firmly on the move on the continent. Driven by mobile telephony and its multiple functionalities, this revolution is literally irradiating all African countries, and is helping to improve their performance in all areas, education, training, health, agriculture, transport, tourism, economy, finance, trade, industry, science and technology, governance, services, etc. By creating a new economic ecosystem, it also contributes to the continent's economic diversification and growth, as well as to its inclusion on all levels, financial, economic, social, political, scientific, cultural, etc.

The African digital appetite is far from being limited to the consumption of digital products produced outside the continent. In addition to the creation and innovation in terms of applications, mobile uses, and high-performance local platforms, particularly in the music and video streaming market, Africa is also known for creating innovative digital social networks (Ushahidi, Ginger, Mixt, Eskimi, or Yookos, etc.).

In the African market, these "made in Africa" networks compete, both in terms of quality and number of subscribers, with the world leader Facebook, which has more than 126 million subscribers in Africa. They have thus become powerful communication levers for Africa towards itself and the world, levers through which it outlines the specific contours of its unique digital adventure. Through these endogenous platforms, Africa shows itself more than it is often presented, dynamic, innovative and creative, which contributes, both in terms of content and form, to a real "Rebranding" of the continent. The rise of these local digital champions also raises expectations that true African digital unicorns will soon emerge.

However, while waiting for these promising prospects to materialize, it must be noted that Africa is still the least connected continent in the world, with only 32% penetration (21 of the 25 least connected countries being African), and very large disparities in connection from one region to another and even within countries. As one RAF expert pointed out, when children play football in the backyard and professionals play football in the stadiums, they are all playing the same sport, but there is a gap between them; the same is true, he explained, between Africa and the developed countries in the digital domain. Bridging this digital gap is a major challenge that requires significant

investment (only 1% of the 500 billion invested by development banks has been devoted to NICTs in recent years), and action at all levels, national, regional and continental.

All these challenges indicate, ironically, the scale and diversity of investment opportunities in the digital sector in Africa. Indeed, with a population that will double by 2050 to reach four billion by 2100, Africa is an immeasurable reserve of growth which, in this case, is making the meters go off when it comes to the prospects of gains in the various branches of the digital economy. Its youth (40% of its population is under 15, and 60% under 30), dynamic and adept at NICTs, is at the origin of frugal innovations (ingenious, efficient and low-cost) that are beginning to conquer the world. Innovations that create their own dynamics and generate cascading opportunities. Real educational hubs are emerging to further stimulate this creativity, and to make the continent the cradle of the next wave of digital innovations. The e-learning market in Africa is growing rapidly and is estimated to be worth \$1.4 billion by 2022, and the challenge resides in having the skills to make the most of the entire value chain of the digital economy.

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Besides, Africa is today the second largest market in the world in terms of demand for ICTs, as shown by the activism of the major digital firms (Microsoft, Google, Huawei or Orange) on the continent. Some of them, the GAFAMs (Google, Apple, Facebook, Amazon and Microsoft), have seen their business in Africa explode in recent years (326 billion dollars), even though the digital revolution is still in its early stages on the continent. A revolution full of infinite promises that will be realized through strong, concerted and innovative actions and a good dose of political determination and will. How can this be achieved?

This was the focus of the discussions during RAF 2021, and this Report presents the key ideas from three perspectives: political, economic and technological.



## FROM A POLITICAL PERSPECTIVE

Politics is proving to be the primary challenge for the estimated 250-300 million users of digital social networks in Africa. A trend that is bound to follow the ongoing demographic change and the even more numerous challenges that will result from it, in this case at the political level. This shows the importance of the digital revolution in the African political sphere. Through social networks in particular, it offers people unprecedented opportunities to impact on the politics of their country. It multiplies and accelerates citizen control of public action (from their mobile phones they can call on politicians). As such, it is an unprecedented catalyzer of good governance, facilitating and increasing the demand for accountability and the possibility of calling political leaders to account. It has since shown, particularly through the political turmoil in many African countries, how decisive it can be in social mobilization, to the point of leading to the departure of political leaders who were thought to be immovable.

Digital social networks are also expanding the sphere of public freedoms. They make it possible to take the temperature of public opinion, or of a significant part of it, through more "live sessions" and in several places. They encourage public debate which then brings more vitality to the participative democracy, allowing the emergence of a strong public opinion which many African countries need, for strong public action stimulation purposes, in line with the current issues and challenges. The internationalization of local issues

is far from being the last among the digital challenges in the political sphere. It multiplies the number of actors and stakeholders in the local sphere (NGOs and other international institutions), and in so doing raises sensitive political questions, particularly those relating to respect for human rights, state sovereignty, management and preservation of public order, etc. Finally, digital technology is at the heart of the power relations and new wars engaged by modern states.

With these digital issues and political challenges in mind, the speakers at RAF 2021 identified a number of key ideas that need to be taken into account at the political level if our states are to develop a global strategic vision of the digital environment and make the most of the ongoing revolution on the continent.



***1- Make digital social networks a local and global public property which, as such :***

- conveys values that respect and promote human dignity
- is a tool for building a sense of community at local and global level
- is intended to boost social, political, economic and financial inclusion, particularly through mobile payments
- be an instrument for the promotion of democracy and good governance
- cannot be used for any political, economic or other purpose, to the detriment of citizens
- must not under any circumstances become a universal weapon of mutual destruction or collective misuse.

## *2-Being able to identify and master the multiform, multisectoral, local and global challenges of the digital age*

These include economic, ethical, political, security and cultural issues. It is the mastery of these issues that must inspire appropriate and effective sectoral policies.

## *3-Develop policies to popularize digital access and learning*

This learning must start at primary school, to familiarize young people with computer tools at an early age and stimulate their creativity.

## *4-Dedicate a ministry to digital development and new technologies*

This ministry is responsible for developing and coordinating initiatives and policies relating to the development and management of digital technology. It should be accompanied by competent experts and above all promote the training of local experts.

## *5-Create mechanisms and institutions to accompany and manage the social, economic, political and cultural revolutions brought about by digital social networks*

With traditional tools, television, radio, etc., we could receive the world at home, but we could hardly influence it, nor interact easily with it, and even less influence it to the point of imposing our opinions. Now, with social networks and mobile phones, we live with the world wherever we go, and all this becomes possible, for the better, but also for the worse, which must be avoided, through mechanisms of prevention and support for the digital revolution.







## ***6 - Master and develop the value chain of the digital economy***

They are the bearers of African values and worldviews, promoting an authentic view of the continent, showing it as it is and as it would like to be seen. It is also a major cultural issue, if we admit that there is no true and sustainable development without a solid cultural base. These networks are also places of public expression that make it possible to take the temperature of a large part of society, and thus to provide appropriate answers to the social problems they highlight and the trends that emerge.

## ***7-Put in place a legislative framework to regulate the use of digital social networks and punish abuse of them (both at individual and institutional levels).***

This regulation should also apply to political authorities, whose discretionary power to deny access to the Internet is increasingly discussed and often questionable. In this respect, it will be necessary to develop and disseminate codes of good practice and good use of digital social networks applicable to all, unless exceptions are made.

## ***8- Create local and regional political synergies***

This is the prerequisite for confronting the global giants operating in this sector, and for ensuring that the political choices of Africans in this area prevail, imposing appropriate and emancipating partnerships in the digital field, as in all other areas.



## FROM AN ECONOMICAL PERSPECTIVE

As mentioned in the introduction to this report, the demographic prospects of the continent, the youth, dynamism and digital appetite of its population are unique assets. They form the basis for a definite economic boom, as the digital revolution is clearly full of great opportunities and endless promises. But it is still in its infancy on the continent.

Much remains to be done, in this case on the economic front, to ensure that these promises are realized and contribute to Africa's emergence. The current digital excitement on the continent should not obscure the fact that Africa is still behind in this area, particularly in terms of Internet access, the development of infrastructure that meets its needs (current and future) and ambitions, etc. It is therefore important that all parties involved in the development of Africa's digital economy are involved.

It is therefore important that, at all the required levels, appropriate actions, synergies and policies are taken to remedy this. The main ideas below capture the main economic and financial challenges in this respect, and the actions needed to address them, as presented by the RAF 2021 economic experts.



### *1- Investing in basic education*

This is critical, as human capital is the basis for all economic development. This basic investment is therefore naturally the responsibility of the states, which can, if necessary, enter into appropriate partnerships for this purpose, particularly in terms of technical and financial support. It is also important to design programs with local content to initiate children, with a playful dimension, inspired by their environment, and contributing more effectively to their digital awakening and the development of "artificial" intelligence.

### *2- Ensure that we have the human, material and financial resources to deploy the many opportunities of the digital economy*

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The challenge here is to provide ourselves with the means not only to bridge the digital gap mentioned in the introduction, but above all to use our comparative advantages to stimulate a rapid, appropriate and sustainable growth of the digital economy. It is therefore imperative and urgent to remedy the underfunding of the digital economy, in order to be able to deploy the potential and realize the promises that it holds for the continent.

### *3- Develop and regulate e-commerce*

The boom in e-commerce around the world is undeniable, but here too Africa still has some way to go. Developing this sector will stimulate the distribution and consumption of local African products, and thus boost many economic sectors. But on the other hand, it is clear that some economic actors take advantage of social networks to develop informal activities and accelerate them, which constitutes a serious loss of revenue for states that

are already suffering from a huge tax revenue deficit, with their economies dominated on average by the informal sector (70-80%). The development of this sector also affects traditional economic actors operating in the formal sector. This has to be addressed.



#### ***4- Meeting the material, logistical and financial challenges of the digital economy***

This is essential, particularly for the development of e-commerce. It is important to create appropriate and effective partnerships with the giants of the sectors concerned, logistics, distribution and finance. In terms of logistics, the construction of small robots could solve many of the problems associated with distribution.

#### ***5-Massive investment in infrastructure***

Infrastructure requires long-term resources that not all states necessarily have in order to compete with the digital giants. Between 2000 and 2024, for example, Facebook will have invested 57 billion dollars in infrastructure in Africa. It is therefore important for African states to forge regional partnerships to meet the technical, strategic and financial challenges of infrastructure, while at the same time avoiding costly duplication.

#### ***6-Master and develop the value chain of the digital economy***

Master and develop the value chain of the digital economy  
The objective is, on one hand, to build skills at all levels of digital business development and, on the other hand, to create economic activities and opportunities in each of the sub-sectors concerned. It is also essential to produce solutions to local problems, and therefore digital solutions that we will consume directly or indirectly.





### ***7-Protect consumers' private data legally and technically***

This means taking the lead from a number of countries, particularly the European Union, which have legislated in this area and imposing their vision on the digital giants. But this is only possible if African states unite their voices.

### ***8-Use available resources appropriately***

The issue here is that of appropriate planning of public investments, and an optimal and adequate allocation of available resources in each sector of the national economy. This requires prior synoptic work to highlight the challenges and priorities as a whole, so as to allocate the available resources appropriately. In this deliberation, the digital sector should have a priority place, given its capacity to drive the development of many other sectors.

### ***9-Develop support mechanisms for young entrepreneurs***

This support must not be solely or primarily financial. It must be technical and professional, from the conception of their projects to the search for financing, implementation and follow-up.

### ***10-Exploring alternative and appropriate sources of finance***

It is also essential to look at alternative sources of funding, as the digital business is potentially very profitable, but also quite risky and unpredictable, especially due to the speed of innovation which accelerates the obsolescence of digital products, whether technological, economic or psychological. It is also important to turn to individuals, and to develop crowdfunding models.

## 11-Target development banks

It is important to distinguish development banks from commercial banks. The latter are not recommended, as their business is not the development of enterprises, but maximum and immediate profitability. On the contrary, they will destroy business in the digital sector because of the desire for a quick return. Therefore, give preference to development banks, whose business is by definition the development of the projects they approve, and which have the necessary expertise at all stages of development.

## 12-Target public funding

Philanthropic organizations can also be solicited, but more emphasis should be placed on public funding, particularly to develop the two main phases of research on the one hand and industrial exploitation on the other. Often, due to the lack of financial resources for the second phase, research results are sold off to the owners of large amounts of capital or to the giants of the sector who make the most profit from them during exploitation..



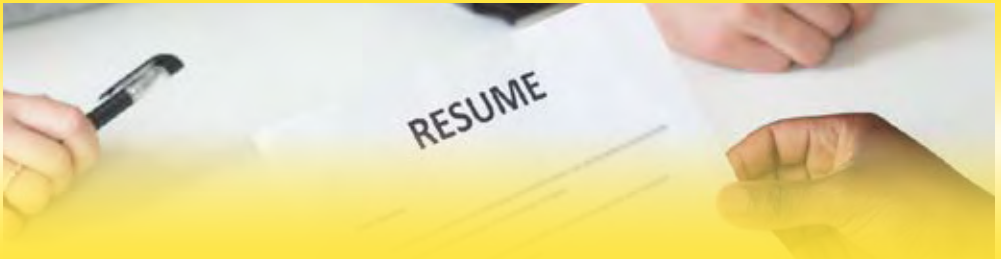
The challenge here is double: on one hand, to adequately redistribute the revenues of the digital economy for inclusive growth, and on the other hand, to reallocate a share of the profits to other under-funded economic sectors, with a view to coordinated and integral economic development.

## 14-Create an attractive framework for investors

It is important to create appropriate incentives to stimulate investment in the digital sector, and thus to create a stable, predictable and thus attractive economic, financial, fiscal, security and political framework. In addition, the legislative framework must evolve to allow banks to invest in start-ups. Because today, if a bank finances a project and does not receive a refund after three or four years, the State will come down on it.



- Connecting research, banks and companies in the digital sector
- Developing partnerships and creating dynamics to link research to companies that suck in the fruits of this research. Performance contracts between universities, training schools and companies can be envisaged here.
- Put all the partners around the table, all the forces likely to contribute to the growth of digital technology, academics, civil society, start-ups, philanthropists, researchers, financiers, etc.
- Create win-win partnerships both locally and globally
- Stimulate regional economic policies linked to the challenges of the digital revolution, develop synergies to reduce the costs of infrastructure and internet access.



# CONCLUSION

The economic challenges (what is at stake) of the digital revolution on the continent revolve around the following challenges and objectives

- *Human resources (skills) available in quality and quantity and suitably remunerated to avoid the brain drain*
  - *The popularization of digital culture in order to overcome illiteracy (digital illiteracy)*
  - *Improvement and harmonization of the political and regulatory framework*
  - *Attractiveness of the economic and socio-cultural environment*
  - *Intelligent digital taxation*
  - *Digitization of existing infrastructures*
  - *Innovative and accessible financing*
  - *Promotion of local digital champions,*
  - *Rational and concerted investments in all sectors of the digital economy: research and innovation, artificial intelligence, computer security, infrastructures, especially electricity (this is the basis), transport, energy, optical fiber, satellites, etc.*
  - *The creation of a single digital market and network*
  - *Synergies and partnerships at all possible levels for greater efficiency,*
  - *Sharing of infrastructure between operators for intelligent and comprehensive coverage of the continent and universal (democratic) access to the Internet,*
- The development of broadband networks to improve high-speed connectivity, incubators in all areas,*
- *National Internet exchange points etc., as 70% of intra-African exchanges still go through foreign countries and cost the continent 400 to 600 million euros annually, resulting in additional costs for the consumer, etc.*



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