

KEYNOTE ADDRESS DELIVERED BY

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PRESIDENT OF THE REPUBLIC OF RWANDA

AT THE FIFTH AFRICAN LEADERSHIP FORUM

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Your Excellency Benjamin William Mkapa, former President of the United Republic of Tanzania and Convener of this Forum; Excellencies, former Heads of State Olusegun Obasanjo, former President of the Federal Republic of Nigeria; Joaquim Chissano, former President of the Republic of Mozambique; Armando Guebuza, former President of the Republic of Mozambique; Moncef Marzouki, former President of the Republic of Tunisia; Hassan Sheikh Mohamud, former President of the Republic of Somalia; heads of international organisations and senior officials; Dr. Vera Songwe, Executive Secretary of the United Nations Economic Commission for Africa; Dr. Mukhisa Kituyi, Secretary General of the United Nations Conference on Trade and Development; business leaders, distinguished ladies and gentlemen, a good morning to you and welcome here to Rwanda, it is our pleasure to have you here.

I am pleased to join you for the fifth edition of the African Leadership Forum. I would like to President Mkapa and the UONGOZI Institute for affording us the opportunity to

host and have this Forum convened in Rwanda. I also wish to say a word of special thanks to the former heads of state I mentioned earlier for taking the time to be here.

Excellencies, it is an honour to host you and you are most welcome.

This year's very pertinent topic is *Financing Africa's Transformation*. Africa can finance its own development, at least a big part of it. There is no doubt about that. We know this because Africa finances other people's development, and always has. The value of illicit financial flows, evaded taxes and commodity extraction, greatly exceeds that of foreign aid, we are told and as a matter of fact. But we have to take responsibility for misallocation of Africa's resources and take steps to correct that. I would rather argue that we need to mobilise the right mindset rather than more funding. After all, in Africa, we have everything we have everything we need in real terms, whatever is lacking we have the means to acquire. And yet, we remain mentally married to the idea that nothing can move without external finance. We are even begging for things we already have, that is absolutely a failure of mindset.

So, how do we reach a turning point?

First, through accountability, take domestic tax collection, once again, this is not only about technical capabilities but much more about building the trust that public funds will be spent on the right things. This is the foundation of good politics, which is effective and citizens-focused.

Second, through regional integration, working together across our continent, the success of financial reform of the African Union adopted in 2016, shows that Africa has the will and ability to fund common priorities. So, we should build on this. Contributions to the Peace Fund has never been higher, the African Union budget has been reduced while Member State contributions have become more stable. The entry into force of the African Continental Free Trade Area is set to significantly increase trade within Africa and consequently improve tax collection. These are very important developments which show real momentum towards African unity. This lays the basis for more effective Public Private Partnerships as well. In critical fields such as the renewable energy, private sector investors require big multi-country markets to be viable. We gain immeasurably by trading with each other and lose so much when we don't.

Once again, technical explanations are inadequate; these are political problems and mindset issues. Earlier, the moderator talked about mental emancipation, absolutely, this has to do with that and the mindset issue. For example, railways and roads are undeniably important, yet, even where a railway is not an obstacle, we don't trade. You find citizens sneaking through forests, are crossing borders to do business with each other because the politics are so toxic. There may even be a nice new road built to facilitate commerce but people avoid it for the same reasons. These are choices that get made every day not by our words but through our actions that keep many of our people poor and dependent.

The third way, to reach a turning point is to continue making it easier for African businesses to grow and create jobs for young people. This is about improving the

regulatory climate for enterprise and trade on the one hand, it also means building deeper capital in markets and lowering the high cost of sending remittances, but it is also about changing the mindset of our youth from one of dependency and poverty reduction to one of prosperity and wealth creation.

In my view, the definition of illicit flows should be expanded to include the habit of importing things that we already have right here in our countries and our region. Certainly, even if the definition of illicit doesn't directly include this, but at least it is wrongly outlined, there is no doubt about it. I will later on have time to tell you the story that puts light on this point.

We have to be mindful of the huge financial losses our continent incurs as the result. Young Africans are going to have to make these necessary changes to really lead at the level of new attitudes and norms in Africa. These are the changes that have to be looked at to see the value that lies all around us, to behave like people who know our continent has the future, to change the world rather than waiting for it to change us. Why should we be willing to give up and succumb at the outset? No, we should try and give it a fight, it's worth it. Each of us can make a difference, everyone has the option to strive, to do his or her work with excellence and good heart.

Let me conclude here and say thank you very much for your kind attention and I look forward to our further discussion.