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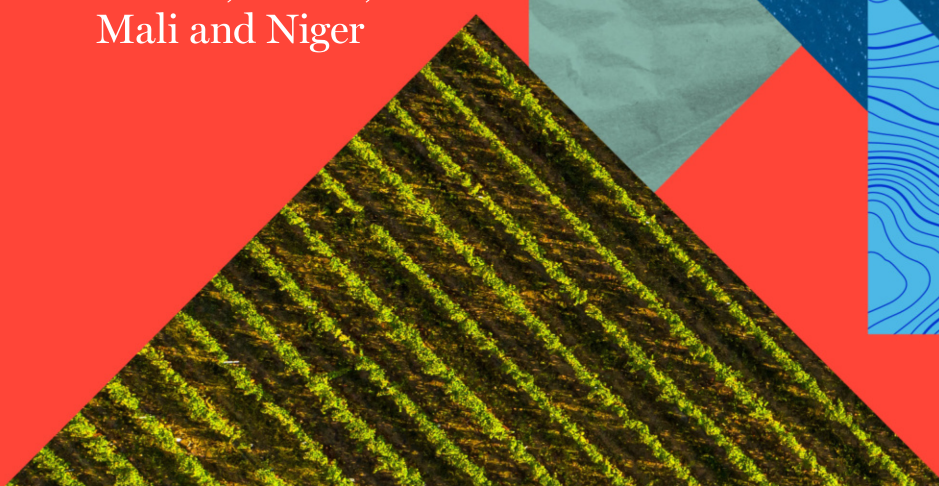
UNDP

Advancing Inclusive Development

Policy options for Burkina Faso, Guinea, Gabon, Mali and Niger



The research project was led by Dr Jakkie Cilliers, Head of African Futures & Innovation at the ISS.

Overall document inputs were provided by Dr Jakkie Cilliers, Ms Alize le Roux, Dr Julia Baum, the ISS West Africa Office and Mr Du Toit McLachlan. The project was supported by the following staff from UNDP: Dr Jide Okeke, Dr Katharine Brooks, Ms Fatma Ahmed, Ms Ayda Labassi, Ms Kira Pakarinen, Ms Jacqueline Cochrane and Ms Julia Stewart and the UNDP Country Offices in Burkina Faso, Guinea, Gabon, Mali and Niger.

The country case studies were authored by Ms Alize le Roux and Mr Du Toit McLachlan (Niger); Dr Blessing Chipanda (Guinea); Mr Enoch Aikins (Mali); Dr Julia Bello-Schünemann, Ms Tumi Mkize-Malebo (Gabon); and Dr Yeboua Kouassi (Burkina Faso), with the input of staff from the ISS Dakar and Sahel offices.

United Nations Development Programme

www.undp.org/africa rp.africa@undp.org

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Online links

The country reports are available at:

- https://futures.issafrica.org/geographic/countries/burkina-faso/
- https://futures.issafrica.org/geographic/countries/guinea/
- https://futures.issafrica.org/geographic/countries/gabon/
- https://futures.issafrica.org/geographic/countries/mali/
- https://futures.issafrica.org/geographic/countries/niger/

Details on the International Futures forecasting platform is available at:

- https://futures.issafrica.org/about/#modelling or https://korbel.du.edu/pardee/international-futures-platform

A general description of the scenario interventions used for each sectoral scenario is available at:

- https://futures.issafrica.org/about/#scenario-interventions

Executive summary

In recent years, Africa has experienced an increase in the number of countries undergoing complex political transitions, particularly in West and Central Africa. These developments have strained regional cooperation, exacerbated security challenges and cast uncertainty over governance and development trajectories.

In response to these challenges, on 15 July 2023, the United Nations Development Programme (UNDP) and the African Union Commission (AUC) launched the Africa Facility to Support Inclusive Transitions (AFSIT). This initiative seeks to support African nations navigating complex political transitions by promoting a development-led approach that strengthens governance, fosters stability and enhances resilience. Rather than focusing solely on political interventions, AFSIT prioritizes tackling the socio-economic drivers of political instability, ensuring that governance reforms are aligned with sustainable development.

This report, *Advancing inclusive development: Policy options for Burkina Faso, Guinea, Gabon, Mali and Niger*, builds on the insights of UNDP's flagship report, *Soldiers and Citizens: Military Coups and the Need for Democratic Renewal in Africa*, which highlighted the necessity for enhanced people-centred governance and inclusive development as the basis for building state resilience against crisis. It moves beyond crisis response to explore long-term, development-oriented solutions that foster resilience and inclusivity as critical for sustaining peace and development.

By leveraging the International Futures (IFs) modelling platform, this report provides a forward-looking analysis of socio-economic and governance challenges, assessing policy options that can drive inclusive growth and sustainable governance. It synthesizes five detailed country studies for Burkina Faso, Mali, Niger, Guinea and Gabon, each examining critical issues such as economic diversification, infrastructure development, governance reforms and social inclusion. Through scenario-based analysis, it offers policymakers, regional bodies and international partners actionable pathways to achieve sustainable, inclusive development and long-term stability.

A series of five detailed reports are available online (links are available at the beginning of the report) and are also available in French. It is envisioned that these reports will provide a platform from which UNDP and partners can begin discussions with national authorities of focal counties, regional organizations and other key stakeholders on how to collectively realize the development opportunities identified by this research.

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Credit: UNDP WACA

Summary of policy recommendations

Summary of policy recommendations	Key actions
Economic diversification and industrialization	1. Promote economic diversification by investing in manufacturing, agro-processing and value addition to raw materials. 2. Develop industrial strategies that reduce dependency on a narrow range of commodities. 3. Improve the business environment and attract foreign direct investment (FDI).
Infrastructure and energy development	1. Expand infrastructure development, including roads, rail, ports and information and communication technology (ICT). 2. Invest in renewable energy sources such as wind, solar, hydroelectric power and biomass. 3. Improve electrification, especially in rural areas, through mini-grids and hybrid energy systems.
Agriculture and food security	1. Boost agricultural productivity through modern farming techniques, irrigation systems and climate-smart practices such as investments in high-yield, disease- and drought-resistant seeds, fertilizers and credit guarantees. 2. Reduce food import dependency by increasing local production and strengthening supply chains. 3. Improve rural infrastructure and access to markets, particularly by building all-weather roads that facilitate agriculture production and commercialization.
Education and human capital development	1. Expand education access, particularly for girls and women, improve quality and align curricula with labour market needs. 2. Promote science, engineering and vocational training to support economic transformation. 3. Advance a demographic transition by improving access to family planning, maternal healthcare and educational programmes.
Social inclusion and poverty reduction	1. Implement social protection measures, including gender empowerment initiatives. 2. Strengthen safety nets for vulnerable populations through social transfers that promote equitable development.

Security and regional cooperation	1. Enhance regional security collaboration and promote diplomatic efforts to stabilize governance. 2. Undertake community- and faith-based conflict resolution and reintegration programmes to address the root causes of instability. 3. Strengthen cooperation with international organizations to secure development aid and financial support.
Governance and institutional capacity	1. Ensure the return of constitutional governance through the development and implementation of credible, inclusive and legitimate transition roadmaps. 2. Strengthen governance through anti-corruption measures, transparency, public sector efficiency improvements, inclusive decision-making and institutional capacity building.

Country-specific policy recommendations	**Key actions**
Burkina Faso	1. Fully implement the African Continental Free Trade Area (AfCFTA) Agreement to promote trade and regional integration. 2. Improve climate resilience through early warning systems and disaster preparedness. 3. Provide targeted support to vulnerable communities to prevent extremism and instability.
Guinea	1. Strengthen linkages between the mining sector and the broader economy to ensure benefits are widely distributed. 2. Implement water management strategies to address climate challenges and boost agricultural productivity. 3. Diversify the economy away from primary and commodity products.
Gabon	1. Address inefficiencies in resource management and ensure transparency in the use of revenues from crude oil and mining. 2. Strengthen the healthcare system to address both the persistent burden of communicable and the growing burden of non-communicable diseases. 3. Continue to implement the agreed transition roadmap to the restoration of constitutional order, including through the holding of elections in April 2025.
Mali	1. Implement comprehensive industrialization policies focused on low-end manufacturing. 2. Expand apprenticeship and entrepreneurial programmes to tackle youth unemployment. 3. Use diaspora bonds to encourage expatriate investment in the economy.
Niger	1. Promote sustainable rural development through improved land-use policies and climate-adaptive infrastructure. 2. Strengthen and implement regional security, trade and energy cooperation frameworks. 3. Implement robust anti-corruption measures, enhance transparency and inclusive decision-making.

Background

Governance deficits, economic stagnation and increased insecurity in some parts of Africa have created conditions for a resurgence of unconstitutional changes of government (UCG), particularly in West and Central Africa. A key finding of the UNDP flagship report, *Soldiers and Citizens: Military Coups and the Need for Democratic Renewal in Africa (2023)*, was that public perceptions of democratic governance failing to deliver inclusive development were a key driving factor behind many recent UCGs.

Recent coups have placed strain on principles of regional and international cooperation. Six member states are currently suspended from the African Union (AU), more than at any time in its history. On 29 January 2025, the Alliance of Sahel States (AES) — Mali, Burkina Faso and Niger — formally withdrew from the Economic Community of West African States (ECOWAS), marking the most significant crisis in West Africa's regional integration since the founding of ECOWAS in 1975. Disruption to regional cooperation structures and principles threatens hard won development gains in Africa and risks exacerbating existing governance, development and security challenges.

Against this backdrop, this report seeks to transcend these political challenges and begin a conversation on immediate, medium- and long-term development opportunities as a pathway for building state resilience and preventing crises. The report explores how to achieve development gains in complex political transition contexts and investigates the role of development as a strategic pathway to promote inclusive governance.

This report summarizes the conclusions from five detailed country studies (available online), which aim to answer the following three key questions.

1. What are the primary socio-economic and development challenges facing Burkina Faso, Guinea, Gabon, Mali and Niger?
2. How do different policy interventions impact development trajectories in these countries, particularly in areas such as economic diversification, governance, infrastructure and social inclusion?
3. What combination of policy strategies offers the most viable pathway for long-term stability, sustainable growth and inclusive governance?

Credit: Zach Wear on Unsplash

The country studies aim to:

- Provide in-depth insights into the socio-economic and development dynamics of five countries undergoing complex political transitions;
- Assess the development trajectories of these states under a business-as-usual scenario (referred to as the "Current Path" in this report);
- Explore and model alternative policy options that could — through high-impact interventions — enable inclusive growth and governance stability (referred to as sectoral scenarios and a "Combined Scenario"); and
- Align the analysis with broader development goals by evaluating progress toward the Sustainable Development Goals (SDGs) by 2030 and the AU Agenda 2063 targets by 2043. The Current Path analysis and sectoral scenarios explicitly assess these timeframes, ensuring that policy recommendations support short-term and long-term development objectives.

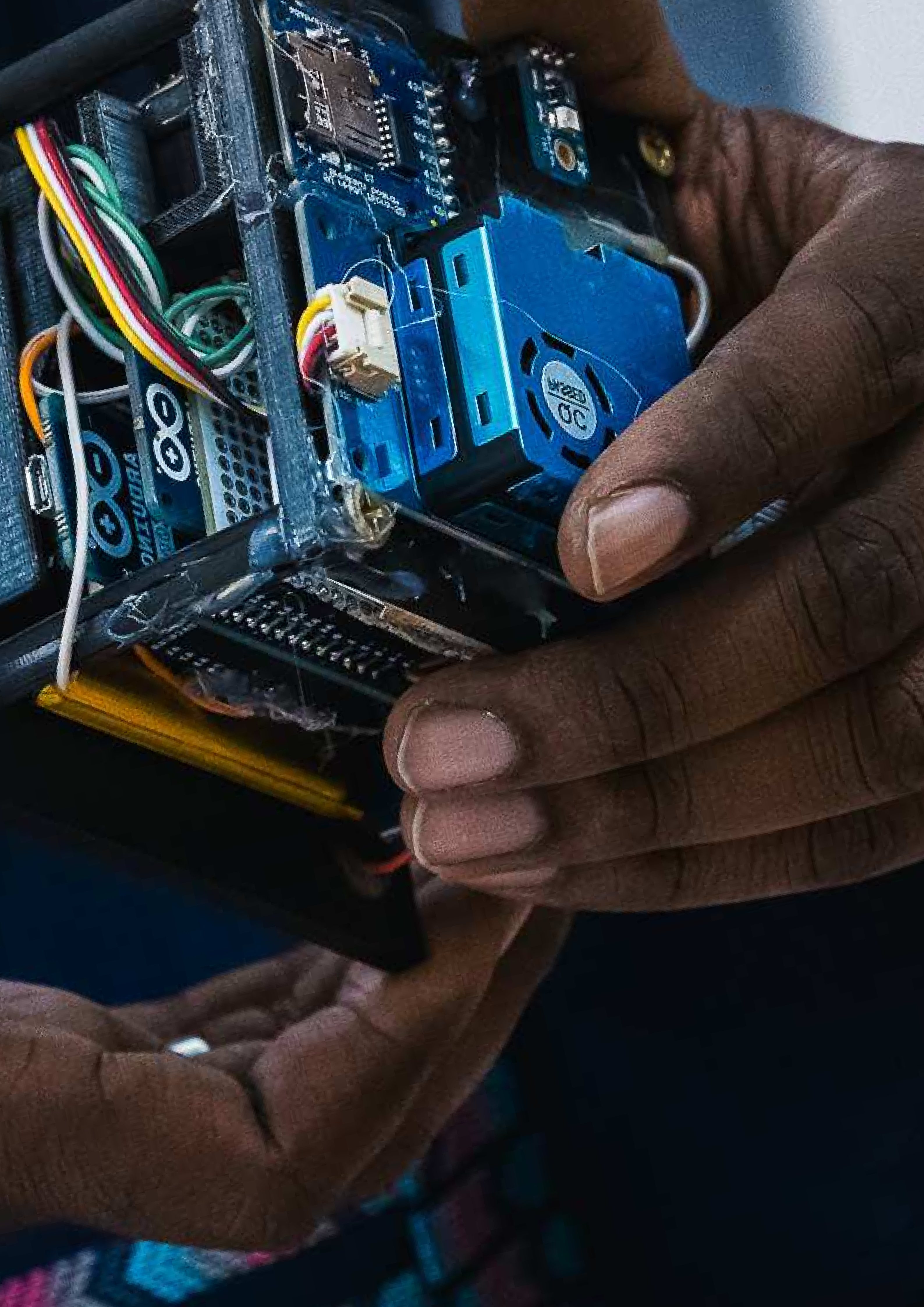
Going beyond the dominance of political discourse, this report aims to help affected countries, regional organizations and international partners identify strategies for inclusive development as a foundation for rebuilding trust, re-establishing regional cooperation and restoring constitutional governance and long-term stability.

By integrating sectoral modelling with real-world policy options, the analysis is structured to offer actionable pathways for national transitional governments, regional organizations and international partners seeking new and enhanced partnerships for governance and development in Africa. This report is a synthesis. The detailed country studies are available on the African Futures website at https://futures.issafrica.org/.

The following section outlines the methodology used in this study, including the model, data sources and scenario-based approach that inform its findings.

1.0 Methodology

Credit: UNDP WACA



The International Futures modelling platform

This report relies on the International Futures (IFs) modelling platform, developed by the Frederick S. Pardee Institute for International Futures at the University of Denver. The IFs is a global, long-term forecasting system that integrates country-specific, regional and global projections across multiple sectors, including demographics, economics, health, education, infrastructure, agriculture, energy, technology, governance, international politics, socio-political issues and the environment.

A key strength of the IFs is its dynamic and interconnected structure, allowing for simulations that demonstrate how changes in one system trigger shifts across others. This enables a comprehensive understanding of how policies or external shocks influence development outcomes. The scenario analysis capabilities allow users to explore the potential impact of policy interventions.

How the International Futures works

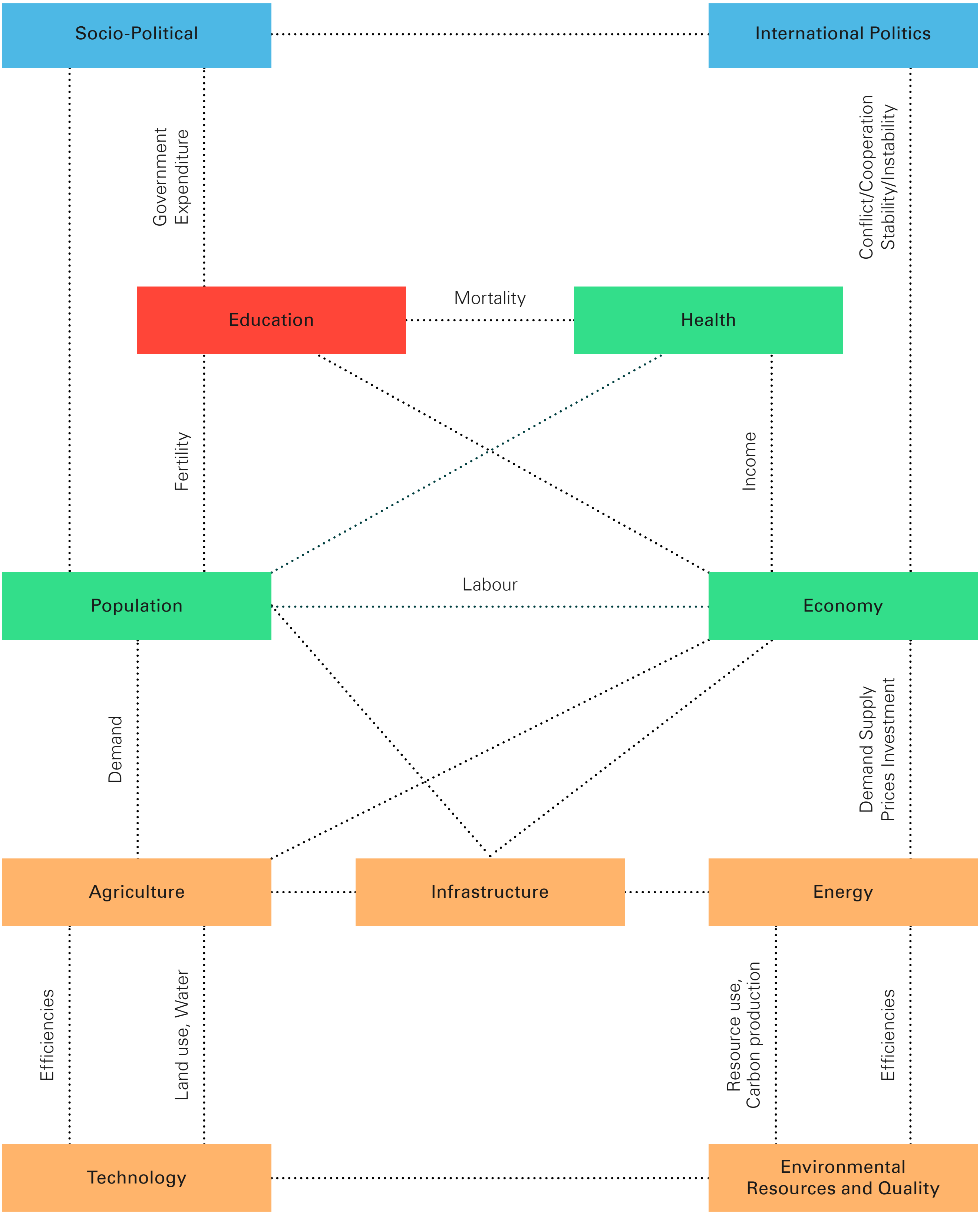
The IFs models development for 189 countries and their interaction, including 55 countries and territories in Africa, which can be combined to analyse and forecast the future of any group of countries. It blends different modelling techniques and models to form a series of relationships (Figure 1.1) based on academic literature to generate its forecasts. The IFs models use historical data from 1960 (where available) to identify trends and to produce a Current Path scenario from 2020 (the base year).

The Current Path is a dynamic scenario representing a continuation of current policy choices and technological advancements and assumes no significant shocks or catastrophes. It moves beyond a linear extrapolation of past and current trends by leveraging our available knowledge about how systems interact to produce a dynamic forecast. For this study, we adjusted the Current Path for each country to reflect recent developments including adjustments in scores on stability and democracy.

Currently, the IFs model is one of the few global platforms capable of projecting SDG achievements at the country level and has been widely used in the analysis of African development.

Figure.1.1

Visual representation of International Futures modelling platform



Source: African Futures and Innovation team

Data sources

Data availability remains a significant challenge in Africa, impacting the accuracy of forecasts and development planning. Despite these limitations, the IFs model integrates over 5,500 data series from African and internationally recognized sources. To overcome incomplete historical data (a common occurrence in many datasets), IFs includes a powerful pre-processing function that:

- Estimates missing or outdated data points to create a more complete dataset;
- Initializes forecasts from the best available data, ensuring that gaps do not undermine long-term projections; and
- Moves beyond simple trend extrapolation, making IFs projections historically comparable to the data that international organizations and national governments eventually release.

Where possible and when data is available and comparable — IFs is updated with national statistics sourced directly from national data providers.

As part of the study, the project team conducted three workshops with stakeholders. This included an inception workshop, a country expert meeting focused on validating the Current Path forecast, and a final country expert workshop aimed to validate the scenario forecasts.

Approach

The Current Path analysis provides a baseline against which more ambitious policy interventions can be assessed, representing a continuation of current policy choices and technological advancements and assuming no significant shocks or catastrophes. Each country study models the potential development impact of interventions in eight key sectors, followed by an integrated Combined Scenario that demonstrates their cumulative effect. The eight sectors cover all aspects relating to national development and have been carefully curated by sectoral experts. Details on each scenario, including a list of interventions, can be found online via the African Futures and Innovation website.

Sectoral scenarios

Each sectoral scenario is benchmarked against progress achieved by high-performing countries at similar levels of development in specific areas such as improvements in net primary school completion rates (in the Education Scenario). The eight sectoral scenarios explored in this report and applied in each country study include:

- **Demographics and Health**
  Envisions ambitious improvements in child and maternal mortality rates, enhanced access to modern contraception and decreased mortality from communicable diseases (e.g., AIDS, diarrhoea, malaria, respiratory infections) and non-communicable diseases (e.g., diabetes), alongside advancements in safe water access and sanitation. This scenario accelerates the demographic and health transitions, supported by investments in health and water, sanitation and hygiene (WASH) infrastructure.
- **Agriculture**
  Envisions an agricultural revolution that ensures food security through ambitious yet feasible increases in yields per hectare, thanks to improved management, seed, fertilizer technology and expanded irrigation. Efforts to reduce food loss and waste are emphasized, with increased calorie consumption as an indicator of self-sufficiency and prioritizing it over food exports. Additionally, enhanced forest protection signifies a commitment to sustainable land use practices.
- **Education**
  Represents reasonable but ambitious improvements in intake, transition and graduation rates from primary to tertiary levels and better quality of education at primary and secondary levels. It also models substantive progress towards gender parity at all levels, additional vocational training at the secondary school level and increases in the share of science and engineering graduates.

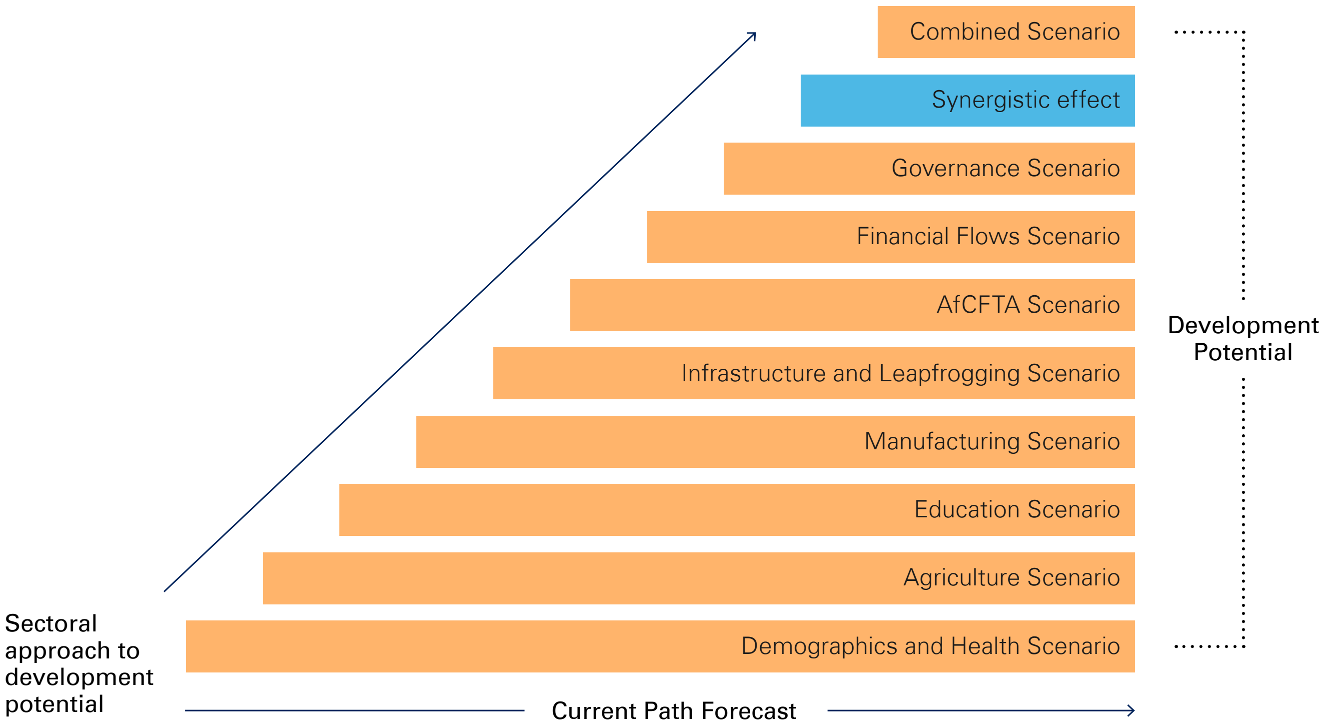
- **Manufacturing**
  Reasonable but ambitious growth in manufacturing is envisaged through increased investment in the sector, research and development (R&D), enhance labour participation rates and improved government regulation of businesses.
- **AfCFTA**
  Represents the impact of fully implementing the AfCFTA by 2034. The scenario increases exports in manufacturing, agriculture, services, ICT, materials and energy exports. It also includes improved multifactor productivity growth from trade and reduced tariffs for all sectors.
- **Large Infrastructure and Leapfrogging**
  Involves ambitious investments in road and renewable energy infrastructure, improved electricity access and accelerated broadband connectivity. It emphasizes adopting modern technologies to enhance government efficiency and incorporates significant investments in major infrastructure projects like rail, ports and airports while highlighting the positive impacts of renewables and information and communication technology (ICT).
- **Financial Flows**
  Represents a reasonable but ambitious increase in inward flows of worker remittances, aid to poor countries and an increase in the stock of foreign direct investment (FDI) and additional portfolio investment inflows. We reduce outward financial flows to emulate a reduction in illicit financial outflows.
- **Governance**
  Better governance consists of stability, capacity and inclusion. It measures a state's progress using the average of these three indices. To this end, it includes an index (0 to 1) for each dimension, with higher scores indicating improved outcomes. The Governance Scenario also includes additional welfare transfers that alleviate extreme poverty and reduce inequality.

The Combined Scenario integrates all eight sectoral scenarios to provide an optimistic (but realistic) view of that country's development ceiling by 2043. The approach is presented in Figure 1.2. This approach:

- Offers a realistic yet ambitious projection of how structural reforms could accelerate development;
- Allows for comparisons between the Current Path (business-as-usual) and transformational development potential;
- Highlights preconditions for sustainable development, such as regional stability, trade facilitation and foreign investment; and
- Explores the costs of instability, showing how governance failures hinder long-term progress.

Figure 1.2

Sectoral approach to development potential



Source: African Futures and Innovation team

All monetary values referenced in these reports are expressed in constant 2017 US$, with GDP per capita in purchasing power parity (PPP) and GDP in market exchange rates (MER).

By applying this macro-level, scenario-based approach, the country reports provide policymakers with a strategic tool for decision-making, helping them visualize the long-term impact of different policy choices and assess realistic pathways for inclusive development.

The following executive summaries provide a focused analysis of Burkina Faso, Guinea, Gabon, Mali and Niger — five countries navigating complex political transitions. Each summary (extracted from the full online reports) explores the current socio-economic landscape, projected development pathways and the impact of sectoral interventions that could drive inclusive growth and resilience.


Credit: UNDP WACA

2.0

Burkina Faso

Background

Burkina Faso is a landlocked country in West Africa, characterized by a dry, tropical climate. Its economy relies on agriculture and mining; particularly gold production. While extreme poverty has declined from 83 percent in 1990 to 27.7 percent in 2023; challenges remain, particularly in rural areas. With a population of 23 million in 2023, Burkina Faso's population is growing at three percent annually, although its total fertility rate of 4.2 births per woman is expected to decline to 2.8 by 2043. With investments in education, healthcare and employment, a demographic dividend could be realized by 2044. Until then, rapid population growth exacerbates pressures on infrastructure, public services and natural resources.

In recent years, security challenges from extremist groups have strained Burkina Faso's development trajectory. The establishment of the Alliance of Sahel States (AES) with Mali and Niger in September 2023 underscores a shift toward different forms of regional security cooperation, now outside of ECOWAS.

Development overview

As a low-income country with an economy primarily reliant on subsistence farming and livestock raising, Burkina Faso faces persistent challenges. These include highly variable rainfall, poor soil quality and inadequate communication networks and infrastructure. The country also depends heavily on mining, particularly gold, which accounts for approximately 16 percent of its GDP and 80 percent of its exports.

The country is classified as having low human development. According to the United Nations Development Programme's Human Development Report 2023/2024, Burkina Faso ranked 185th out of 193 countries on the Human Development Index (HDI). Additionally, it was placed 149th out of 167 countries on the 2024 SDG Index, which assesses performance across the 17 Sustainable Development Goals (SDGs).

The government's recent National Economic and Social Development Plan (PNDES-II, 2021–2025) emphasizes restoring peace, strengthening resilience and promoting structural economic transformation. However, political uncertainty and limited fiscal resources jeopardize progress. Nonetheless, GDP grew sixfold from 1990 to 2023, reaching $18.3 billion, and is expected to rise to $58 billion by 2043. Whereas GDP per capita rose from $1,266 in 2000 to $2,119 in 2023, it will only increase to $2,494 in 2030 and $3,639 by 2043. Despite this income growth, poverty remains pervasive, especially in rural areas where reliance on subsistence agriculture limits income opportunities. Low diversification, weak infrastructure and governance challenges limit Burkina Faso's potential.

Burkina Faso's development outlook hinges on the security situation and the expected impacts of a full ECOWAS withdrawal. These include decreased trade with non-West African Economic and Monetary Union (WAEMU) ECOWAS states, higher investors' risk premiums and increased regional financing costs.

Sectoral interventions and scenarios

To address these challenges, this report analyses Burkina Faso's development prospects along a Current Path (or business-as-usual forecast), eight sectoral scenarios and a combined, high-growth scenario. Each scenario highlights pathways to improve outcomes across critical sectors.

Sectoral scenarios

Demographics and Health

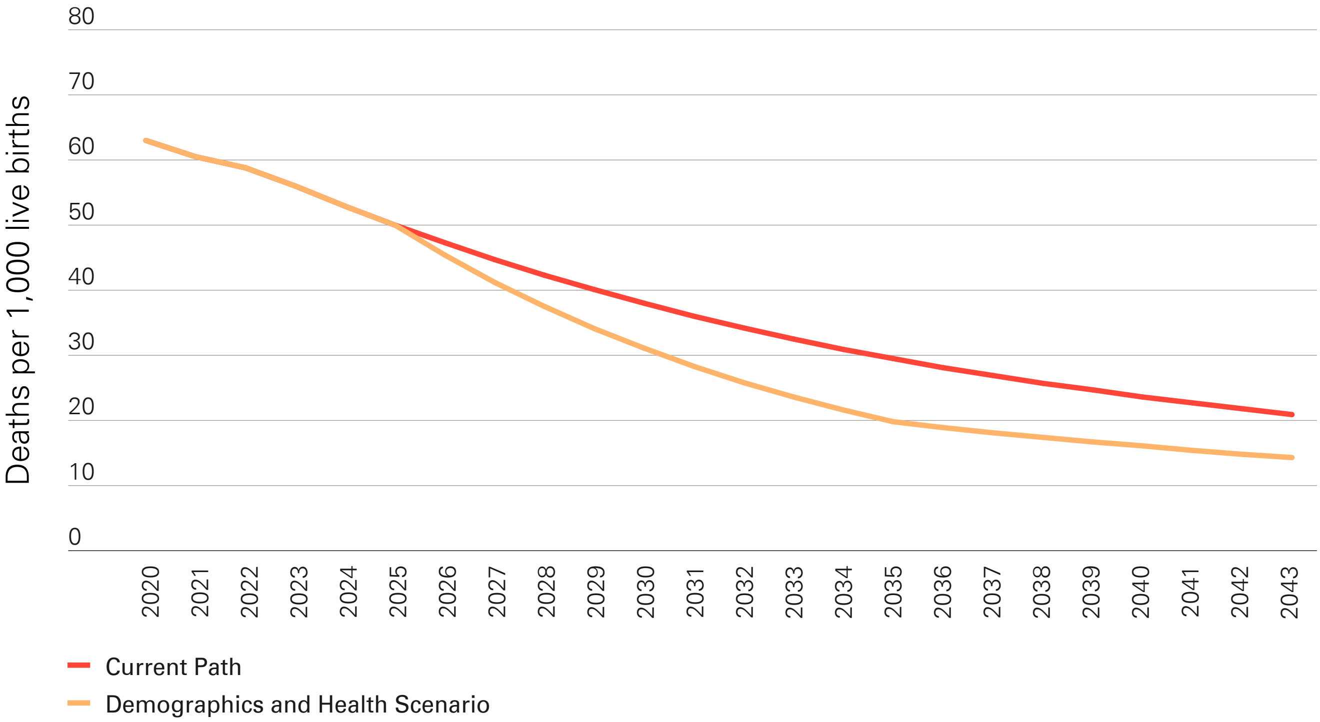
The Demographics and Health Scenario emulates investments in healthcare and water, sanitation and hygiene (WASH) infrastructure that are vital to reducing mortality rates and advancing Burkina Faso's demographic transition. Under the Demographics and Health Scenario, maternal mortality would drop from 232 deaths per 100,000 live births in 2023 to 169 by 2030 and to 97 by 2043, exceeding the Current Path's outcomes. Infant mortality would decline from 56 deaths per 1,000 live births in 2023 to 14 by 2043, below the SDG target of 25.

In the Demographics and Health Scenario, access to piped water would improve from 30 percent in 2023 to 49 percent by 2043, while improved sanitation coverage would rise from 24 to 50 percent, outperforming the Current Path. These advancements would significantly reduce the prevalence of diarrhoeal diseases and malaria, the leading causes of child mortality.

Entering a potential demographic dividend will require lowering fertility rates through expanded family planning initiatives, modern contraception use and community-driven education campaigns.

Figure 2.1

Infant mortality in the Current Path and Demographics and Health Scenario, 2020-2043



Source: IFs 8.34 initializing from UNPD population prospects estimate and WDI population data

Credit: Getty, Gilles Paire

In this scenario, efforts to address child malnutrition will include targeted nutritional programmes and cash transfers for vulnerable households. By 2043, the stunting rate among children under five would decline to 12.3 percent, compared to 18.3 percent in the Current Path. These interventions will enable the working-age population ratio of persons of working age to dependents to reach 1.7 to one by 2038, six years earlier than the Current Path.

Agriculture

Agriculture employs 71 percent of Burkina Faso's population, but remains constrained by climatic shocks, low productivity and limited market access. Under the Agriculture Scenario, average crop yields would increase from 2.2 metric tonnes per hectare in 2023 to 4.1 metric tonnes by 2043, significantly surpassing the Current Path forecast of 2.6 tonnes. This would result in an additional 8.2 million metric tonnes of crop production by 2043, reducing food import dependency from 27.7 percent in the Current Path to just 13 percent. Malnutrition rates would decline to 8.8 percent by 2043, compared to 12 percent in the Current Path, while rural livelihoods would improve through initiatives like Farmer-Managed Natural Regeneration (FMNR).

Investments in transport and storage infrastructure would further bolster food security and market integration, enabling farmers to transition from subsistence to commercial agriculture.

Education

Burkina Faso's education system faces significant challenges, including low literacy rates (43.6 percent in 2023), high dropout rates and gender disparities. In the Education Scenario, mean years of schooling for young adults (15–24 years) will increase from 5.8 years in 2023 to 8.6 years by 2043, compared to 7.8 years in the Current Path. Gross enrolment in lower-secondary, upper-secondary and tertiary education will rise to 70 percent, 43 percent and 16.6 percent, respectively, by 2043. Gender parity in tertiary education would improve from 0.64 in 2023 to 0.94, closing gaps that hinder women's participation in the labour force.

Curriculum reforms would align education with labour market demands, while vocational training and an increased focus on science and engineering will equip students with skills for an evolving economy.

Manufacturing

In the Manufacturing Scenario, the manufacturing sector's contribution to GDP would rise from 9.6 percent in 2023 to 22.4 percent by 2043, exceeding the Current Path's 18.3 percent. Growth would be driven by agro-processing, textiles and construction materials, supported by investments in energy and transportation infrastructure.

Efforts to address high production costs, limited financing and outdated technology would improve the competitiveness of small and medium enterprises (SMEs).

AfCFTA

The African Continental Free Trade Area (AfCFTA) offers Burkina Faso opportunities to expand trade and reduce its trade deficit. In the AfCFTA Scenario, export growth in manufacturing, agriculture and services would increase exports to 44 percent of GDP by 2043, up from 29.5 percent in the Current Path. Improved productivity, reduced tariffs and enhanced regional trade networks would strengthen Burkina Faso's position in regional and global markets, fostering economic growth and resilience.

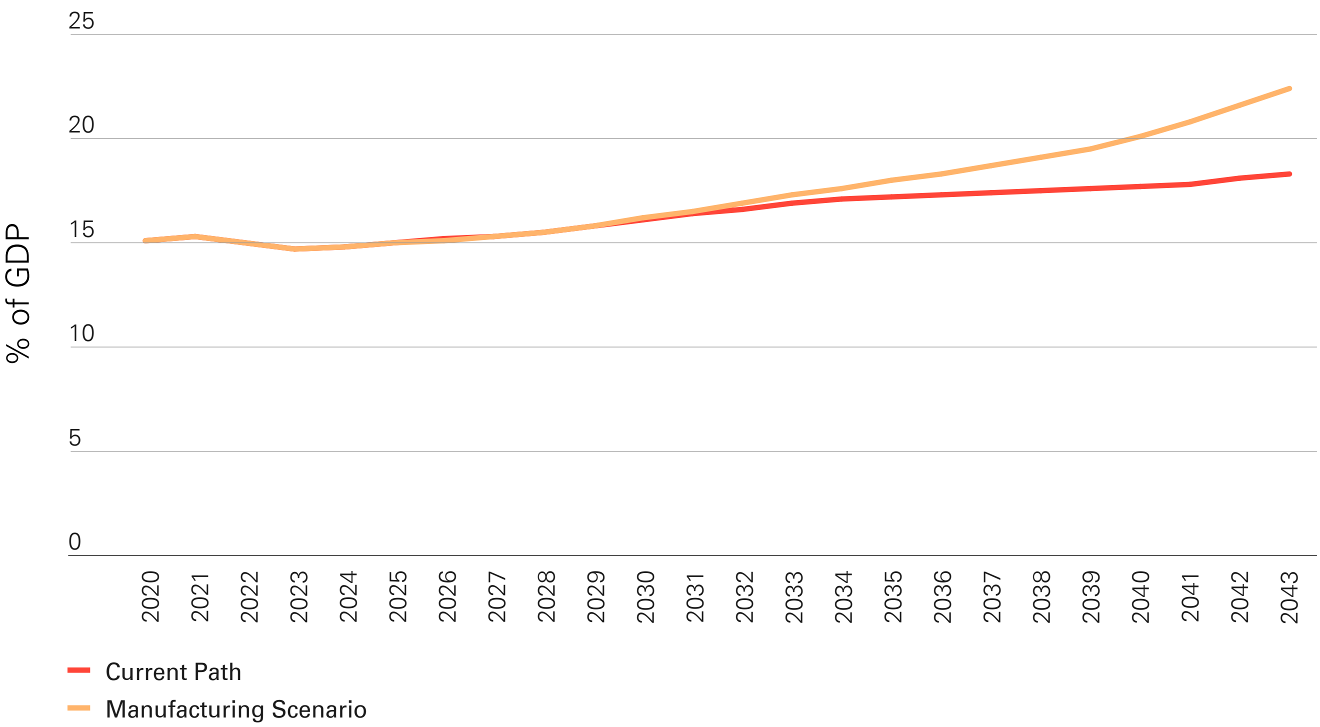
Large Infrastructure and Leapfrogging

In the Large Infrastructure and Leapfrogging Scenario, electricity access would rise from 18.9 percent in 2023 to 74 percent by 2043, with renewable energy playing a central role. The share of paved roads would increase from 26 percent to 58 percent, improving connectivity and reducing transportation costs.

Digital inclusion would expand, with mobile broadband subscriptions reaching 154 per 100 people by 2043. Fixed broadband would grow from 0.07 subscriptions per 100 people in 2023 to 24 by 2043, enabling advancements in education, e-commerce and governance.

Figure 2.2

Manufacturing share of GDP in the Current Path and Manufacturing Scenario, 2020-2043



Source: IFs 8.34 initializing from IMF World Economic Outlook data

Financial Flows

In the Financial Flows Scenario, foreign direct investment (FDI) would increase to 2.8 percent of GDP by 2043, compared to 1.8 percent in the Current Path, while government revenue would increase to 24.7 percent of GDP. Strengthened fiscal management and reduced illicit financial flows would create additional fiscal space for infrastructure and social spending.

Governance

Improved governance is central to Burkina Faso's development. In the Governance Scenario, governance effectiveness would increase to 2.1 on the World Bank index by 2043, above the Current Path's 2.0. Security, capacity and inclusivity scores would all improve, fostering stability and trust in public institutions. Largely as a result of the inclusion of additional social welfare transfers, by 2043, the poverty rate will decline to 6.3 percent, compared to 7.9 percent in the Current Path.

Scenario comparisons and the Combined Scenario

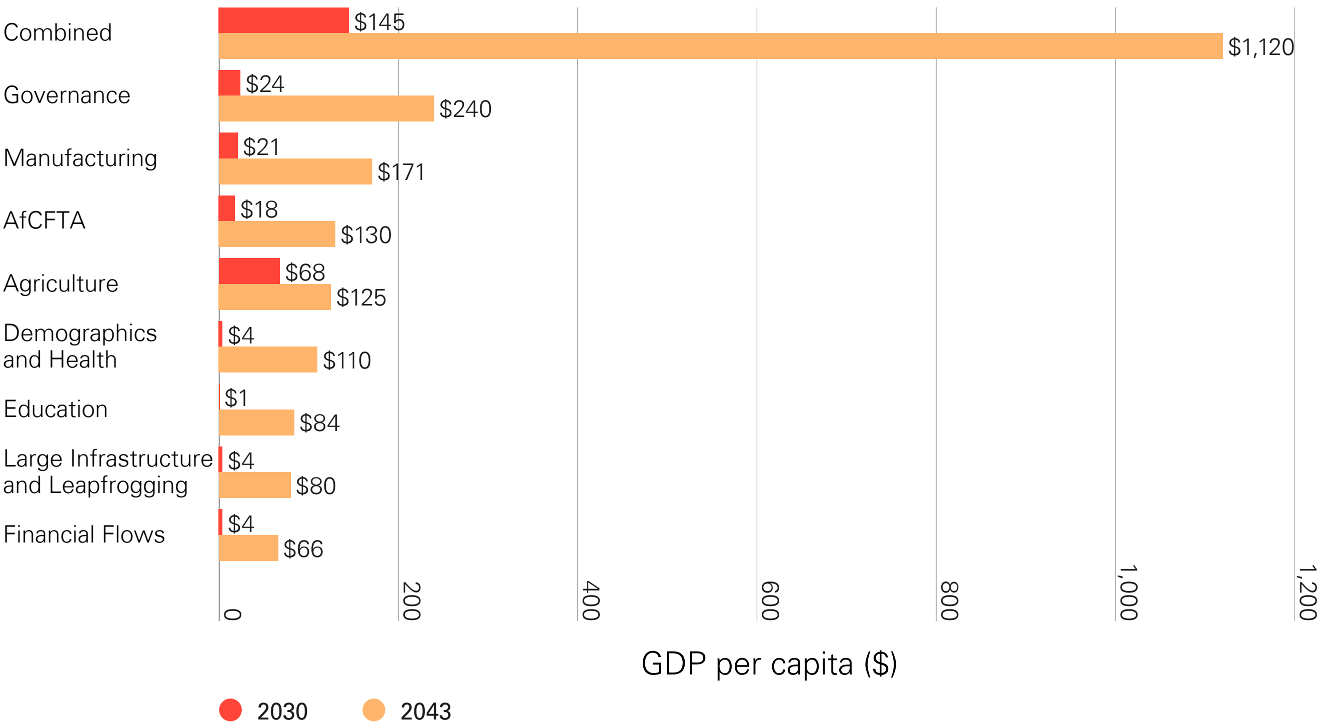
The Combined Scenario integrates all eight sectoral scenarios above.

By 2043, the GDP per capita under the Combined Scenario would be $4, 759, a 25 percent increase compared to the Current Path forecast of $3, 638. This boost reflects accelerated economic diversification, improvements in productivity across key sectors, and expanded access to high-quality education and healthcare. The economy would grow to $82.6 billion, or $24.5 billion larger than the Current Path, with manufacturing, services and renewable energy taking on greater roles in the economic structure.

Extreme poverty in the Combined Scenario would decline significantly, with the percentage of people living below the international poverty line of $2.15 per day dropping to 2.6 percent (1.1 million people) by 2043, compared to 7.9 percent (3.5

Figure 2.3

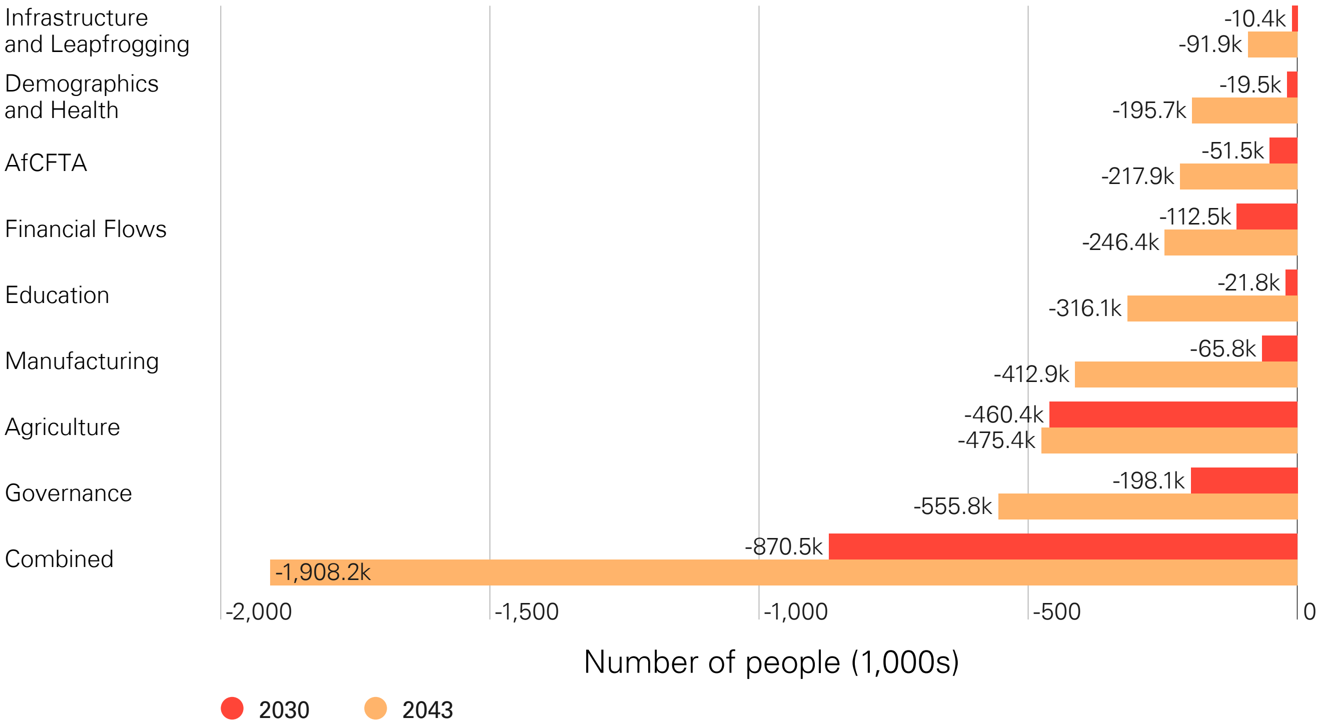
Increase in GDP per capita compared to the Current Path, 2030 and 2043



Source: IFs 8.34 initializing from IMF World Economic Outlook data

Figure 2.4

Decrease in size of the extremely poor population versus the Current Path, 2030 and 2043



Source: IFs 8.34 initializing from UNPD population prospects estimate, WDI and PovcalNet data

million people) in the Current Path. This progress reflects targeted investments in rural development, education and agriculture, which directly improve income levels for vulnerable populations.

Policy recommendations

Burkina Faso faces complex and interlinked challenges, including insecurity, limited economic diversification, low agricultural productivity, poor infrastructure and constrained human capital development. While progress has been made, the country is not on track to achieve most SDGs by 2030. To overcome these barriers and foster inclusive, sustainable growth, the paragraphs below list key policy priorities that must be addressed.

Economic diversification is essential to reduce Burkina Faso's reliance on agriculture and mining. Promoting industrialisation through investments in agro-processing and manufacturing will create formal jobs and stimulate local industries. Supporting small and medium enterprises with financial incentives, capacity-building and market access will drive innovation and growth. Value addition to key exports, such as gold and cotton, can maximize economic returns while reducing vulnerability to external shocks.

Modernizing agriculture is critical for food security and rural development. Access to improved farming techniques, irrigation and essential inputs like seeds and fertilizers will boost productivity. Climate-smart practices, coupled with investments in climate-resilient infrastructure, such as solar-powered irrigation and storage systems, will mitigate the impacts of droughts and unpredictable weather. Improved rural road networks will enhance market access and foster agricultural commercialization, lifting incomes in rural areas.

Infrastructure development remains a key pillar for economic growth. Expanding renewable energy access, particularly in rural areas, can increase electrification while reducing reliance on costly imports. Upgrading transport networks and strengthening ICT infrastructure will facilitate connectivity, reduce costs and open new opportunities for businesses and education. Public-private partnerships can play a vital role in financing large-scale infrastructure projects.

Investing in education and health will strengthen human capital. Improving access to quality education, especially in rural areas, will raise literacy rates and better prepare students for the workforce. Expanding vocational training and focusing on science, technology, engineering and mathematics will align skills with labour market needs. Efforts to reduce gender disparities, including targeted support for girls' education, are vital. Healthcare investments should prioritize rural regions, with improved infrastructure, trained personnel and programmes to combat malnutrition and improve sanitation.

Social inclusion must be at the heart of development strategies. Strengthening social safety nets, such as cash transfers and food security initiatives, will protect vulnerable populations. Empowering women through improved access to credit, training and economic opportunities will promote gender equality and inclusive growth.

Credit: Getty, Vostok

Addressing systemic barriers, like gender-based discrimination, will ensure equitable participation in the economy.

Good governance and institutional reforms are critical for stability and progress. Strengthening public sector efficiency, combating corruption and empowering local governments through decentralisation will improve public service delivery and enhance trust in institutions. Addressing insecurity, particularly in conflict-affected areas, is vital to fostering a stable environment for investment and growth. Enhanced governance will also enable Burkina Faso to attract foreign direct investment and regain donor confidence.

Climate resilience should be a national priority. Investments in early warning systems, sustainable land management and disaster preparedness can reduce vulnerability to extreme weather events. Policies to support climate adaptation in agriculture and water management protect livelihoods and ensure long-term sustainability.

Regional trade and integration through the AfCFTA offer significant opportunities. Expanding market access and fostering collaboration with regional partners will boost exports and reduce trade deficits. Reducing trade barriers and improving competitiveness will allow Burkina Faso to fully leverage its strategic position in regional value chains.

Lastly, international development aid remains crucial for Burkina Faso's stability and growth. Cutting aid during a time of heightened insecurity risks exacerbating poverty and deepening instability. Continued donor support strengthens public services, mitigates economic shocks and prevents extremist groups from exploiting governance gaps. Aid also provides a platform for the international community to encourage constitutional governance and sustainable development.

By implementing these policies, Burkina Faso can build a foundation for sustained growth, reduce poverty and create equitable opportunities for its population. Coordinated efforts across sectors, supported by strong governance and international partnerships, can position the country as a resilient and prosperous nation by 2043.

3.0

Guinea

Background

The Republic of Guinea is a coastal country in West Africa, rich in natural resources, energy potential and arable land. Guinea has substantial deposits of gold, aluminium and iron ore, including the largest reserves of bauxite (aluminium ore) and the largest untapped deposits of high-grade iron ore in the world.

Economic diversification is limited, with agriculture and informal trade constituting large segments of the economy. Agriculture, the largest employer, is critical for poverty reduction and rural development. In addition to this sector, natural resources, processing industries and services are economic assets for Guinea.

Guinea has a young and growing population. However, while the country has made some progress on its human capital development indicators, Guinea is not currently on track to meet most of its SDGs by 2030. Guinea's economy relies heavily on mining, but this sector currently lacks sufficient linkages with the domestic economy. Since achieving independence in 1958, Guinea has alternated between civilian and military rule.

Development overview

In 2023, Guinea transitioned to lower-middle-income status due to increases in its gross national income (GNI) and gross domestic product (GDP) per capita. This reclassification by the World Bank reflects its relatively high rates of economic growth, largely driven by the mining sector. On the Current Path, Guinea's GDP per capita is projected to increase to US$2,988 in 2030 and $3,975 by 2043.

Guinea's GDP reached $14 billion in 2023 with a growth rate of 5.7 percent in that year. However, its growth rate has not been sufficiently inclusive and not accompanied by a structural transformation of the economy. Therefore, achieving inclusive growth requires addressing its structural challenges while promoting equitable economic development. On the Current Path, Guinea's GDP is projected to increase to $19.4 billion in 2030 and $28.4 billion by 2043.

Extreme poverty remains a significant challenge in Guinea. In 2023, about 11.9 percent of the population, equivalent to approximately 1.72 million people, lived on less than $2.15 per person per day. On the Current Path, the rate is expected to continue increasing until 2027, reaching 13.7 percent. Thereafter, Guinea's poverty rate is expected to gradually decrease, falling to 12.7 percent by 2030. By 2043, the poverty rate is expected to have declined to approximately 2.9 percent.

The country's population has been growing at 2.5 percent annually since 2008. On the Current Path, it is projected to grow to 17.2 million by 2030 and 22.7 million by 2043. Fertility rates have declined from 6.5 births per woman in the 1980s to 4.2 in 2023. On the Current Path, the rate is projected to decline further to 3.9 by 2030 and 3.1 by 2043. Infant and maternal mortality rates have also significantly improved, with infant mortality decreasing from 65.2 deaths per 1,000 live births in 2014 to 50.9 in 2023 and are forecast to drop to 30 by 2030 and 25.2 by 2043. Maternal mortality, at 502 in 2023, is projected to reach 412 by 2030 and 236.8 by 2043.

Life expectancy has risen from 55 years in the early 2000s to 63 years in 2023, with projections of 66 years by 2030 and 70.5 years by 2043 on the Current Path. Guinea's youthful population, with a median age of 19.1 years in 2023 and 41.1 percent of its population under 15 years, presents both opportunities and challenges, including high dependency ratios and pressure on resources.

If the workforce is skilled and employed, a working-age population-to-dependent ratio of 1.7 or higher can drive rapid growth, known as the demographic dividend. Guinea had a ratio of 1.2 working-age individuals for every dependent in 2023. On the Current Path, the country would, however, only enter a potential demographic window of opportunity in 2047.

The youth bulge, at 49.2 percent in 2023, is expected to gradually decrease to 46.6 percent by 2030 and 41.9 percent by 2043. This large youth population highlights the need for investments in education, healthcare and job creation to harness their potential while mitigating risks of socio-political instability.

Sectoral interventions and scenarios

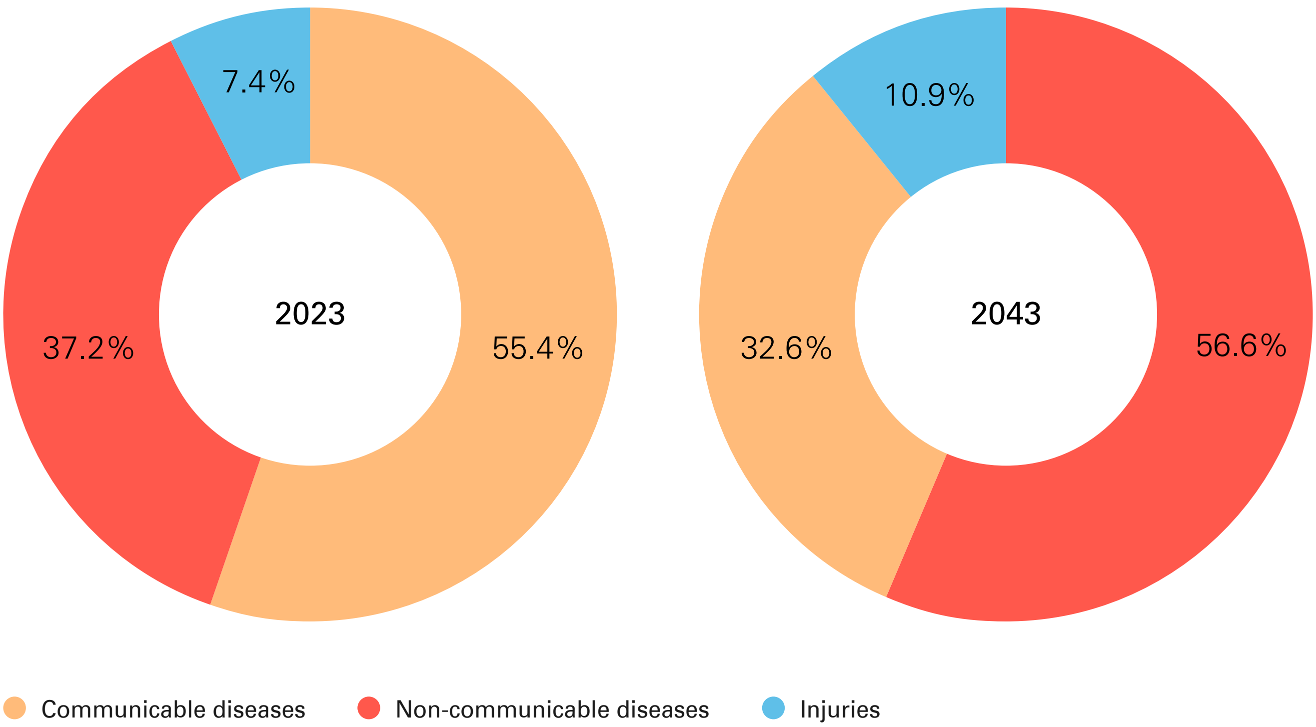
To address these challenges, the report analyses Guinea's development prospects along a Current Path, eight sectoral scenarios and a combined, high-growth scenario. Each scenario highlights pathways to improve outcomes across critical sectors.

Sectoral scenarios

Demographics and Health
Guinea faces significant health and demographic challenges due to weak healthcare infrastructure and socio-economic conditions, as outlined in the National Health

Figure 3.1

Mortality distribution between three main International Classification of Diseases categories, 2023 versus 2043



Source: International Futures 8.34 initializing from Institute for Health Metrics and Evaluation data

Credit: UNDP WACA

Development Plan 2015-2024. In 2023, 32.1 percent of the population lacked access to safely managed water and only 13.7 percent had access to safely managed sanitation. By 2030, these figures are expected to rise modestly to 34.9 percent and 18.9 percent, respectively, far below the SDG targets.

Child stunting rates decreased from 32.4 percent in 2016 to 29.2 percent in 2023. On the Current Path, Guinea's stunting rate is projected to reach 24.7 percent by 2030 (on track to meet the SDG target) and further reduce to 17.5 percent by 2043. Infant mortality declined to 50.9 deaths per 1,000 live births in 2023, with projections on the Current Path of 40 deaths by 2030 and 25 by 2043, missing the SDG target.

Implementing the proposed Demographics and Health Scenario would accelerate progress, reducing infant mortality to 33.8 deaths by 2030 and 18.3 by 2043. This scenario also supports Guinea's demographic transition, with the working-age population-to-dependents ratio forecast to reach the 1.7 threshold for a potential demographic dividend by 2043 instead of 2047. Realizing this potential requires investment in skills development and economic integration for the growing labour force.

Agriculture

Agriculture is vital to Guinea's economy, supporting food security, poverty reduction, employment and rural development. The sector provided employment for 52 percent of the labour force, income for 57 percent of rural households and accounted for 27.3 percent of the country's GDP in 2022. In 2023, Guinea's agricultural crop yield was 3.6 tonnes per hectare, a 29.4 percent improvement from 2.8 tonnes in 2016. Crop production reached 13.4 million metric tonnes, falling short of the 15.3 million metric tonne demand, creating a 1.9 million metric tonne deficit. By 2030, yields are expected to increase to 4 tonnes per hectare and 4.7 tonnes by 2043, with production rising to 15.9 million metric tonnes by 2030 and 19.9 million by 2043. However, demand is expected to outpace supply, leading to deficits of 2.8 million metric tonnes by 2030 and 5.5 million metric tonnes by 2043, increasing import dependency from 14.6 percent in 2023 to 22.8 percent by 2043.

The Agriculture Scenario would increase crop yield to 4.5 tonnes per hectare by 2030 and 5.9 tonnes by 2043. Import dependency would decrease significantly, dropping to 13.6 percent by 2030 and just 1.4 percent by 2043.

Education

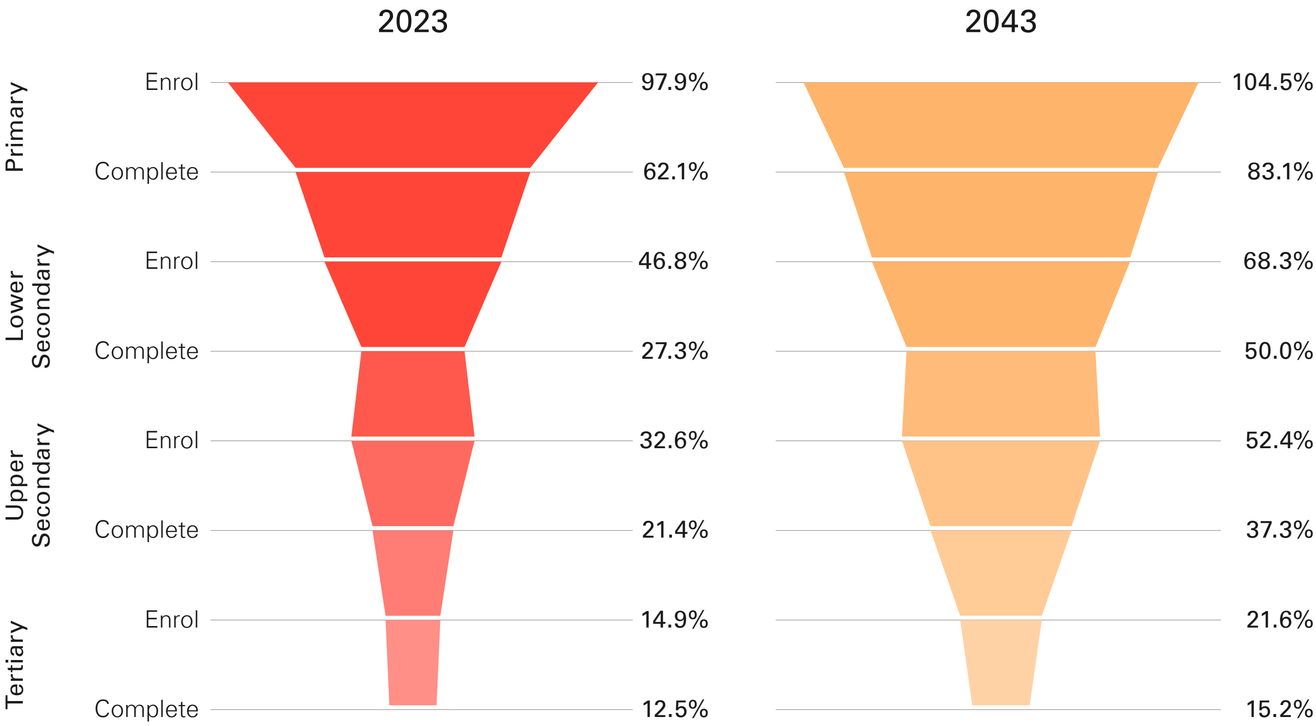
The age structure of Guinea's population, with a high proportion of youth, highlights the critical need for significant investments in quality education to drive economic growth and reduce poverty. Despite free and compulsory primary education, learning poverty remains a severe challenge, with 83 percent of children unable to read and comprehend age-appropriate texts by age ten. Factors such as out-of-school children, low enrolment and poor quality of education exacerbate the crisis. In 2023, primary net enrolment was 80.9 percent, below the average for African lower-middle-income countries. The Current Path shows limited improvement: by 2030, net primary enrolment is projected to reach 85.5 percent, rising to 90.6 percent by 2043 but still falling short of the SDG target. Secondary education is projected to fare worse, with gross enrolment rates in 2023 at 46.8 percent for lower secondary and 32.6 percent for upper secondary education.

The forecast indicates gradual increases, but with gender disparities remaining. In 2023, Guinea's adult population (15-24 years) had an average of only five years of education, among the lowest globally.

On the Current Path, average years of education are projected to improve to 6.5 years by 2030 and 7.5 years by 2043. The Education Scenario will boost it to 6.6 years by 2030 and 8.2 years by 2043, closing gender gaps. This scenario promotes higher proportions of science and engineering graduates, improving human capital for economic growth.

Figure 3.2

Education funnel in the Current Path, 2023 and 2043



Source: IFs 8.34 initializing from Barro-Lee data

Manufacturing

Guinea's manufacturing sector is underdeveloped, contributing only a small portion to GDP despite the country's abundance of natural resources. The sector is dominated by small-scale industries focused on agro-processing, resource-based and light manufacturing, with limited competitiveness regionally and globally. In 2023, manufacturing accounted for just 11.7 percent of GDP. The sector's contribution to GDP has shown a gradual decline, dropping from 12.7 percent in 2008 to 12.1 percent in 2015. In terms of employment, the sector represents a small portion of the workforce, with its share decreasing from 3 percent in 2009 to 2.5 percent of total employment in 2019.

The Current Path shows modest growth, with manufacturing's share of GDP expected to rise to 13.9 percent by 2030 and 14.5 percent by 2043. The Manufacturing Scenario suggests that targeted interventions could boost the economy significantly, increasing the size of the economy by 14 percent (to $2.8 billion) in 2030 and by 17.1 percent (to $7 billion) in 2043. To achieve sustainable economic growth, the scenario argues that Guinea must prioritize developing a more competitive and diversified manufacturing sector.

AfCFTA

Guinea is an open economy. However, its economy is highly vulnerable to fluctuations in global commodity prices due to its heavy reliance on primary and commodity exports. In 2022, exports accounted for 43.7 percent of GDP (approximately $5.8 billion), with gold and aluminium ore constituting 95 percent of total exports, while the top five commodities accounted for 97 percent. The country ranked as the world's largest exporter of aluminium ore in 2022. This heavy dependence on a narrow range of volatile commodities poses risks to sustainable economic growth and exposes the economy to external shocks.

It is crucial for Guinea to develop an industrial strategy that balances domestic and external markets by diversifying the economy while ensuring the basic needs of its population are met. Resource-rich countries like Guinea often face the risk of becoming overly reliant on the production and export of a limited range of primary goods. The diversification of its exports would be a crucial driver of economic development.

Guinea's trade balance is structurally in deficit — a trend that is likely to persist over the forecast horizon. The AfCFTA Scenario offers potential benefits, increasing Guinea's exports by $0.5 billion by 2030 and $4 billion by 2043. However, this scenario widens the trade deficit, as imports outpace exports. To leverage opportunities from AfCFTA and achieve economic stability, Guinea must implement policies to ease trade barriers, reduce bureaucracy and promote industrial and export diversification. Guinea should leverage importing advanced industrial machinery under AfCFTA to enhance beneficiation and productivity.

Large Infrastructure and Leapfrogging

Political instability, corruption and governance challenges have disrupted infrastructure projects in Guinea, as many were dependent on international financing and partnerships that were paused or withdrawn, e.g., the Simandou iron-ore project. The Simandou iron-ore project, which has been decades in the making and set to become one of the world's largest and highest-grade iron ore mines, has faced delays due to two coups, legal disputes, corruption allegations and government-mandated modifications. One of the significant aspects of the project is the construction of a 600-kilometre railway to transport iron ore from the mines to a newly developed port on Guinea's Atlantic coast.

In 2024, Guinea ranked 33rd out of 54 African countries on the African Infrastructure Development Index. Guinea faces significant infrastructure deficits, including poor roads, limited transportation systems, inadequate electricity, insufficient water and sanitation facilities and limited internet and mobile communication. These challenges hinder trade, discourage investment, reduce global competitiveness and slow economic growth and poverty reduction. Road infrastructure is particularly underdeveloped, with only eight percent of roads paved in 2023. Rural areas are most affected, with only 17 percent of the rural population having access to all-season roads within two kilometres, isolating over 60 percent of the population and limiting their economic participation. Additionally, Guinea's rail network is primarily focused on the mining sector, with minimal support for passenger or general freight transport. Addressing these infrastructure gaps is critical to unlocking Guinea's economic potential and improving social well-being.

In 2023, only 46 percent of the total population had access to grid electricity, with that percent being 20.6 in rural areas. On the Current Path, national access is projected increase to 52.7 percent by 2030 and 64.4 percent by 2043, with rural access reaching 27 percent and 45 percent, respectively. While fixed broadband offers faster internet speeds and more secure connections, fixed broadband penetration remains extremely low in Guinea at 0.07 subscriptions per 100 people in 2023, far below the 2.6 average for lower-middle-income African countries. In contrast, mobile broadband is expected to grow rapidly, with subscriptions rising from 74.2 per 100 people by 2030 to 143.5 by 2043. In the Large Infrastructure and Leapfrogging Scenario, these figures would improve slightly to 89 by 2030 and to 151.3 by 2043.

Financial Flows

Guinea attracts limited international capital flows due to its political instability and governance challenges. Much of the capital inflows are concentrated in the mining sector and do not extend to improve economic development. In 2023, FDI net inflows in Guinea were 3.9 percent of GDP, down from 5.6 percent in 2017. On the Current Path, FDI inflows are projected to increase to 4 percent by 2030 and 4.3 percent by 2043. In the Financial Flows Scenario, FDI would increase to 5 percent by 2030 and 5.3 percent by 2043. However, this optimistic forecast relies heavily on achieving enhanced political stability and substantial improvements in security.

With limited finances and FDI focused on mining, foreign aid is crucial for sustaining key infrastructure challenges in health and education facilities. Foreign aid represented 4.1 percent of GDP in 2023. On the Current Path, foreign aid is expected to decline to 3.8 percent of GDP by 2030 and 2.7 percent by 2043, although absolute amounts would rise to $733 million in 2030 and $1 billion by 2043. In the Financial Flow. Scenario, foreign aid would reach $788 million (4 percent of GDP) by 2030 and $1.2 billion (3 percent of GDP) by 2043.

A separate scenario modelled in this study reveals that without foreign aid, an additional 53,100 Guineans could fall into extreme poverty by 2030 (with nearly 20,000 more by 2043), further undermining the country's progress toward achieving the SDG poverty target. Moreover, Guinea's GDP per capita is projected to decrease by US$11.25 in 2030 and by US$14.81 in 2043 in the absence of foreign aid.

Governance

There is evidence that governance has become less inclusive in Guinea since 2021. Guinea's inclusion index score dropped from 0.48 in 2020 to 0.36 in 2023. The 2023 Ibrahim Index of African Governance (IIAG) report ranked Guinea 42nd out of 54 African countries, with an overall governance score of 41.9 out of 100. This falls below both the African average of 49.3 and the West African regional average of 52.6Military spending increased from 1.4 percent of GDP in 2020 to 2 percent in 2022, above regional averages. On the IFF index, country performs better on security than on the other two dimensions of governance.

Governance challenges are further exacerbated by limited administrative capacity, centralized decision-making, low revenue and structural challenges such as poverty, ethnic diversity, climate change and civil conflicts. In terms of government effectiveness, Guinea scored 1.4 out of 5 in 2023, down from 1.9 in 2019, lagging behind comparable lower-middle-income African countries. On the Current Path, Guinea's governance effectiveness score is projected to improve modestly to 1.6 by 2030 and 1.9 by 2043 while itsgovernance index (capacity, inclusion and security) is expected to improve modestly from 0.39 in 2023 to 0.41 by 2030 and 0.46 by 2043. In the Governance Scenario, the index would increase significantly to 0.41 by 2030 and

0.48 by 2043, representing a 3.1 percent and 4.5 percent improvement over the Current Path, respectively.

Scenario comparisons and the Combined Scenario

The integrated development push across all the above sectors (the Combined Scenario) offers the most substantial improvements for Guinea. By 2030, GDP per capita would be 4.7 percent higher than the Current Path, translating to an additional $139 per person. By 2043, this increase would reach 29.4 percent, equivalent to $321 per person.

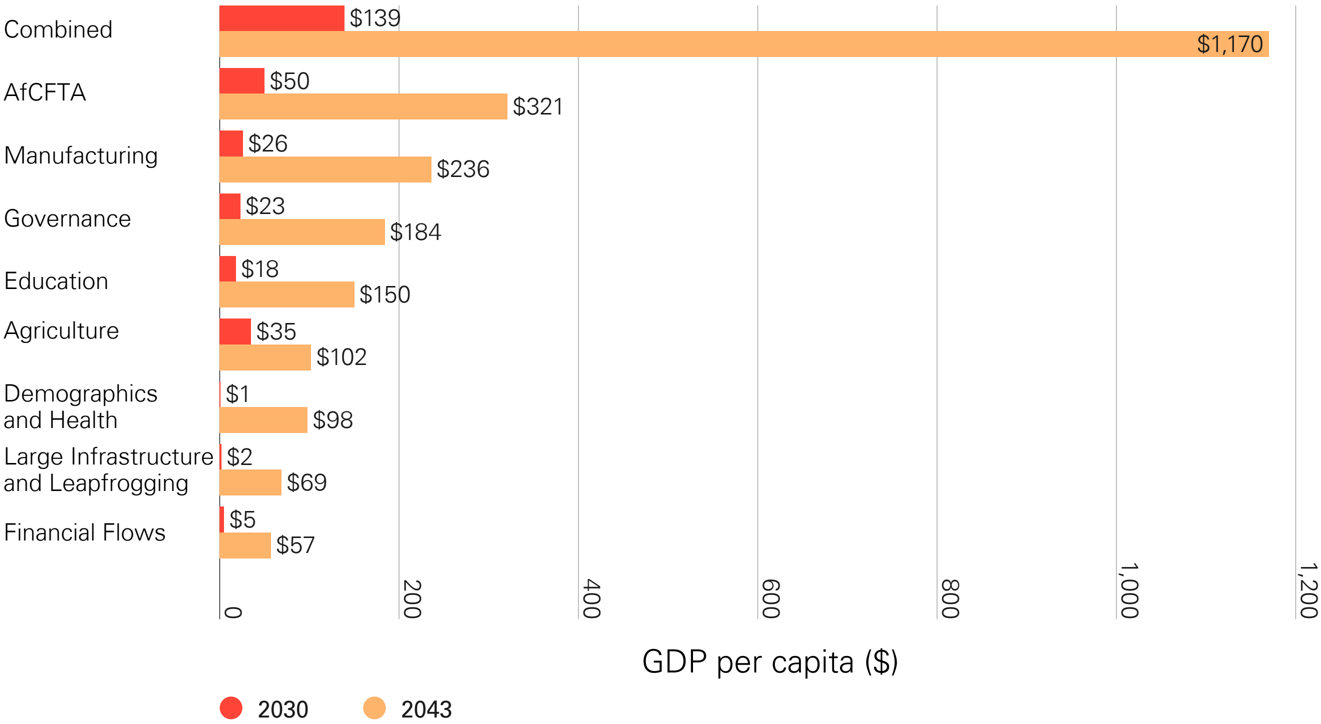
Economic growth would accelerate, with an average annual growth rate of 6.2 percent (2026-2030) compared to 4.8 percent on the Current Path. Over the long term (2026-2043), growth would average 7.3 percent, significantly higher than 5.3 percent on the Current Path. Guinea's total GDP would be $1.4 billion larger by 2030 and $16.6 billion larger by 2043 compared to the Current Path.

However, economic growth would come with higher carbon emissions, increasing by three million tonnes by 2030 and 5.9 million tonnes by 2043.

The Combined Scenario would also lead to a sharp reduction in extreme poverty, which would decline to 11.3 percent by 2030, lifting 241,142 people out of extreme poverty. By 2043, extreme poverty would be eradicated at 0.1 percent, equivalent to 572,589 fewer people living in poverty relative to the Current Path.

Figure 3.3

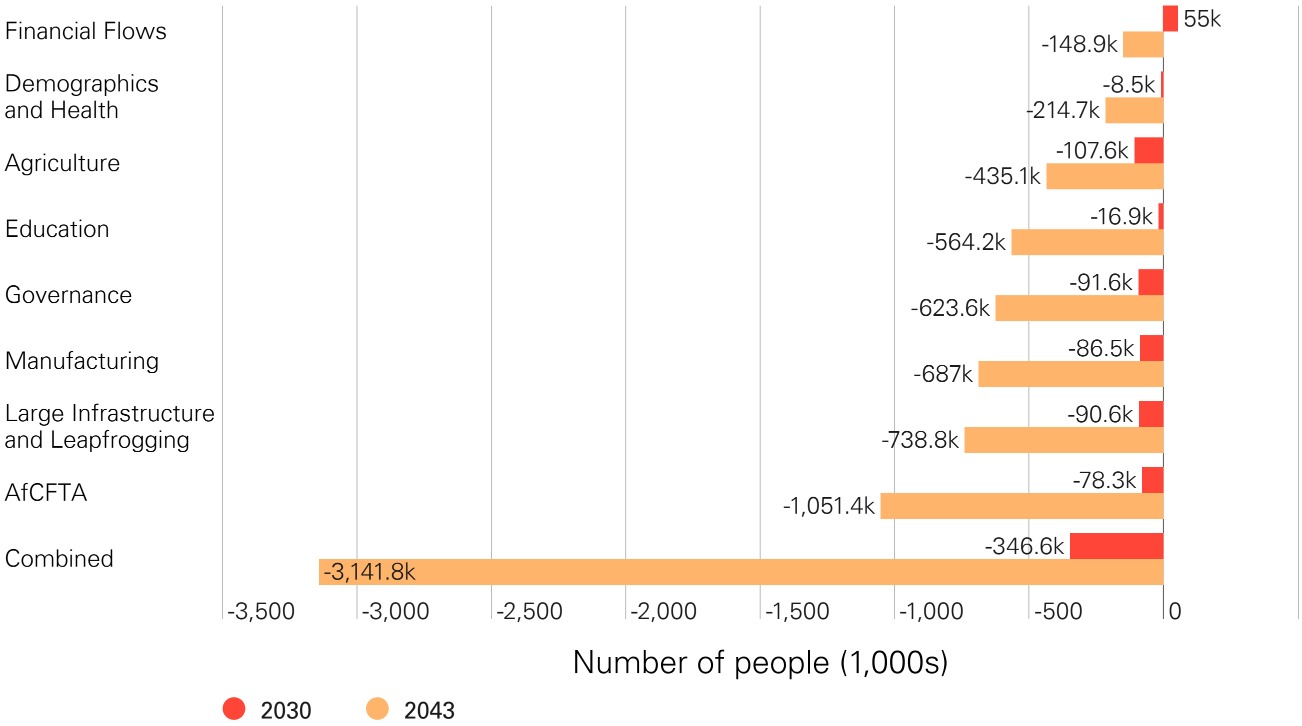
Increase in GDP per capita compared to the Current Path, 2030 and 2043



Source: International Futures 8.34 initializing from IMF World Economic Outlook data

Figure 3.4

Decrease in size of the extremely poor population versus the Current Path, 2030 and 2043



Source: IFs 8.34 initializing from UNDP population prospects estimate, WDI and PovcalNet data

Policy recommendations

The study recommends ambitious yet feasible policy interventions across all sectors and highlights the importance of inclusive governance. Overall, the study emphasizes the need for comprehensive economic policy reforms and strategic investments to achieve meaningful growth. By addressing governance issues, enhancing infrastructure, improving agricultural productivity and diversifying the economy, Guinea can pursue a pathway towards inclusive and sustainable development.

The government should prioritize policies that enhance transparency, accountability, inclusivity, institutional efficiency and adherence to the rule of law. Strengthening and empowering anti-corruption agencies to investigate and prosecute corruption is crucial for achieving these objectives.

Guinea's economy relies heavily on mining, but weak links to other sectors limit job creation and poverty reduction. Promoting downstream beneficiation in the mining sectorthrough mining processing and industrialization could boost broader economic benefits. As noted earlier, Guinea derives most of its export revenues from mining and its top five exports are primary or commodity products, and these exports are characterized by highly volatile prices and lack both technological dynamism and local economic linkages. It is, therefore, crucial for the country to develop and invest in an industrial strategy that makes linkages between the domestic and the external market by diversifying its economy away from primary and commodities products.

Guinea must develop productive capacities and explore new sectors to reduce its reliance on a narrow range of activities and a limited set of commodities. It needs to maximize the opportunities under AfCFTA to expand market access and to import advanced industrial machinery to enhance downstream beneficiation (or value addition) and productivity.

Credit: UNDP WACA

The government of Guinea must investment in technologies that enhance productivity and provide farmers with access to high-yield, disease- and drought-resistant seeds, fertilizers and credit guarantees. Support is needed for research and development efforts to build resilience and boost agricultural productivity. Strengthening the transport infrastructure network, particularly in and with rural areas, by developing reliable, all-weather roads to facilitate agricultural production and commercialization is critical. Not only roads should be upgraded, but also railways and other networks to better connect rural areas with urban markets and reduce transportation costs. With such a large rural population, prioritizing rural transport infrastructures would generate significant economic benefits, including higher rural incomes, increased agricultural productivity and greater economic participation.

In addition to transport infrastructure, Guinea should address all categories of infrastructure deficits that undermine regional value chains and private sector development in the country. Expanding energy access should be prioritized by increasing electrification, particularly in rural areas, preferably through investments in renewable energy sources like solar, which provide affordable and reliable power.

An abundant supply of skilled labour at a reasonable cost could serve as a key driver for attracting FDI and promoting industrialization in Guinea in the coming years. To achieve this, the quality of education, healthcare and water and sanitation services must be significantly enhanced. The education curriculum should be reviewed in collaboration with the private sector and industry stakeholders to align it with labour market demands. Furthermore, efforts should be made to close the educational gender disparities to achieve sustainable development and meet global education goals.

4.0

Gabon

Background

The Gabonese Republic is an upper-middle-income country on the west coast of Central Africa with abundant petroleum resources. It borders Equatorial Guinea to the northwest, Cameroon to the north, the Republic of the Congo to the east and south and the Gulf of Guinea to the west. Despite Gabon's upper-middle-income status, the country faces many development challenges, with about a third of its population living in absolute poverty.

Since independence from France in 1960, Gabon's development was hindered by decades of centralized rule under the Bongo family, exclusionary governance and over-reliance on oil exports. In August 2023, a military coup ousted incumbent president Ali Bongo. Elections are scheduled for 12 April 2025.

The large discrepancy between Gabon's economic potential and its progress in human development is the result of decades of poor governance and the lack of economic diversification and inclusive growth. The transition government's National Development Plan for the Transition (PNDT) 2024–2026 proposes to address Gabon's structural challenges through five pillars: political and institutional reforms; infrastructure development; economic diversification; human capital development and environmental sustainability. In 2023, the country's poverty rate of 31.3 percent was significantly higher than the average for its global income peer group, although 8.4 percentage points below the average of its African income peers. On the Current Path, poverty is projected to decline to 11.8 percent by 2043.

Development overview

Gabon's economy is heavily reliant on oil, which accounts for a significant share of GDP and government revenue. Between 1990 and 2023, GDP almost doubled from US$8.3 billion to $16.4 billion, with an expected increase to $28.5 billion by 2043. However, this optimistic trajectory hinges on the ability to successfully manage the country's political transition, establish sound macroeconomic management and promote economic diversification. The latter remains limited, with manufacturing and agriculture contributing only 15 percent and 6.7 percent of GDP, respectively, in 2023.

Gabon's key industries, besides petroleum, are minerals (mostly manganese) and timber processing, with the industry expanding into the manufacturing of furniture and plywood products. By 2043, manufacturing is projected to account for 18 percent of GDP. The country's industry faces a series of obstacles, including limited infrastructure, in particular transport networks, energy and port facilities, which limits local value addition. Moreover, Gabon's industrial sector lacks competitiveness due to high energy costs and low productivity. Access to finance for local small- and medium-sized enterprises is a challenge.

Gabon has significant agricultural potential, but the agricultural sector remains underdeveloped and productivity is severely limited. This is a result of the economy's over-reliance on oil as well as other factors, including the land tenure system, the infrastructure deficit, etc. The country has more than five million hectares of arable land, of which less than 10 percent is being used for agricultural production, mostly subsistence farming. In 2023, the agricultural sector accounted for 6.7 percent of Gabon's GDP, but its contribution is expected to decline to 4.8 percent by 2043.

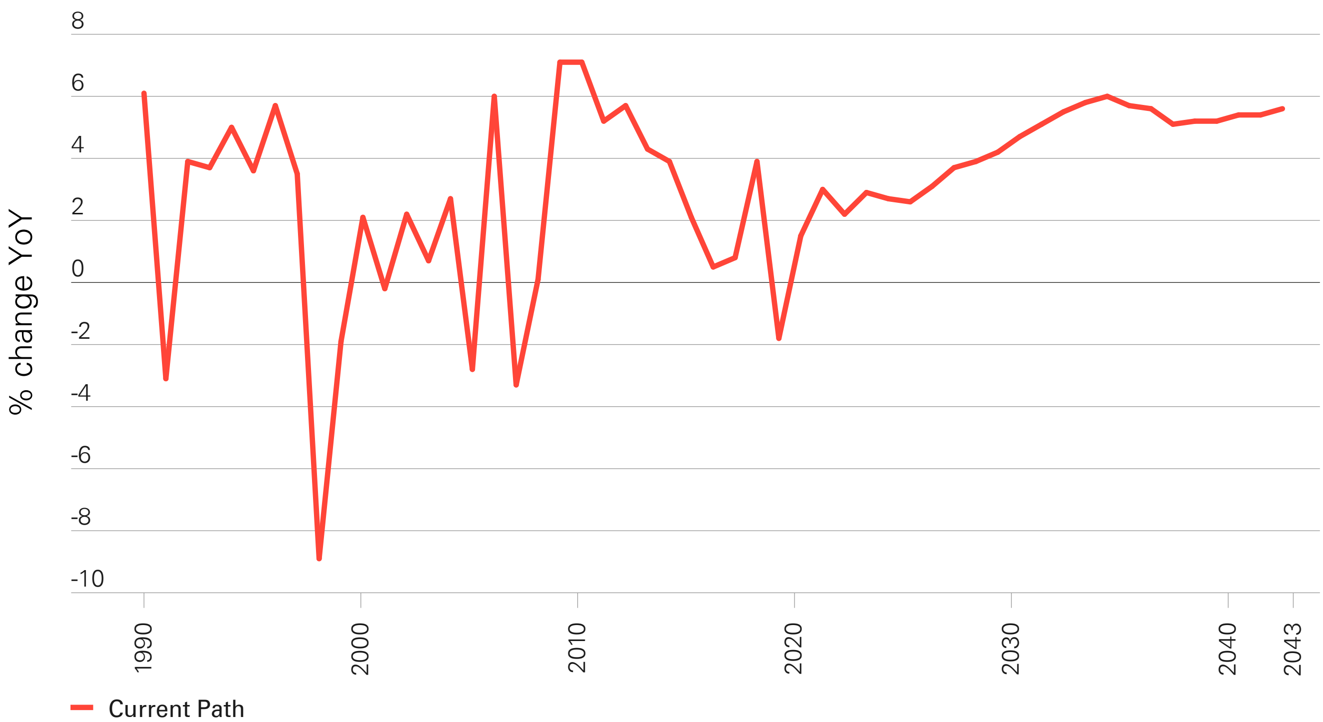
In the Current Path, crop yields are expected to increase by 25 percent to 2.3 million metric tonnes per hectare in 2043, up from 1.8 million metric tonnes per hectare in 2023. However, crop production, which was 2.4 million metric tonnes per hectare in 2023, is being outpaced by domestic demand. Under the Current Path, the gap of almost 0.6 million metric tonnes observed in 2023 would widen to 1.6 million metric tonnes by 2043 and make Gabon more dependent on food imports.

The AfCFTA presents Gabon with an opportunity to enhance trade, diversify its economy and mitigate its dependence on oil exports. In 2023, Gabon maintained a trade surplus, with exports valued at $6.8 billion (41.3 percent of GDP) and imports at $4.9 billion (30.5 percent of GDP). However, this surplus is expected to decline due to resource depletion around 2040 and the global transition away from fossil fuels.

Population growth in Gabon is high, at about 2.3 percent a year. In 2023, the population was estimated at 2.5 million people, and is expected to reach about 3.7 million by 2043 in the Current Path. The combination of high fertility and life expectancy means that Gabon's age structure is maturing slowly. In the Current Path, the country will reach replacement level fertility of 2.1 births per woman only by around 2068. In 2043, the average life expectancy in Gabon is projected to be 71.7 years, up from 68.4 years in 2023 and 2.5 years below the expected average of 74.2 years for Africa's upper-middle-income economies in 2043.

Figure 4.1

GDP annual growth rate in the Current Path, 1990-2043



Source: IFs 8.34 initializing from IMF World Economic Outlook data

The country's epidemiological transition is characterized by a rapidly growing burden of non-communicable diseases alongside a persistently heavy infectious or communicable disease burden. Non-communicable diseases have replaced communicable diseases as the leading cause of death, with cardiovascular diseases being particularly widespread and deadly. Malaria is the leading cause of death among infectious diseases. Gabon has, however, made progress when it comes to universal health coverage and significantly improved its child survival rates between 1990 and 2023. The respective SDG targets are reachable within the next 20 years. Improved sanitation remains a challenge, with only 51.1 percent of the population having access in 2023, well below the upper-middle-income African average of 81.2 percent. Investments in sanitation infrastructure are hence crucial for improving overall health outcomes.

With 90 percent of the population living in urban areas, Gabon is Africa's most urbanized country. Nonetheless, urbanization has not translated into tangible improvements in the standard of living of most Gabonese. Two key reasons for this outcome are that the urban economy has not created sufficient jobs and that growth largely occurred in sectors with little connection to the poor, such as oil production.

Sectoral interventions and scenarios

To address these challenges, the report analyzes Gabon's development prospects along a Current Path (or business-as-usual forecast), eight sectoral scenarios and a combined, high-growth, scenario. Each scenario highlights pathways to improve outcomes across critical sectors.

Sectoral scenarios

Demographics and Health

The Demographics and Health Scenario would accelerate the demographic transition by reducing average total fertility to 2.5 births per woman in 2043, enabling Gabon to enter the demographic window of opportunity about 15 years earlier than in the Current Path. This shift presents an opportunity for increased labour force participation, driving economic growth.

Moreover, in this scenario, health outcomes would improve significantly. Infant mortality would drop by 40 percent to 13 deaths per 1, 000 live births by 2043, compared to 19.7 in the Current Path. Life expectancy would increase to 73.6 years, outperforming the Current Path's 71.7 years.

In 2023, non-communicable-related deaths were nearly twice as high as those from communicable diseases. This trend is expected to continue in the Current Path, putting the health system under additional stress and requiring increased spending as non-communicable diseases are typically more expensive to treat than communicable diseases.

Curbing the rise in non-communicable diseases requires addressing several different risk factors. Tackling negative changes in lifestyles linked to urbanization, such as unhealthy dietary habits, reduced physical activity and increased tobacco consumption, would be required to help boost productivity and prevent ongoing long-term treatment and care. Strengthening Gabon's public health system and expanding preventive care would be key to sustaining long-term progress.

Agriculture

In the Agriculture Scenario, the value added by the agricultural sector would account for 5.6 percent of GDP in 2043 compared to 4.8 percent in the Current Path. The interventions under this scenario would push crop production to 2.7 million metric tonnes, 0.4 million metric tonnes above the expected production level in the Current Path. This would narrow the gap between production and demand, fueled by population growth, and help avoid excessive food import dependence.

In the Agriculture Scenario, in 2043, production would fall 1.2 million metric tonnes short of demand compared to a 1.6 million metric tonne shortfall in the Current Path. In 2023, imports represented 28.6 percent of agricultural demand. With increased agricultural production, the Agriculture Scenario would achieve a reduction in import dependence by 25 percent. By 2043, imports would account for 35 percent of agricultural demand compared to 46.7 percent in the Current Path.

Education

The interventions in the Education Scenario would improve human capital outcomes in Gabon as a key driver of economic growth and productivity. Given the relatively high baseline, the impact on mean years of education is modest yet important. In this scenario, mean years of education would increase by one year from 11.6 years in 2023 to 12.6, 0.7 years more than in the Current Path. The share of science and engineering students among tertiary graduates would increase from 20.8 percent in 2023 to 25.3 percent in 2043, compared to the Current Path of 20.3 percent.

Moreover, the Education Scenario helps narrow the gender gap at the tertiary education level by bringing the female/male student ratio down to 1.3 in 2043 compared to the Current Path ratio of 2.5 female students per male student. This means that by 2043, male tertiary enrollment would reach 51.1 percent and female enrollment would be 66.5 percent versus the projected 19.2 percent and 47.6 percent, respectively, on the Current Path. On the upper-secondary level, the gender gap would practically be closed with enrolment rates of female and male students reaching 119.3 percent and 122.2 percent, respectively.

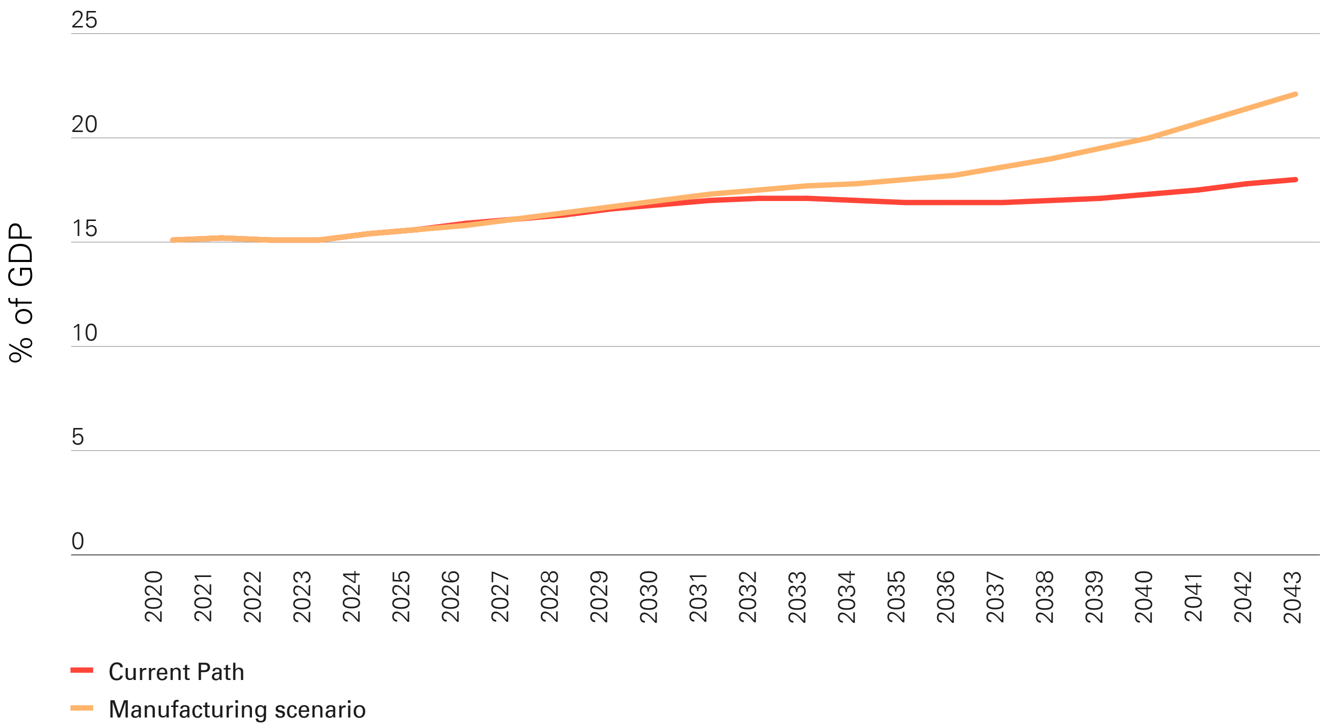
Improvements via the Education Scenario are key to fully capitalize on the impact of the Demographics and Health Scenario, as the demographic dividend can only materialize if the workforce is better educated to match the skills needed in the labour market.

Manufacturing

In the Manufacturing Scenario, efforts at economic diversification would pay off and the economy would grow the most among the individual scenarios, with GDP (MER) reaching $30.7 billion in 2043. Currently, Gabon's industry is centred on petroleum,

Figure 4.2

Manufacturing share of GDP in the Current Path and Manufacturing Scenario, 2020-2043



Source: IFs 8.34 initializing from IMF World Economic Outlook data

manganese mining and timber processing. In the Manufacturing Scenario, the sector's share would rise to 22.1 percent of GDP in 2034, compared to 18 percent in the Current Path. Relative to the 2023 baseline, this represents an increase of more than 22 percent. Gabon would hence perform slightly above the average of its global income peers. In 2043, government revenue would account for 23.1 percent of GDP, compared to 22.7 percent in the Current Path.

Among the sectoral scenarios, the Manufacturing Scenario increases GDP per capita the most, with gains of $730 and $710 above the Current Path in 2043, respectively.

AfCFTA

In the AfCFTA Scenario, GDP would reach $30.6 billion, compared to $28.5 billion in the Current Path. GDP per capita would increase to $15,080, compared to $14,370 in the Current Path.

In the Current Path, Gabon's trade balance will deteriorate from 10.8 percent of GDP in 2023 to -4.4 percent by 2043. By contrast, the AfCFTA Scenario would reduce this deficit to -3.5 percent of GDP by 2043, supported by increased exports in manufacturing, agriculture, services, technology and processed materials.

Gabon exports crude petroleum, manganese ore and wood products primarily to China, Italy and South Korea. Its main imports, including poultry, machinery and vehicles, come from China, France and the United Arab Emirates. Within Africa, Gabon's top export partners include Morocco and Benin. However intra-regional trade remains low due to high tariffs (18.3 percent), costly border procedures and a lack of economic complementarity within the Economic and Monetary Community of Central Africa (CEMAC).

Credit: Getty, Bloomberg Creative

The AfCFTA Scenario offers Gabon a path to greater economic resilience by reducing trade barriers, enhancing regional integration and fostering value addition in its resource-based industries. By leveraging AfCFTA's benefits, Gabon could sustain trade-driven growth while reducing its vulnerability to external shocks and resource depletion.

Large Infrastructure and Leapfrogging

At the end of 2024, the transitional government unveiled an ambitious roadmap for 2025 to overcome the country's infrastructure shortfalls. Three large infrastructure projects, the Mayumba deepwater port project, the Belinga-Bouée-Mayumba railroad line and the Booué hydroelectric dam, aim to boost trade, modernize infrastructure and meet the country's energy needs.

In the Large Infrastructure and Leapfrogging Scenario, the share of energy production from renewables would increase significantly, from accounting for hardly 1.4 percent of total energy production in 2023 to 3.3 percent in 2043. In the Current Path, energy production from renewables is projected to only increase to 1.8 percent of total energy production.

Gabon already is one of the top performers on the continent when it comes to mobile broadband, only being outperformed by Mauritius, South Africa, Egypt, Tunisia and Botswana. Fixed broadband subscriptions are low, however, and the scenario would increase the number of fixed broadband subscriptions from 4 subscriptions per 100 people in 2023 to 35.3, 12 more than in the Current Path, outperforming the expected average for upper-middle-income Africa in 2043. Moreover, by 2043, 67 percent of the rural population would have access to electricity, compared to 55.3 in the Current Path.

Gabon needs to stay the course on growing its information technology capacity and continue to invest in the quantity and quality of services to transition to a modern economy.

Financial Flows

Restoring investor confidence to attract FDI is essential for Gabon's fiscal stability. Under the Financial Flows Scenario, government revenue would increase to 22.8 percent of GDP by 2043. The additional fiscal space would enable greater investments in infrastructure and services, helping Gabon address critical development challenges. The scenario envisions a recovery in FDI, improving a more modest evolution projected in the Current Path, where FDI could remain constrained due to the political context and broader governance challenges.

On the Current Path, FDI would decline slightly, expected to reach only 5.2 percent in 2043 from a base of 5.4 percent of GDP in 2023. In the Financial Flows Scenario, FDI as a share of GDP would rise to 6.8 percent in 2035 and to 6.1 percent in 2043, reflecting renewed investor confidence. This recovery would drive investment in key sectors like mining, renewable energy and infrastructure, and increase economic growth and government revenues through improved tax compliance and natural resource royalties. In this scenario, the economy would be $29.9 billion in size by 2043, compared to $28.5 billion on the Current Path.

Moreover, efforts to reduce illicit financial outflows would further strengthen Gabo's fiscal position, ensuring more capital remains in the economy and contributes to sustainable development.

Governance

Under the Governance Scenario, governance effectiveness improves significantly, with Gabon's score on the associated World Bank index improving from 1.55 in 2023 to 1.96 by 2043. However, this would remain below the 2.56 average for upper-middle-income African countries, emphasizing the need for continued reforms.

The 2023 coup, which removed President Ali Bongo, exposed deep political and economic governance failures. While disrupting stability, it also created an opportunity for reform. The transition government has since faced a dilemma between catering to the population's expectations for higher standards of living by adopting expansionary fiscal policies and strengthening public financial management to ensure fiscal sustainability.

Gabon's governance is assessed along the three dimensions of security, capacity and inclusion which are measured on an index included in the IFs model. In 2023, Gabon ranked high in security (0.75 out of 1) but struggled with capacity (0.35) and inclusion (0.4), reflecting weak public service delivery and limited democratic participation. By 2043, governance reforms in the scenario proposed would improve these scores, with the composite governance index rising from 0.5 to 0.63. Capacity would increase to 0.45, as corruption would decline, fiscal management strengthen and government revenue grow from 18.7 percent to 24.2 percent of GDP, enabling greater social spending. Inclusion would also improve, reaching 0.55, driven by enhanced democratic governance, increased female representation and ongoing legal reforms supporting gender equality.

Because the Governance Scenario includes additional social welfare transfers, it has the largest impact on poverty reduction, with the poverty rate projected to fall from 31.3 percent in 2023 to 9.3 percent by 2043, compared to 11.8 percent under the Current Path. Stronger institutions, reduced corruption and improved inclusivity would create a more stable and prosperous environment, positioning Gabon for sustained economic growth and governance outcomes comparable to Namibia's 2023 levels by 2043.

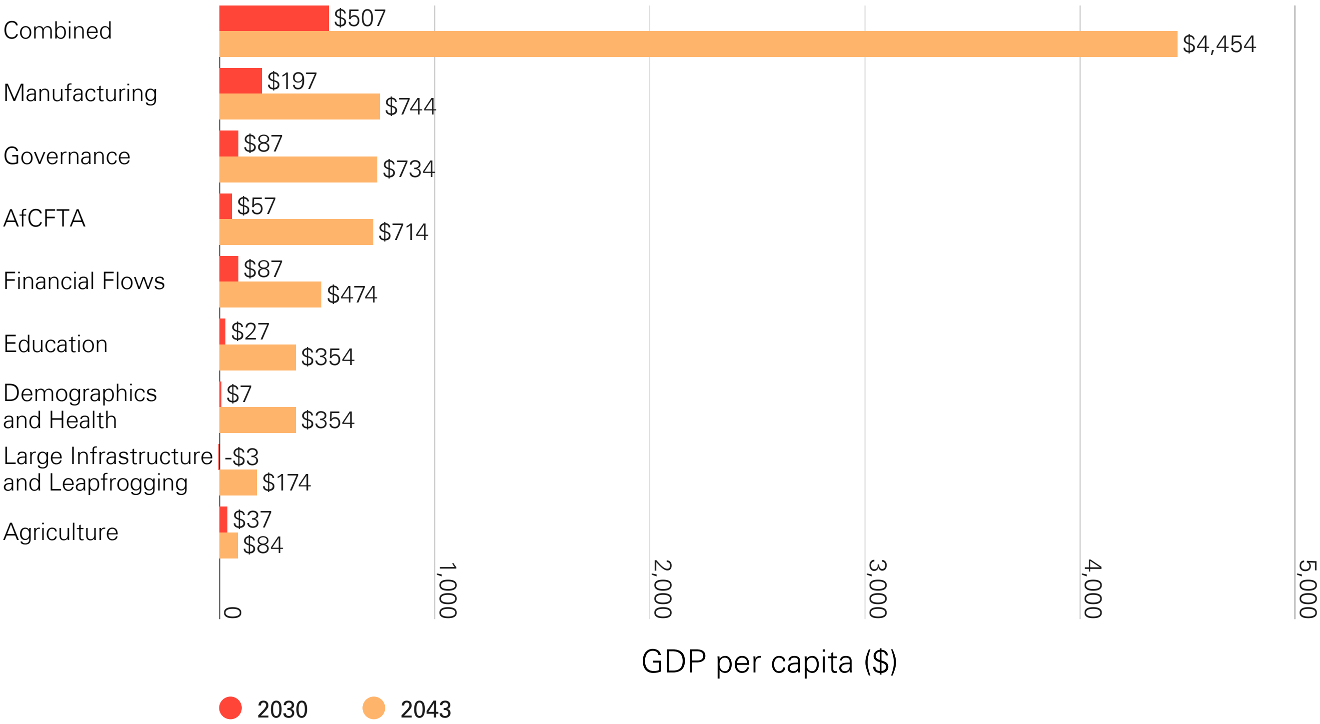
Scenario comparisons and the Combined Scenario

Gabon would experience a boost to its GDP per capita in all eight sectoral scenarios. However, the Combined Scenario would have a much greater impact on GDP per capita compared to the individual scenarios. By 2035, in the Combined Scenario, the GDP per capita of Gabon (PPP) would be $1,910 larger than in the Current Path. In 2043, it would reach $18,820 and surpass the Current Path by $4,450, indicating that an integrated push across all sectors could significantly improve the living standard of the people of Gabon.

Similarly, in the Combined Scenario, only 5 percent of the population would be living in poverty compared to 11.8 percent in

Figure 4.3

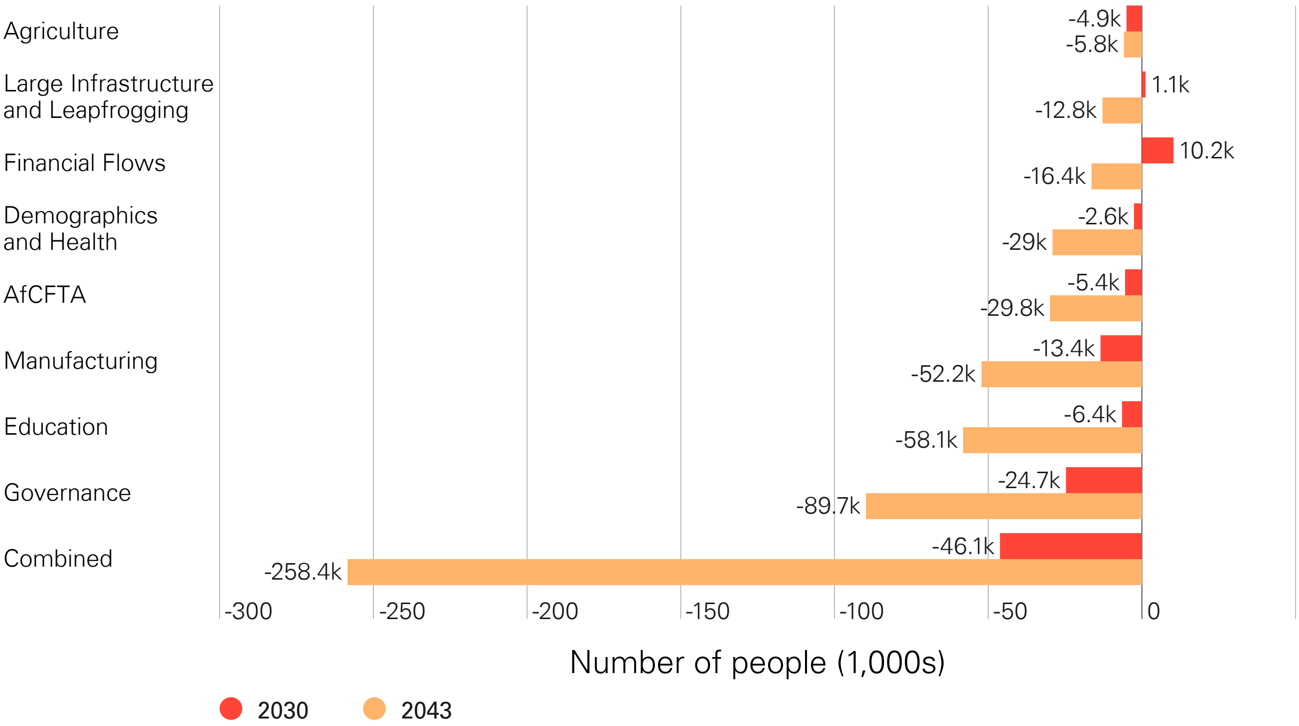
Increase in GDP per capita compared to the Current Path, 2030 and 2043



Source: IFs 8.34 initializing from IMF World Economic Outlook data

Figure 4.4

Decrease in size of the extremely poor population versus the Current Path, 2030 and 2043



Source: IFs 8.34 initializing from UNPD population prospects estimate, WDI and PovcalNet data

the Current Path. The results illustrate that poverty reduction in Gabon is best achieved via an integrated push across sectors with more inclusive governance and job creation playing a decisive role. The Combined Scenario would take Gabon close to achieving the SDG on poverty and put the country 33.8 and 3.5 percentage points ahead of its African and global upper-middle-income peers, respectively.

The Combined Scenario would significantly improve Gabon's economic growth outlook. The expected average growth rate between 2025 and 2043 would be 4.7 percent versus 2.8 percent in the Current Path over the same period. The size of the economy measured in GDP at the market exchange rate (MER) in 2043 would be $40.9 billion, hence $12.4 billion or 43.4 percent larger than in the Current Path. Moreover, Gabon would make greater progress in formalizing its economy with the share of the informal sector dropping to 23.8 percent of GDP in 2043, versus 29.4 percent in the Current Path.

In the Combined Scenario, the average Gabonese could expect to live about 2.8 years longer at 74.5 years in 2043, compared with the Current Path for the same year. Infant mortality would be 10.7 deaths per 1,000 live births, compared to 19.1 deaths in the Current Path in 2043.

In the Combined Scenario, oil production would drop to 79.1 million barrel of oil equivalent (BOE), reflecting a change in Gabon's energy mix, while gas production would increase to 4.6 million BOE. Although Gabon has among the highest potential for hydropower on the continent, it remains largely untapped. In the Combined Scenario, energy production from hydropower would increase to 2.5 million BOE by 2043, representing a 75.2 percent increase relative to the projected Current Path production level. Similarly, production from solar would increase rapidly in the Combined Scenario, from literally nothing to 1.2 million BOE in 2043.

By integrating reforms across all sectors, the Combined Scenario would position Gabon for inclusive economic growth and sustainable development. It would deliver faster economic growth, greater poverty reduction, improved health and education outcomes and a more diversified and resilient economy compared to the Current Path, laying the foundation for long-term prosperity.

Policy recommendations

The Current Path analysis reveals that Gabon is at a critical juncture in which it is able to turn the tide on decades of poorly managed oil wealth, weak inclusion, falling incomes and stagnant human and social capital development. The return to constitutional rule via democratic elections announced for April 2025 is critical for a new government to enjoy democratic legitimacy and engage in evidence-based planning and policymaking across sectors that can set Gabon on a path to shared future prosperity.

Credit: Getty, mtcurado

Expected improvements via the Current Path fall short of Gabon's potential. Economic growth prospects are promising, and by overcoming its structural constraints, the country can transition to a more diversified economy, inclusive growth and sustainable development. However, focusing on improving governance, economic diversification and human capital development will be key.

Gabon needs to strengthen governance and institutional capacity through anti-corruption measures, inclusive decision-making and enhanced policy monitoring. The country needs to optimize revenues, improve its spending discipline and ensure fiscal sustainability. In this context, balancing the population's expectations for greater well-being with the limited fiscal space for greater social spending is crucial.

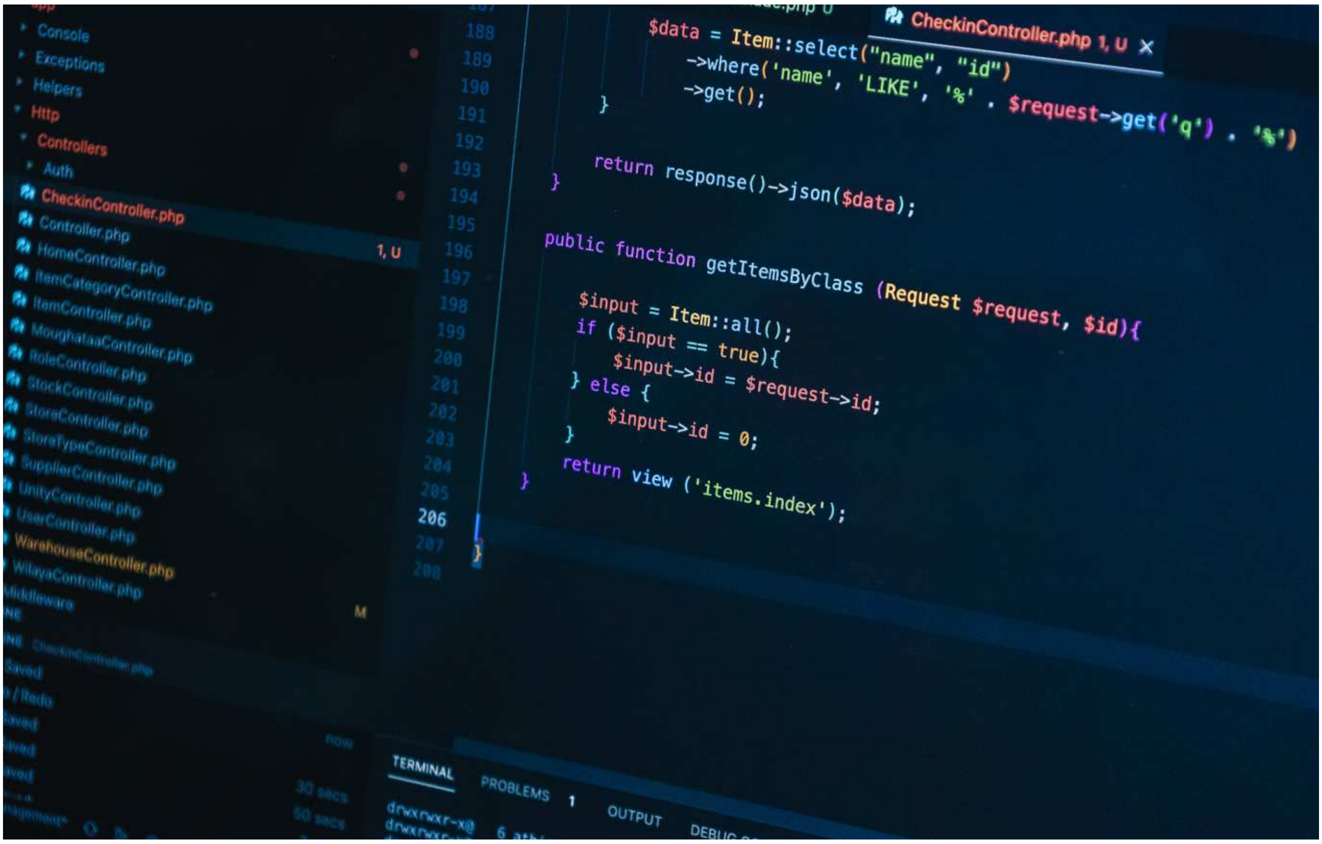
Moreover, it remains vital to enhance anti-corruption frameworks to address inefficiencies in resource management and ensure transparent use of revenues from crude oil and mining. This includes enhancing transparency in the extractive sector in the framework of the Extractive Industries Transparency Initiative (EITI).

Achieving sustainable development and shared prosperity for Gabon will not be possible without economic diversification, which is a medium- to long-term task. This involves investing in value-added processing industries to reduce the economy's over-reliance on oil, ensuring that Gabon captures more value from its natural resources and improves the economy's long-term economic resilience. It equally involves investing in infrastructure development (roads, rail and ports) and renewable energy production, for which foreign direct investment is necessary. Boosting agricultural production to satisfy the demand of a growing population will reduce food import dependence and increase food security.

Maximizing opportunities under AfCFTA will go a long way in enhancing exports and integrating Gabon into regional and Africa-wide value chains.

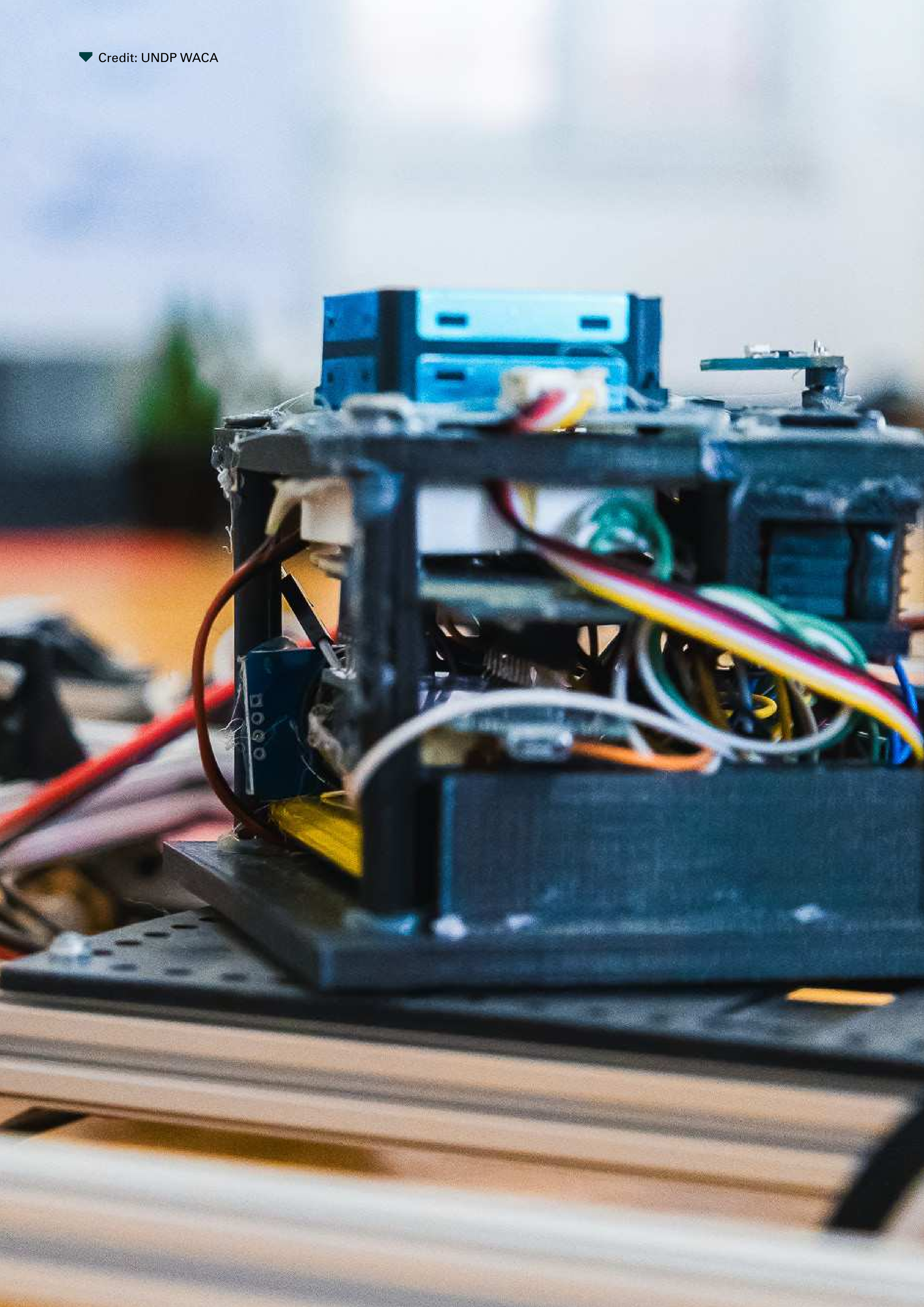
Alongside economic diversification, Gabon needs to invest in human capital development as a key driver of economic growth and productivity. This involves increasing education spending, improving the quality of education, reducing gender disparities and promoting science and engineering.

When it comes to healthcare, Gabon can build on past successes in reducing infant mortality and under-five mortality and push harder to achieve the respective SDG targets as well as achieve effective health coverage across the country. Key challenges in the health sector include resource constraints, limited access to advanced medical technologies and disparities in service distribution across different regions, with rural areas being underserved compared to urban areas. Government spending on health will need to increase, even more so in view of the growing (and expensive) non-communicable disease burden.



Credit: UNDP WACA

Credit: UNDP WACA



5.0

Mali

Background

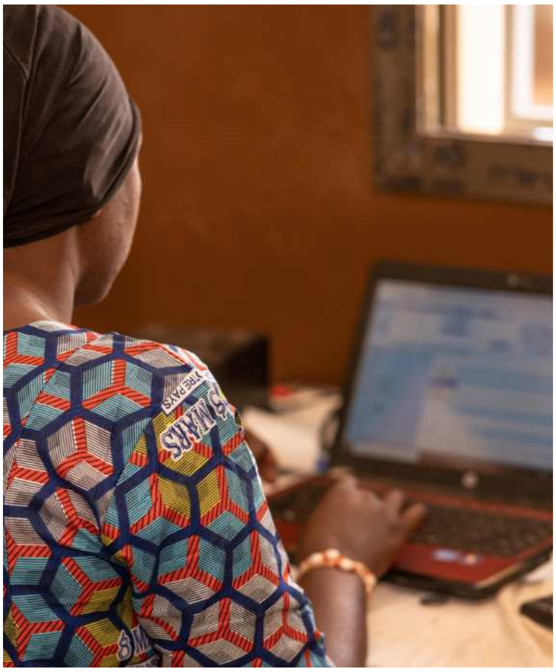
The Republic of Mali is a landlocked country in West Africa. It is characterized by its Sahelian climate — a transitional zone between the arid Sahara desert in the north of Africa and savannas to the south. The country is divided into three natural zones: the cultivated Sudanese zone in the south, the semi-arid Sahelian zone in the centre and the arid Saharan zone in the north. Mali's economy is the fifth largest in West Africa. However, the economy relies heavily on agriculture, and export of raw materials, rendering it vulnerable to external shocks. Mali gained independence from France in 1960. Since then, the country has undergone several transitions between civilian and military rule.

Since 2021, General Assimi Goïta has served as interim president of Mali and head of Mali's transitional government. A new constitution, approved through a referendum in June 2023, paved the way for the announcement of general elections to restore constitutional rule. Mali withdrew from ECOWAS in January 2025, together with Burkina Faso and Niger, with whom it formed the Alliance of Sahel States (AES) in September 2023.

Development overview

Mali is the fifth most populous country in West Africa. The total population increased from 9.2 million in 1990 to 23.8 million in 2023, and by 2043, the population is expected to be 41.5 million. Its population growth rate of 3.3 percent places significant pressure on government spending on essential social services, including education and healthcare. In terms of population structure, Mali has a youthful and dependent population. In 2023, 46.2 percent of Malians were under the age of 15, 51.1 percent were in the 15 to 64 age group (working age), and 2.6 percent were 65 years and older. This structure will not fundamentally change over the forecast period. This high dependency ratio with fewer individuals in the working-age population significantly affects the government's ability to generate the revenue necessary for development.

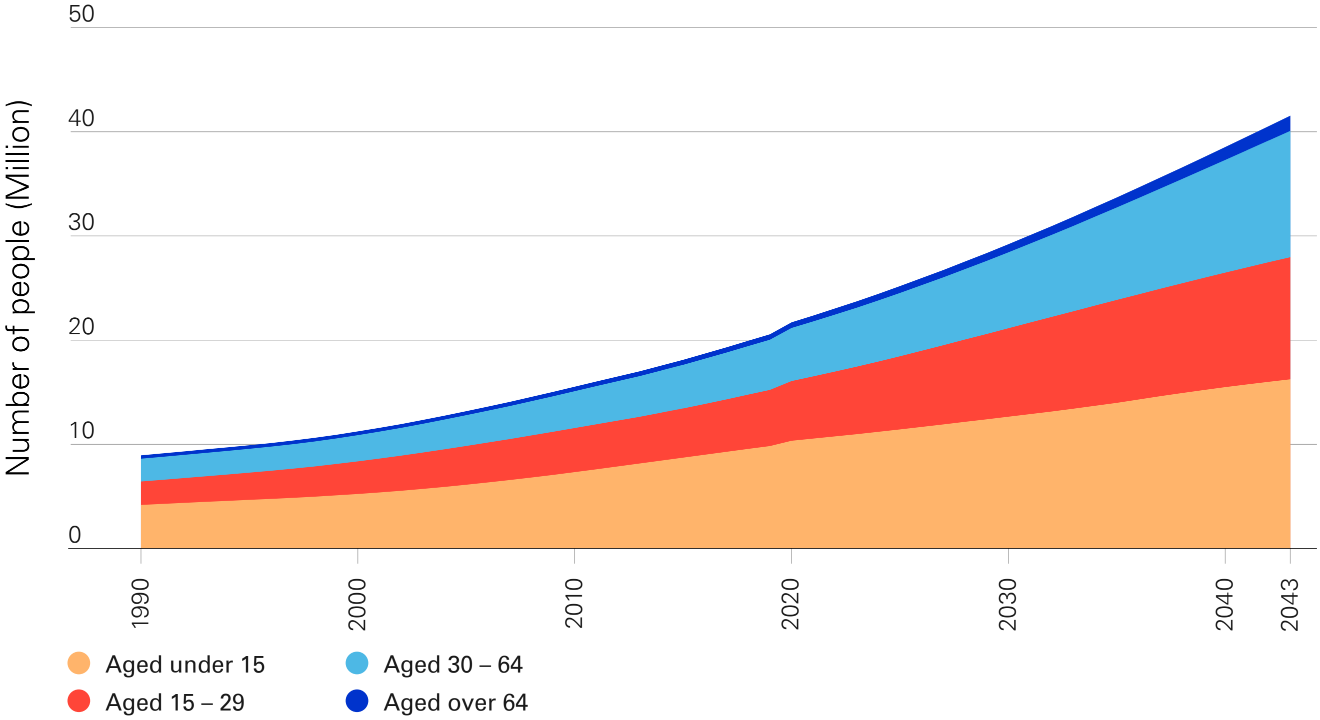
Mali's youth bulge (the ratio of its population aged between 15 and 29 to the total adult population) of 50.8 percent in 2023 is the seventh largest in Africa and the second



UNDP WACA

Figure 5.1

Population structure in the Current Path, 1990-2043



Source: IFs 8.34 initializing from UNPD population prospects estimate and WDI population data

highest in West Africa, after Niger. Its median age of 16.6 years is the fifth lowest in Africa after Niger, Central African Republic, Somalia and Chad. Although such a high youth bulge can lead to youth activism and drive positive political change, it can also increase the risk of conflict and instability if the concerns of the youth, particularly unemployment, are not addressed.

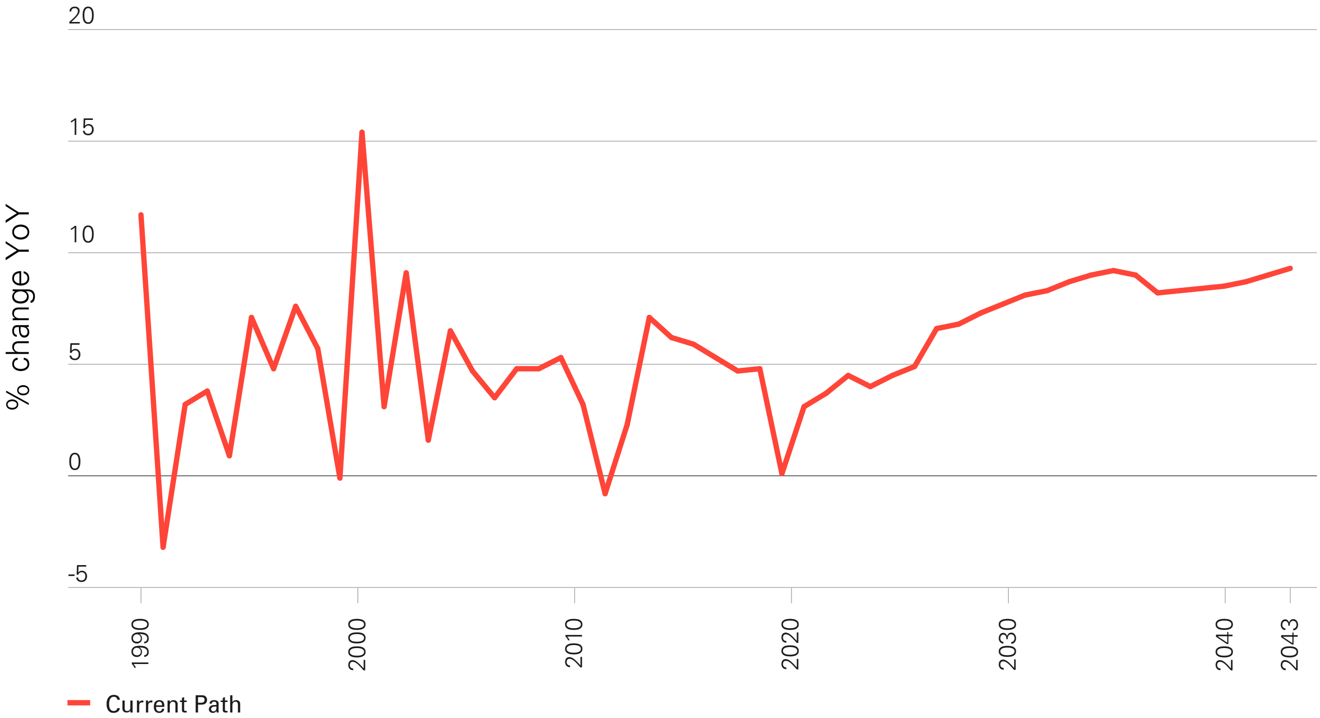
Despite its predominantly rural population, Mali has urbanized more rapidly over recent years, with a 45.2 percent urban population in 2023. On the Current Path, Mali will achieve parity in urban-rural settlement by 2030. By 2043, 24 million Malians, almost 57.8 percent of the population, will live in urban areas. This rapid urbanization, particularly in the capital Bamako, places considerable strain on public infrastructure, resulting in overcrowded roads, inadequate public transportation, and limited access to essential services like healthcare and education.

The Malian economy is the fifth largest in West Africa. The country's GDP grew from $4.5 billion in 1990 to $18.6 billion in 2023. The average GDP growth rate during this period was 4.3 percent per annum, above the average of 3.9 percent for low-income countries in Africa. Mali's GDP per capita is projected to rise to $2,320 in 2030 and

Credit: UNDP WACA

Figure 5.2

GDP annual growth rate in the Current Path, 1990-2043



Source: IFs 8.34 initializing from IMF World Economic Outlook data

$3,059 by 2043. This projected slower growth in GDP per capita in Mali compared to the average of its income peers in Africa is primarily attributed to high population growth, which can hamper progress in reducing poverty and improving human development outcomes.

The macroeconomic fundamentals of the Malian economy remain fragile, with an economic structure that is still largely agrarian and untransformed, relying heavily on the export of traditional raw materials like gold and cotton. As a result, economic growth is highly volatile, driven by weather conditions, fluctuations in international commodity prices and vulnerable to external shocks. By 2043, GDP is projected to more than triple to $53.0 billion with a projected average growth rate of 5.4 percent from 2024 to 2043.

An important feature of the Malian economy is its large informal sector, which employs about 73 percent of the economically active population. In 2023, the informal sector contributed approximately 33 percent of GDP, which is above the average of 29.3 percent for its income peers in Africa. This is expected to only slightly decline to 29.3 percent of GDP by 2043. While the large informal sector in Mali provides employment and income opportunities, particularly for the poor and vulnerable, activities within this sector do not generate revenue for the government.

Mali currently ranks 188th on UNDP's Human Development Index with a score of 0.410. In 2023, 3.4 million Malians, 14.2 percent of the country's population, lived below the poverty line of $2.15 per day, far below the average of 41.5 percent for low-income countries in Africa. By 2043, the projected poverty rate of 5.6 percent (equivalent to 3.2 million Malians) means that it will miss the SDG 1 target for 2030; this goal is only expected to be met in 2051.

Credit: UNDP WACA

Sectoral interventions and scenarios

To address these challenges, this report analyses Mali's development prospects along a Current Path (or business-as-usual forecast), eight sectoral scenarios and a combined, high-growth, scenario. Each scenario highlights pathways to improve outcomes across critical sectors.

Sectoral scenarios

Demographics and Health

Mali's health sector has made significant progress in improving health outcomes. However, significant challenges persist, including inadequate infrastructure and malnutrition, particularly among children. While communicable and infectious diseases such as malaria remain the leading cause of mortality, deaths from other non-communicable diseases like lower respiratory infections are on the rise. The Demographics and Health Scenario would reduce the infant mortality rate from 64.1 deaths per 1,000 births in 2023 to 21.5 deaths per 1,000 births by 2043. The scenario would increase the ratio of working-age population from the current rate of 1.2 working-age persons to one dependent in 2023 to 1.5 to one by 2043. This would be close to the ratio of 1.7 to one that is required to enter a demographic window of opportunity.

Agriculture

Mali has ideal circumstances for agricultural development as it has sizable resources of arable land and an abundance of water supplies from the Niger and Senegal Rivers. Over the years, the government has made efforts to improve agricultural productivity, including encouraging foreign and national private investors to undertake agricultural activities in the lands managed the Office du Niger (a semi-autonomous government agency that administers a large irrigation scheme in the Ségou Region).

However, agriculture in Mali is still largely subsistence in nature and heavily reliant on unpredictable weather patterns (which are impacted by the effects of climate change).

These vulnerabilities pose a significant threat of severe food insecurity. In 2023, Mali's net import of crops stood at 1.4 percent of total crop demand, which was less than the average of 9.1 percent for low-income countries in Africa. In the Agricultural Scenario, Mali would reduce its import dependency on crops so that the net import of crops would reach 10.2 percent in 2030 and 3.4 percent by 2043.

Education

Although Mali has worked to improve its education system and outcomes, significant challenges remain to be addressed. These include inadequate resources and limited access to education, particularly for girls and those in rural areas. The quality and relevance of education also remain low. Ongoing insecurity further exacerbates these challenges. In 2023, the mean years of education attained by adults between 15 and 24 years in Mali was 5.8 years—slightly below the average of 5.9 years for low-income countries in Africa. In the Education Scenario, the mean years of adult education would rise to 9.0 years by 2043, 1.9 years more than the Current Path. By 2043, the Education Scenario would further increase average test scores for primary and secondary school students by 34.4 percent and 42.5 percent, respectively, which represents a significant gain in the quality of education.

Manufacturing

The manufacturing sector in Mali is the third-largest contributor to GDP after services and agriculture. In 2023, the sector contributed $1.8 billion (9.8 percent) to GDP. This figure would modestly rise to $2.9 billion (11.9 percent) of GDP in the Current Path. Government efforts to promote manufacturing include tax breaks, financial aid and the construction of industrial parks to support manufacturing operations.

However, the sector is still underdeveloped and hindered by inadequate transportation networks, unstable power supplies and limited access to financing. In the Manufacturing Scenario, Mali would make substantial progress in industrialization, such that by 2043, the share of the manufacturing

Credit: UNDP WACA

sector in GDP would be about 29 percent, equivalent to $16.5 billion.

AfCFTA

Historically, Mali's economy has been more open to trade than its income-group peers in Africa. The country is a member of the West African Economic and the Monetary Union (WAEMU) and the World Trade Organization. Mali is also a signatory the AfCFTA to reduce trade barriers. However, inadequate transport infrastructure and high costs of energy and telecommunications remain constraints to Mali's regional economic integration. Mali's decision to leave ECOWAS will affect its intra-regional trade, particularly with non-WAEMU member countries in the region. Mali's trade deficit in 2023 constituted 12.3 percent of GDP, which was above the average of 10.3 percent for low-income African countries. In the AfCFTA Scenario, Mali's trade deficit would constitute about 6.5 percent of GDP by 2043 as opposed to the 6.9 percent of GDP on the Current Path.

Large Infrastructure and Leapfrogging

The Malian government is working to expand its renewable energy resources, particularly solar and hydroelectric power, through initiatives aimed at developing solar mini-grids and hybrid systems for remote communities. However, a large portion of the population, especially in rural areas, lacks access to electricity. Even those with access face unreliable and expensive power. Under the Large Infrastructure and Leapfrogging Scenario, 80 percent of Malians would have access to electricity by 2043. As a result, 47.3 percent of households in Mali would be able to use modern fuel for cooking.

Financial Flows

Foreign aid, a critical source of financial support for the government, is declining as a percentage of government revenue and FDI and remittances have yet to make up for the shortfall. In 2023, the Malian government's total revenue amounted to $4.1 billion, equivalent to 22 percent of GDP—higher than the average of its income-group peers in Africa. Compared to the Current Path, the Financial Flows Scenario would increase government revenue in Mali by an additional $1.4 billion by 2043.

Governance

Generally, Mali performs better on governance indices than its income peers in Africa. Mali's score on the composite governance index of 0.46 in 2023 was 5.3 percent higher than the average for its income peers in Africa. Despite this, Mali grapples with significant governance challenges, including insecurity, high corruption and low government effectiveness. In the Governance Scenario, Mali's score on the composite governance index would improve to 0.65, which is about 23.3 percent above the Current Path by 2043.

Scenario comparisons and the Combined Scenario

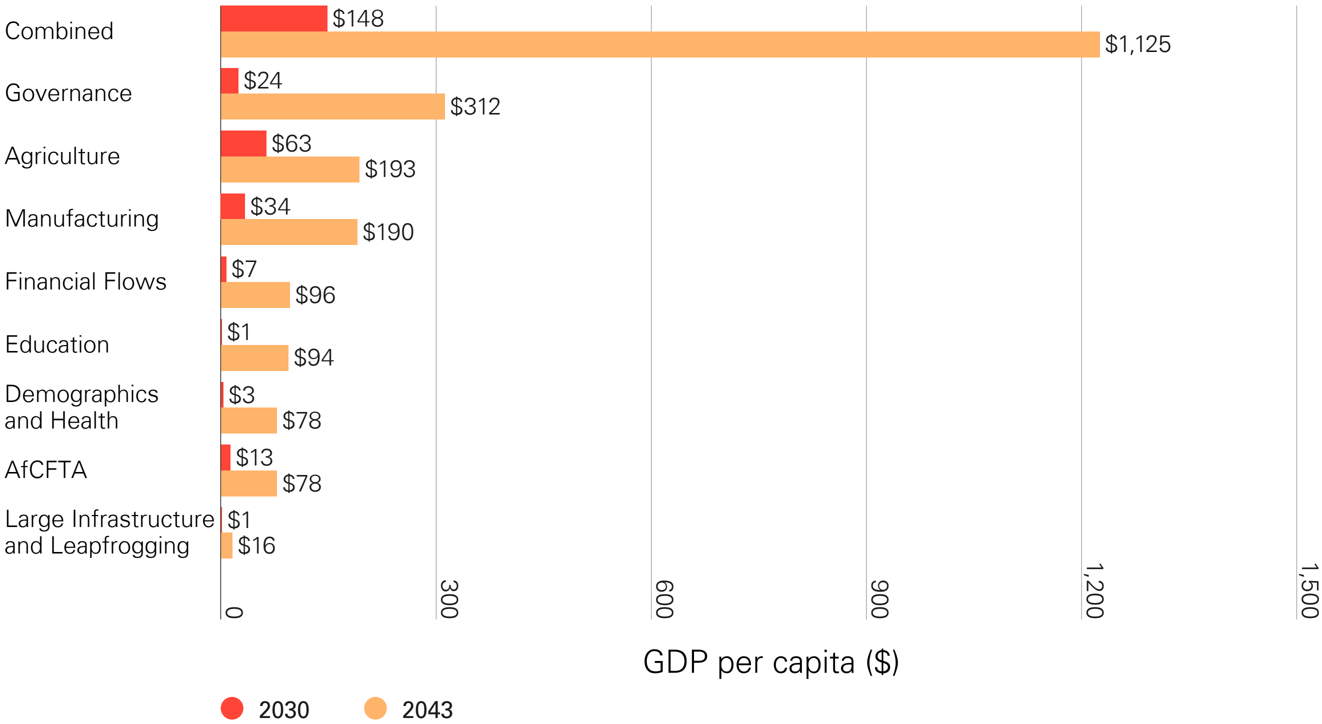
The scenario with the greatest impact on GDP per capita in Mali by 2030 is the Agriculture scenario, followed by the Manufacturing and Governance Scenarios. In the long run, however, Governance becomes the most powerful tool to improve average incomes, followed by the Agriculture and Manufacturing scenarios. In the Governance Scenario, Mali's GDP per capita would witness an increase of $312 by 2043, 10.2 percent higher than the Current Path. The Agriculture and Manufacturing Scenarios would further raise GDP per capita by an additional $196 and $190, respectively, in the same time frame.

The Governance Scenario has the potential to reduce extreme poverty in Mali by an additional 940,000 people compared to the Current Path. Similarly, the Manufacturing and Agriculture Scenarios could lift about 880,000 and 570,000 people out of extreme poverty, respectively.

The Combined Scenario integrates interventions from all eight sectoral scenarios above. In the Combined Scenario, the structure of the Malian economy would undergo significant transformation, with a capacity to grow its manufacturing sector over the long term. Mali would have the potential to increase its GDP to $83.3 billion by 2043, which would represent a 57.3 percent increase over its current trajectory, with the economy growing at an average rate of 8.4 percent instead of 5.5 percent to 2043. This growth could also improve living standards by raising GDP per capita by

Figure 5.3

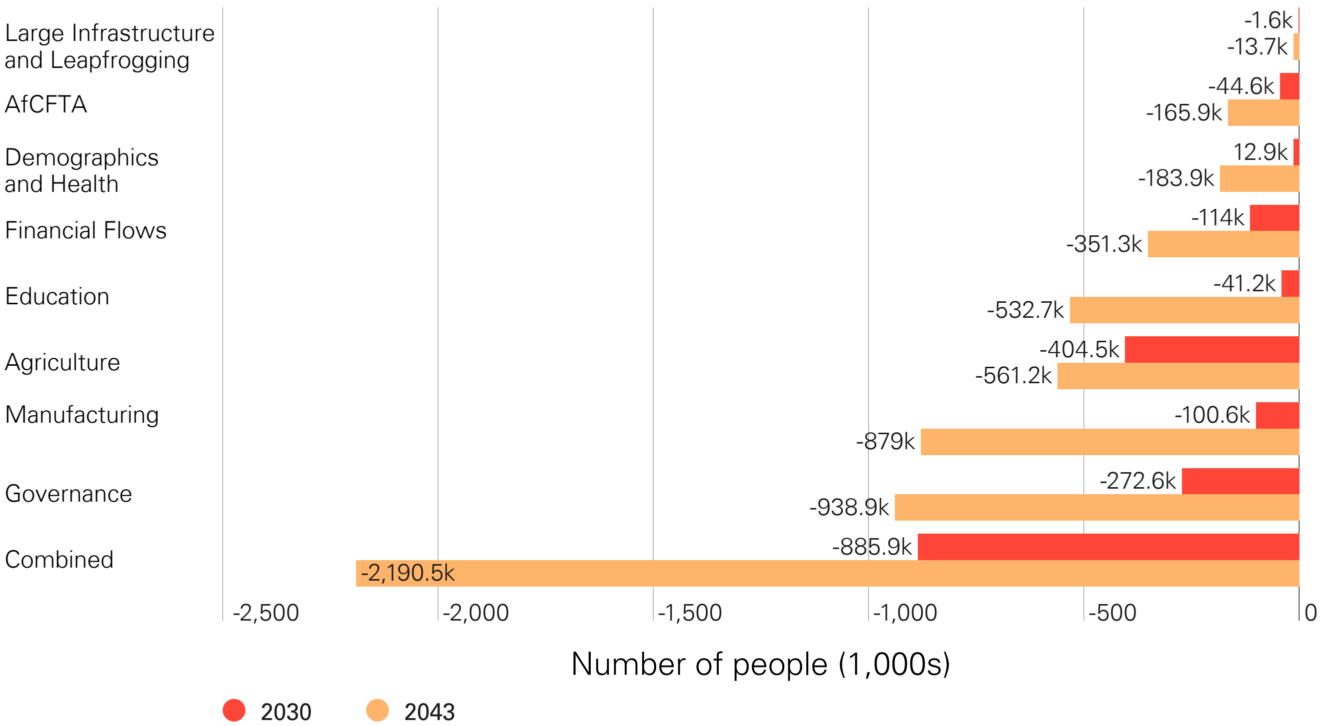
Increase in GDP per capita compared to the Current Path, 2030 and 2043



Source: IFs 8.34 initializing from IMF World Economic Outlook data

Figure 5.4

Decrease in size of the extremely poor population vs the Current Path, 2030 and 2043



Source: IFs 8.34 initializing from UNPD population prospects estimate, WDI and PovcalNet data an additional 40 percent, reaching $4,284. Furthermore, Mali could achieve its SDG target of eliminating extreme poverty by 2037, much earlier than the Current Path, where this goal would only be met in 2051. Additionally, income inequality could be reduced and life expectancy at birth could be 2.4 years more than the country's Current Path.

Policy recommendations

Mali has made significant progress in advancing human development and its economic growth prospect is higher than many of its African income peers, but economic gains are offset by its rapidly growing population. Widespread poverty and inequality persist, public debt is increasing and the unemployment rate, particularly among the youth, remains high. The informal sector dominates a significant portion of the economy, depriving the government of potential revenue. The macro-economic fundamentals of the Malian economy remain fragile, with an economic structure that is still largely agrarian and untransformed.

Mali's youthful and rapidly growing population is a drag on developmental progress, with the country expected to enter a potential demographic dividend only by 2059. Largely because economic growth cannot keep pace with its rapid population growth, the country will fall short of achieving key development goals, including SDG 1 of eliminating extreme poverty by 2030.

This highlights the urgent need for Mali to rethink its economic development strategy, focusing on diversification and adding value to its primary commodities. For Mali to achieve sustainable development, it must address the structural challenges that have hindered its economy since independence. Additionally, the country must build a more resilient economy that is less vulnerable to external volatility and shocks, particularly those related to the global commodity cycle.

While this is a difficult task, it is not insurmountable. Achieving these outcomes requires implementing major policy reforms and targeted investment in key economic sectors. Therefore, a comprehensive and targeted set of socio-economic policy interventions across demographics, health, education, agriculture, infrastructure, manufacturing, trade, financial flows and governance is necessary to redirect the country's current development trajectory towards a more sustainable and inclusive path. While a multisectoral approach is crucial, specific sectors could rapidly unlock Mali's development potential and should be prioritized.

Three critical sectors require focused attention from Mali's authorities.

The first is the agricultural sector, which employs nearly 80 percent of the population and has the potential to boost incomes and reduce poverty in both the medium and long term. To harness this potential, Mali needs to modernize its agricultural sector, diversifying away from cotton and exploring other sub-sectors such as biofuels, shea butter, mangoes, peanuts, cashews, poultry and cattle production, all of which remain underdeveloped but hold significant promise.

Secondly, an aggressive industrialization strategy focused on producing low-end manufacturing commodities could transform Mali's economy from one that is heavily reliant on commodity exports to a more diversified, industrial economy. This shift would create jobs, reduce poverty and ultimately improve living standards and the quality of life for Malians. Achieving this requires addressing its energy challenges through increased investment in renewable energy resources, particularly solar and hydroelectric power, including expansion of solar mini-grids and hybrid system initiatives to provide affordable and stable electricity for firms.

The third focus area for unlocking Mali's development potential is improving governance, particularly by reducing corruption and enhancing efficiency in the public sector. To eradicate poverty, Mali must also invest significantly in education to and ensure that students receive an education that equips them to contribute effectively to Mali's economy. Youth apprenticeships and entrepreneurial programmes should be provided as part of measures to address youth unemployment.

By integrating reforms across all sectors, the Combined Scenario would deliver inclusive economic growth and sustainable development for Mali. By implementing these policies, Mali can build a foundation for stability, sustained growth, and long-term prosperity.

Credit: UNDP WACA

6.0
Niger

Background

The Republic of Niger is a landlocked country in West Africa that spans 1.27 million square kilometres. With more than 80 percent of its territory dominated by arid deserts, its population is heavily concentrated in the more fertile southern regions. From 26 million people in 2023, Niger's population is projected to grow to 49 million by 2043. This rapid demographic growth presents significant challenges, including strain on infrastructure, health and education spending, and is likely to perpetuate poverty in the absence of rapid economic growth.

Niger's economic trajectory is in part shaped by its abundant natural resources, including uranium, gold and oil. However, the potential of these assets remains underutilized. Since gaining independence in 1960, Niger's development has been hindered by political instability, including regular transitions between military and civilian rule. In January 2025, Niger withdrew from ECOWAS together with Burkina Faso and Mali, with whom it formed the Alliance of Sahel States in September 2023.

Credit: Getty, Madalin Olariu

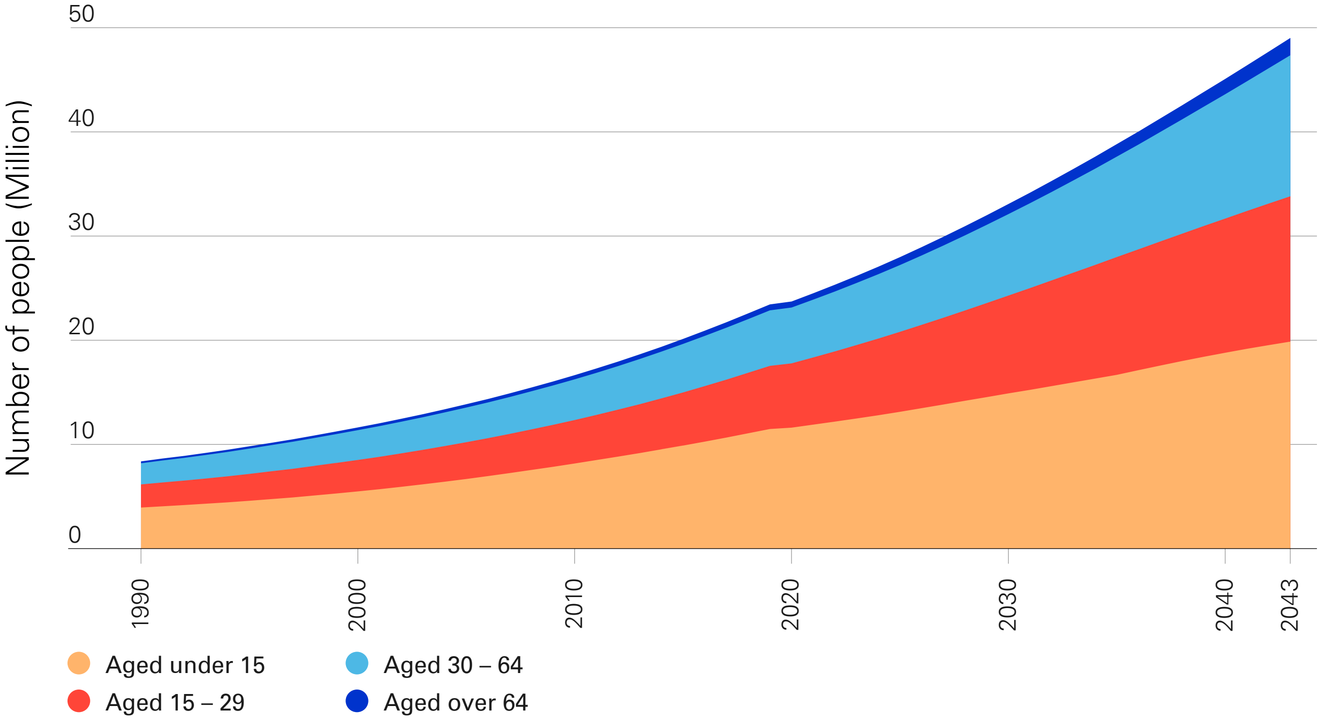
Development overview

Niger's GDP grew from $3.9 billion in 1990 to $15.1 billion in 2023 and is projected to reach $51.3 billion by 2043, with an average annual growth rate of 6.3 percent from 2024. However, GDP per capita, one of the lowest globally at $1,240 in 2023, is projected to only increase to $2,133 by 2043. Extreme poverty (using $2.15 per person) has declined from 79.5 percent in 2007 to 47.4 percent in 2023 and is projected to drop further to 22.6 percent by 2043. Rural poverty remains disproportionately high due to reliance on climate-sensitive agriculture. The country's development path hinges on targeted investments in key sectors, governance reforms and diversification of the economy.

With an annual population growth rate of 3.4 percent and a fertility rate of 6.1 births per woman in 2023, Niger has one of the youngest populations globally, with a median age of 16. This youthful demographic presents growth opportunities, but also creates risks of instability if adequate employment and education opportunities are not provided. High dependency ratios and limited infrastructure further strain Niger's capacity to harness its demographic potential. Ensuring that economic growth can keep pace with population growth will continue to be a major challenge for Niger.

Figure 6.1

Population structure in the Current Path, 1990-2043



Source: IFs 8.34 initializing from UNPD population prospects estimate and WDI population data

Sectoral interventions and scenarios

To address these challenges, the report analyses Niger's development prospects along a Current Path (or business-as-usual forecast), eight sectoral scenarios and a combined, high-growth, scenario. Each scenario highlights pathways to improve outcomes across critical sectors.

Sectoral scenarios

Demographics and Health

Investments in healthcare and water, sanitation and hygiene (WASH) infrastructure could significantly reduce mortality rates and accelerate Niger's demographic transition. Under the Demographics and Health Scenario, infant mortality would decline to 11 deaths per 1,000 live births by 2043, surpassing the Current Path's 15.7 and achieving the SDG target of fewer than 12 deaths per 1,000 live births by 2041. Maternal mortality would drop significantly to 157.7 deaths per 100,000 live births, compared to 180.8 in the Current Path. This progress reflects substantial improvements in healthcare access and outcomes, narrowing Niger's historical gap with its income group peers.

Access to piped water would increase from 41.4 percent in 2023 to 49.2 percent by 2043, compared to 46.5 percent in the Current Path, while improved sanitation services would rise from 17.5 percent in 2023 to 42.5 percent, outperforming the Current Path's 36.2 percent. These advancements would alleviate disease burdens such as diarrhoea and malaria, which remain leading causes of death among children under five.

Achieving a demographic dividend will require reducing fertility rates through expanded use of modern contraception, targeted family planning education and strengthened healthcare systems. Traditional leaders and non-state actors, such as non-governmental organizations, must play a crucial role in promoting cultural acceptance of family planning and implementing community-driven solutions. Efforts to improve child nutrition,

Credit: Getty, Madalin Olariu

such as providing supplementary food and cash transfers for food-insecure households, will remain essential for addressing malnutrition, which affected 32.2 percent of children under five in 2023.

Despite Niger's rapid population growth, this scenario envisions the working-age population ratio improving to 1.4 working-age individuals per dependent by 2043, compared to 1.3 in the Current Path. Partnerships with multilateral organizations like the World Health Organization (WHO), alongside the active involvement of traditional leaders and local stakeholders, will be critical to sustaining these outcomes and driving Niger's long-term demographic and economic transformation.

Agriculture

Agriculture employs 71 percent of Niger's population and remains the backbone of the economy, yet it is highly vulnerable to climatic shocks, such as droughts, floods and unpredictable rainfall. Under the Agriculture Scenario, ambitious interventions could transform the sector, increasing crop production from 19.8 million metric tonnes in 2023 to 31.4 million metric tonnes by 2043 — 4.3 million tons more than in the Current Path. This increase would reduce food import dependence to 24.9 percent by 2043, compared to 36.6 percent in the Current Path, bolstering Niger's food security.

Improved yields per hectare — driven by expanded irrigation, the adoption of climate-smart practices and access to modern agricultural inputs, such as advanced seeds and fertilizers — are central to this scenario. Despite these gains, yields would remain modest at 1.3 tonnes per hectare by 2043, well below the low-income African average of 3.5 tonnes per hectare, reflecting both the climate of Niger and the need for continued innovation and investment.

The Agriculture Scenario also projects a significant reduction in malnutrition. The share of malnourished children under five would decline from 32.2 percent in 2023 to 15.6 percent by 2043, compared to 19.2 percent in the Current Path. Similarly, overall malnourishment would drop to 7.4

percent of the population under this scenario, outperforming the 10.2 percent in the Current Path. These improvements highlight the transformative potential of targeted investments in agricultural productivity and nutrition-focused interventions to address Niger's chronic food insecurity challenges. These improvements would enhance rural livelihoods and reduce chronic food insecurity, which currently affect 3.4 million people. Efforts like Farmer-Managed Natural Regeneration (FMNR) demonstrate how restoring degraded land through native vegetation can improve soil fertility, boost productivity and build resilience to climate shocks, offering a practical model for scaling across Niger.

Education

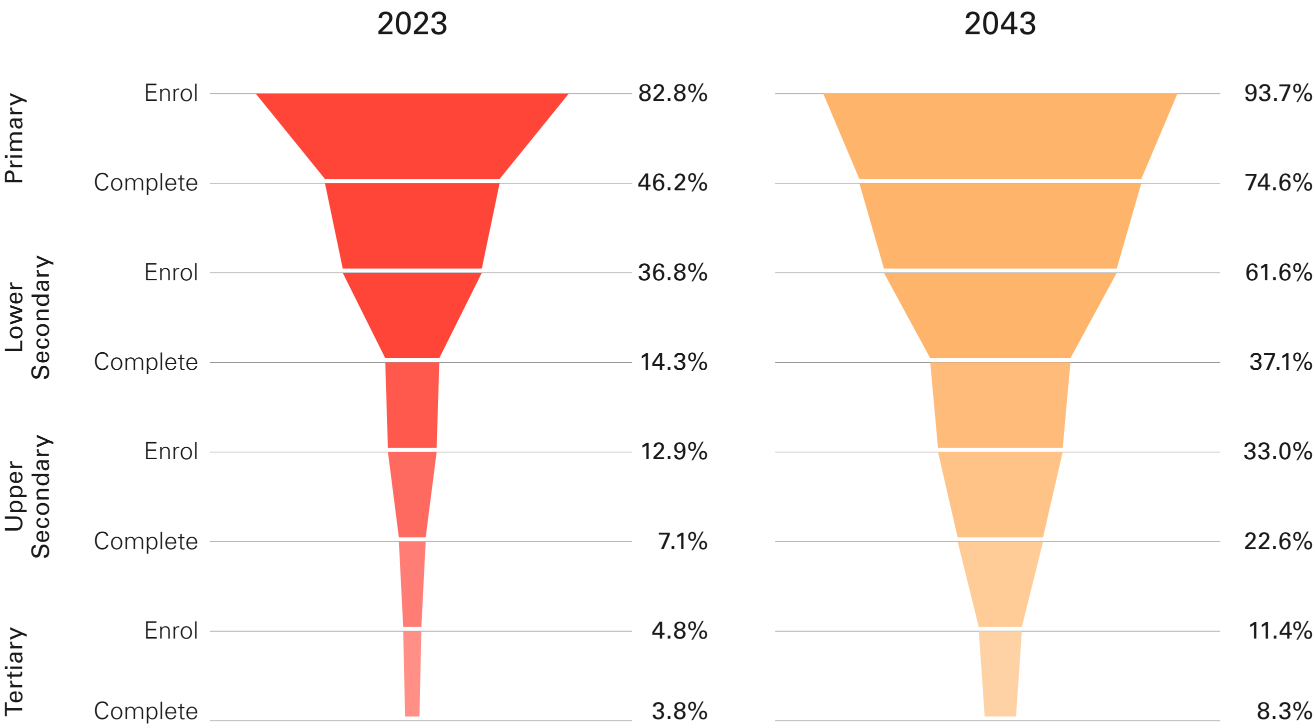
Education is critical for Niger's long-term development. The Education Scenario underscores the transformative potential of targeted education investments to enhance Niger's human capital, reduce inequality and drive long-term economic growth. Under this scenario, the mean years of schooling for young adults (aged 15-24) would rise to 6 years by 2030 and 8.8 years by 2043, compared to 5.7 years and 6.9 years, respectively, in the Current Path. This marks a significant improvement in Niger's stock of knowledge, laying the foundation for a more skilled workforce.

Gross enrolment across lower-secondary, upper-secondary and tertiary levels would increase, with lower-secondary enrolment rising from 36.8 percent in 2023 to 61.6 percent by 2043 (compared to 50.8 percent in the Current Path).

Similarly, upper-secondary enrolment would grow from 12.9 percent in 2023 to 33 percent by 2043 (versus 24.5 percent in the Current Path), while tertiary enrolment would increase from 4.8 percent to 11.4 percent over the same period. These improvements would help narrow the gap with other low-income African nations.

Figure 6.2

Education funnel in the Current Path, 2023 versus 2043



Source: IFs 8.34 initializing from Barro-Lee data

Gender disparities will also be reduced under the Education Scenario. The mean years of schooling for women would rise from 4.3 in 2023 to 8.1 by 2043, compared to 6.6 in the Current Path. Efforts to address systemic barriers, such as child marriage (which affects 66 percent of girls aged 15-19) and early pregnancies, would ensure more girls remain in school, improving gender parity at all levels. The quality of education would improve, albeit modestly, with primary test scores rising to 24.2 by 2043 and secondary test scores to 33, compared to 22.2 and 30.9 in the Current Path. This would better prepare students for a modern and diversified economy, though Niger would still lag behind its income group peers.

The Education Scenario highlights the critical importance of addressing infrastructure gaps, such as replacing the 36 percent of straw hut classrooms with higher-quality facilities, training qualified teachers and ensuring the efficient use of the education budget. Additionally, vocational training and an increased share of science and engineering graduates will equip Nigeriens with skills to meet the demands of an evolving economy.

Manufacturing

Diversifying the economy through manufacturing could reduce dependency on resource exports and create higher-quality jobs. In 2023, manufacturing accounted for 8.5 percent of GDP, valued at $1.2 billion. Under the Manufacturing Scenario, the sector's contribution to GDP would rise to 10.8 percent by 2030 and 15.8 percent by 2043, compared to 14.8 percent in the Current Path. In absolute terms, manufacturing output would grow to $2.6 billion by 2030 and $8.8 billion by 2043, adding $1.2 billion more than in the Current Path.

This growth would be driven by investments in agro-processing, improved infrastructure and value-chain development for products such as peanuts, milk and leather. Services would continue to dominate the economy, growing to 50 percent of GDP by 2043, while agriculture's share would decline from 34.9 percent in 2023 to 15.2 percent by 2043. The Manufacturing Scenario envisions a more diversified economy, with stronger labour participation, particularly among women, and higher productivity.

To achieve this vision, addressing challenges such as high production costs, limited access to credit and inadequate infrastructure will be critical. Strengthening regulatory frameworks and prioritizing transport and energy investments are essential for creating a modern, resilient manufacturing sector aligned with Niger's strategic goals under the Plan de Développement Economique et Social PDES 2022–2026 framework.

AfCFTA

The AfCFTA provides Niger with an opportunity to expand trade, access larger markets and reduce its persistent trade deficit. In 2023, Niger's exports accounted for 9.8 percent of GDP, valued at $1.5 billion, while imports equaled 27.7 percent of GDP, resulting in a trade deficit of 17.9 percent of GDP. Under the Current Path, exports are projected to grow to 13.8 percent of GDP by 2030 and 25.4 percent by 2043, while imports would plateau at 30.6 percent of GDP, reducing the trade deficit to 5.2 percent by 2043.

In the AfCFTA Scenario, export growth would accelerate significantly, reaching 31.2 percent of GDP by 2043, compared to 25.4 percent in the Current Path. Imports would remain at 30.6 percent of GDP, but the faster export growth would reduce the trade deficit more effectively, creating a more balanced trade profile. This growth is driven by increased trade in manufacturing, agriculture, services, ICT, materials and energy, alongside enhanced multifactor productivity and reduced tariffs across sectors, making Niger's exports more competitive in regional and global markets.

Regional trade will remain vital, as 28.6 percent of Niger's exports flowed to African countries in 2021. Full implementation of AfCFTA would allow Niger to maintain tariff-free access to key ECOWAS markets, even as it withdraws from the bloc in 2025, preserving crucial trade relationships. Additionally, the phased liberalization of tariffs over 13 years provides industries and workers time to adapt, ensuring competitiveness in sensitive sectors.

Credit: Getty, mtcurado

By 2043, the AfCFTA Scenario positions Niger to overcome the limitations of its small domestic market, significantly increase export volumes and reduce its trade deficit beyond the outcomes projected in the Current Path, making it a cornerstone of the country's long-term economic transformation.

Large Infrastructure and Leapfrogging

The Large Infrastructure and Leapfrogging Scenario envisions transformative improvements to Niger's transport, energy and digital infrastructure. Investments in all-season roads would significantly improve rural connectivity, ensuring better access to markets and essential services for Niger's large rural population. The scenario prioritizes overcoming the challenges of poor rural road conditions and ensuring year-round access for communities.

Electricity access would also expand significantly under this scenario. In 2023, Niger's electricity access was 21.5 percent, with a large disparity between rural access at 12.1 percent and urban access at 66.3 percent. By 2043, the Current Path is projected to see incremental improvements, while the Large Infrastructure and Leapfrogging Scenario drives more rapid progress, leveraging renewable energy investments to close the rural-urban gap and reduce Niger's heavy reliance on electricity imports, which stood at 83.4 percent in 2023. The scenario would also accelerate solar adoption through projects like Niger Solar Electricity Access Project (NESAP), enabling reliable electricity for isolated rural centres.

Reliance on traditional cookstoves, which contributes to deforestation and health risks, highlights another area of improvement. In 2023, 2.4 million households used traditional cookstoves. By 2043, the Current Path projects this to grow to 4.7 million, while the scenario reduces it to 4.3 million, with 1.5 million households adopting modern fuels compared to 1.1 million in the Current Path. This transition would reduce health risks and environmental degradation.

In digital infrastructure, Niger lags behind its African peers. In 2023, mobile broadband subscriptions were 8.6 per 100 people, far below the 36.2 average for low-income Africa. By 2043, the Current Path is projected to increase this to 114.7 subscriptions per 100 people, but the Large Infrastructure and Leapfrogging Scenario would push it further to 133 per 100 people, narrowing the digital divide. Fixed broadband, essential for businesses and governance, would also improve significantly, reaching 22.5 subscriptions per 100 people by 2043, compared to 15.3 in the Current Path.

By 2043, the Large Infrastructure and Leapfrogging Scenario would deliver significantly better outcomes than the Current Path, including improved rural connectivity, greater electricity access, reduced health risks and expanded digital inclusion. These advancements will foster economic growth, reduce inequality and build a more resilient and sustainable economy for Niger.

Financial Flows

Restoring donor confidence and attracting FDI are essential for Niger's fiscal stability. Under the Financial Flows Scenario, government revenue would increase to 24.8 percent of GDP by 2043, compared to 23.2 percent in the Current Path. This additional fiscal space would enable greater investments in infrastructure and social services, helping Niger address critical development challenges. The scenario also envisions a resurgence in financial inflows, reversing the decline projected in the Current Path, where aid and FDI remain constrained due to political instability and governance challenges. Recent disruptions in donor aid, caused by the 2023 coup, underscore the urgency of stabilizing governance to unlock this vital financial support.

FDI, which peaked at 12.2 percent of GDP in 2011 but declined to 5.2 percent in 2023, would see a significant recovery under the Financial Flows Scenario. By 2043, FDI would rise to 6.8 percent of GDP, compared to 5.9 percent in the Current Path,

Credit: Getty, Oliver Strewe

reflecting renewed investor confidence and improved governance. This recovery would drive investment in key sectors like mining, renewable energy and infrastructure, increasing economic growth and government revenues through improved tax compliance and natural resource royalties. Efforts to reduce illicit financial outflows would further strengthen Niger's fiscal position, ensuring more capital remains in the economy and contributing to sustainable development.

This scenario emphasizes the importance of tax reform and transparent governance to fully capitalize on increased financial flows. By 2043, the Financial Flows Scenario positions Niger to achieve stronger economic growth, reduce reliance on aid and build sustainable fiscal stability. Improved governance and strategic partnerships with international donors will be critical to sustaining these outcomes and translating financial inflows into long-term development.

Governance

Strengthened governance is a foundation for Niger's development. Under the Governance Scenario, governance effectiveness would improve significantly compared to the Current Path, addressing challenges in corruption, institutional capacity and inclusivity. By 2043, governance effectiveness would rise to 2.2 on the World Bank governance index, compared to 2.0 in the Current Path, positioning Niger above the regional average for low-income Africa and creating a more stable and conducive environment for development.

Credit: Getty, undefined undefined

The inclusion index, at 0.52 in 2023, reflects limited democratic participation and severe gender inequality, exacerbated by the 2023 coup, which restricted press freedom and political representation. In the Current Path, inclusion is projected to improve marginally, but under the Governance Scenario, it would rise to 0.62 by 2043, compared to 0.57 in the Current Path. This progress would be driven by restoring democratic governance, increasing female representation and addressing systemic issues, such as child marriage which affects 66 percent of girls aged 15-19. These reforms would foster broader participation in governance and economic growth.

Niger's capacity index, critically low at 0.24 in 2023, reflects weak institutional capacity and challenges in revenue mobilization. The Current Path projects limited improvement to 0.29 by 2043, while the Governance Scenario accelerates reforms to achieve 0.34 by 2043. These reforms would reduce corruption, strengthen fiscal management and improve public service delivery, enhancing government efficiency and creating the fiscal space needed for development investments.

The security index, at 0.65 in 2023, highlights Niger's relative stability but also its vulnerability to regional insecurity and internal unrest. In the Current Path, the security index is projected to remain stagnant, while under the Governance Scenario, it would improve to 0.73 by 2043, reflecting investments in conflict prevention, regional cooperation and law enforcement reforms.

By 2043, the Governance Scenario significantly outperforms the Current Path, driving improvements across inclusion, capacity and security indices. These advancements would create a stronger institutional foundation, attract investment and promote sustainable development, positioning Niger for long-term stability and growth.

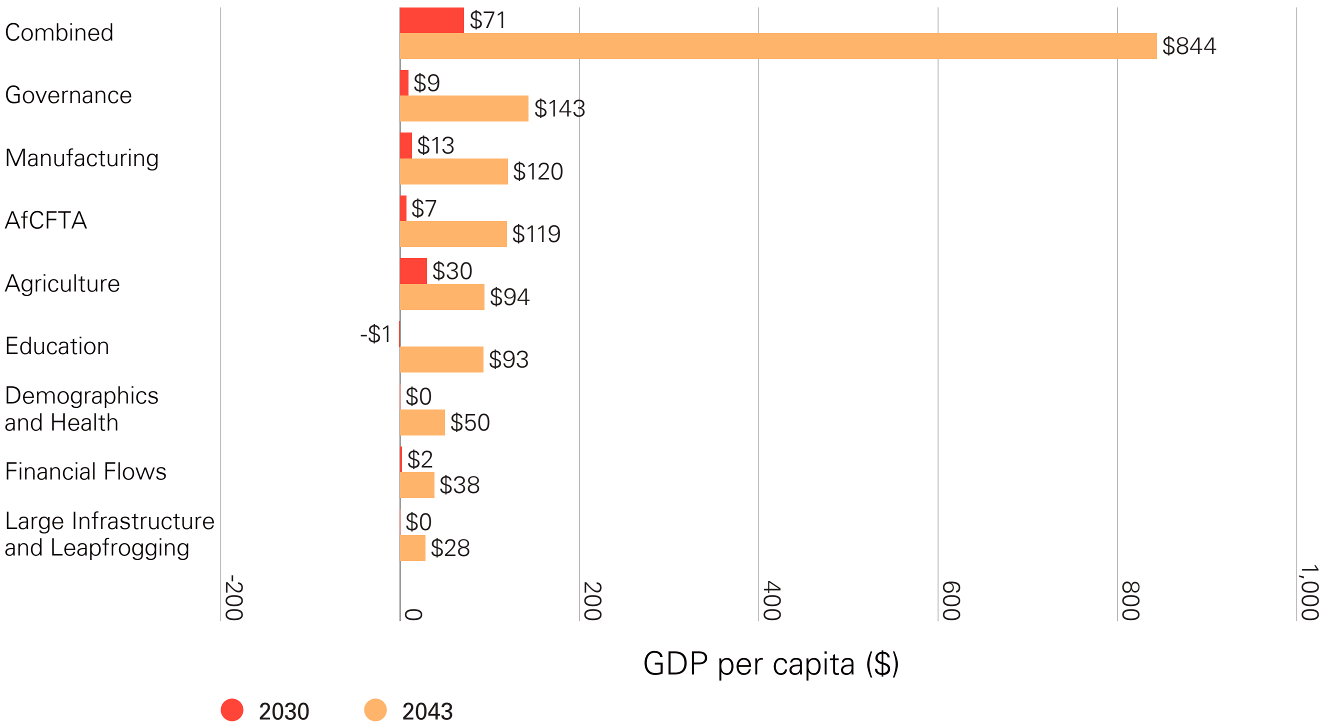
Scenario comparisons and the Combined Scenario

The Combined Scenario integrates interventions from all eight sectoral scenarios above, delivering the most transformative outcomes for Niger's development. By 2043, GDP per capita would be 25 percent higher than in the Current Path, increasing incomes and improving living standards. The economy would grow to $80.1 billion, $28.8 billion larger than the Current Path, driven by accelerated structural transformation, improved governance and investments across sectors.

Extreme poverty would decline substantially under this scenario. By 2043, the percentage of people living in extreme poverty could fall to 18.4 percent, compared to 22.6 percent in the Current Path, lifting millions of Nigeriens out of poverty. This significant reduction is tied to interventions in education, governance and agriculture, which address the root causes of poverty by improving access to quality education, strengthening state capacity and boosting rural livelihoods through higher agricultural productivity.

Life expectancy would also rise faster under the Combined Scenario. By 2043, it would reach 75.7 years, compared to 74 years in the Current Path. Improvements in healthcare, water and sanitation infrastructure and nutrition, coupled with higher government revenues to fund social services, would enhance overall health outcomes and quality of life.

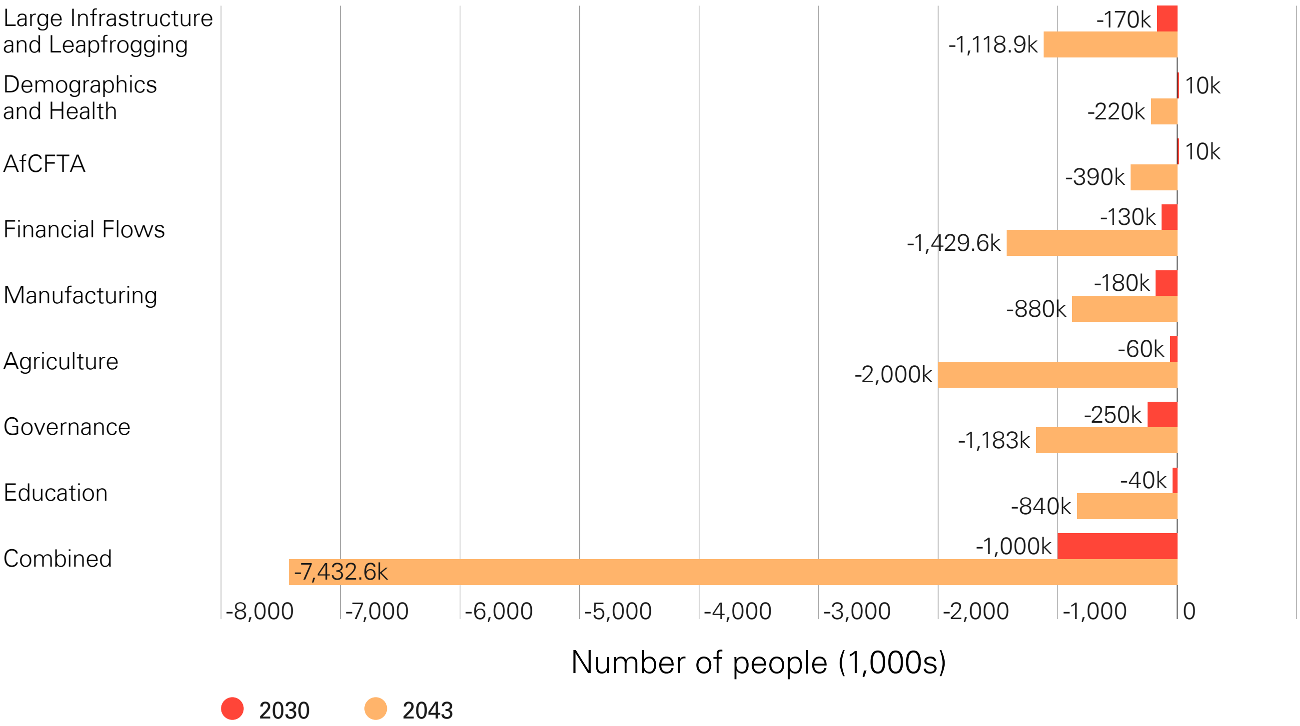
Figure 6.3
Increase in GDP per capita compared to the Current Path, 2030 and 2043



Source: IFs 8.34 initializing from IMF World Economic Outlook data

Figure 6.4

Decrease in size of the extremely poor population versus the Current Path, 2030 and 2043



Source: IFs 8.34 initializing from UNPD population prospects estimate, WDI and PovcalNet data

The Combined Scenario accelerates the diversification of Niger's economy, reducing its reliance on agriculture and expanding higher-value sectors like services, manufacturing and materials. By 2043, the services sector would contribute 52.7 percent of GDP, 4.4 percentage points higher than the Current Path, while manufacturing and materials would collectively account for 27.6 percent of GDP, up from 23.4 percent in the Current Path. Agriculture would remain critical but would see its share of GDP decline to 11.9 percent, reflecting a shift toward more productive sectors.

Energy production under the Combined Scenario would improve significantly, reaching 64 million barrels of oil equivalent (BOE) by 2043, a 39 percent increase over the Current Path. However, rising energy demand driven by rapid economic growth would outpace production, creating a deficit of 33 million BOE, compared to 32 million BOE in the Current Path.

Investments in solar energy, highlighted by projects like NESAP, would help diversify the energy mix and reduce dependence on imported electricity.

The Combined Scenario also would drive significant improvements in social and economic inclusion. The size of the informal labour force would decline from 63.2 percent in 2023 to 25.1 percent by 2043, compared to 44.7 percent in the Current Path, as more workers find formal employment. Income inequality, measured by the Gini coefficient, would drop to 0.33 by 2043, compared to 0.36 in the Current Path, reflecting more equitable growth.

Despite increased economic activity, carbon emissions would remain low by global standards, rising from 1.4 million tonnes in 2023 to 4 million tonnes by 2043 in the Combined Scenario. This modest increase — only slightly higher than the 3.8 million tonnes in the Current Path — underscores the potential for sustainable growth through renewable energy investments.

By integrating reforms across all sectors, the Combined Scenario positions Niger for inclusive and sustainable development. It delivers faster economic growth, greater poverty reduction, improved health and education outcomes and a more diversified and resilient economy compared to the Current Path, laying the foundation for long-term prosperity.

Policy recommendations

Niger faces significant challenges, but it also has immense potential for transformation. Unlocking this potential requires addressing several interconnected priorities through immediate and sustained action. Strengthening governance and institutional frameworks must remain the cornerstone of Niger's development strategy. Robust anti-corruption measures, enhanced transparency and inclusive decision-making processes are essential to restoring public trust and ensuring the effective implementation of policies. Monitoring and evaluation mechanisms will also be critical to adapting strategies to the country's evolving needs.

Economic diversification is essential to reduce Niger's dependency on resource exports and foster long-term growth. Investments in manufacturing, agro-processing and renewable energy are pivotal to driving productivity, creating high-quality jobs and achieving sustainable development. Leveraging AfCFTA can further integrate Niger into regional and continental value chains, boosting trade and investment while reducing the risks associated with its ECOWAS withdrawal.

Investing in human capital is equally critical. Expanding access to quality education, particularly for girls, and promoting vocational training and digital literacy will empower Niger's youthful population to contribute effectively to a modern economy. Addressing systemic barriers, such as child marriage and early pregnancies, through community engagement and targeted policy measures will enable women and girls to participate fully in social and economic life. Furthermore, achieving a demographic transition by improving access to modern contraception and maternal healthcare will alleviate resource pressures and create opportunities for a demographic dividend.

Agricultural resilience must be a central pillar of Niger's development strategy. Expanding irrigation, adopting climate-smart agricultural practices and improving storage and distribution infrastructure will enhance productivity and food security, reducing reliance on imports. Supporting women farmers by improving access to land, financial services and training will also contribute to rural poverty reduction. Infrastructure development must complement these efforts, focusing on building all-weather roads to improve rural connectivity and scaling up renewable energy projects to enhance electricity access, particularly in underserved areas. Investments in broadband infrastructure will foster digital inclusion and innovation, bridging the urban-rural divide.

Regional and international cooperation remains vital to address Niger's challenges. Strengthening regional collaboration and leveraging partnerships with multilateral organizations will help manage shared resources and promote stability. Security efforts must also strike a balance between military operations and non-kinetic strategies, such as community-based conflict resolution and reintegration programmes, to address the root causes of instability and foster long-term peace.

With coordinated and bold action, Niger has the opportunity to achieve inclusive and sustainable development. By leveraging its natural resources, youthful population and strategic location, while implementing the transformative interventions outlined in the Combined Scenario, Niger could reduce poverty, improve living standards and position itself as a resilient and prosperous nation by 2043.

Credit: UNDP WACA

7.0

Towards stability and inclusive development for Burkina Faso, Guinea, Gabon, Mali and Niger

Across the five countries analysed, a common pattern emerges: economic vulnerability and governance deficits have created cycles of instability that predate the most recently experienced unconstitutional changes of government. In each country, recurrent current political instability has been fuelled by slow growth, economic exclusion and weak institutional trust.

The future development of Burkina Faso, Guinea, Gabon, Mali and Niger hinges on their ability to pursue inclusive economic growth, build institutional resilience and address persistent governance deficits. While each country faces unique socio-political and economic conditions, they share these common vulnerabilities. The Current Path projections show that incremental progress is insufficient to achieve long-terwm stability and prosperity. While some economic growth is expected, without targeted reforms, these countries will continue to face:

- Institutional fragility, limiting policy effectiveness and investor confidence;
- Over-reliance on volatile commodities, leaving economies vulnerable to external shocks;
- High poverty rates and demographic pressures, constraining social development; and
- Security crises, particularly in the Sahel, disrupting development efforts and exacerbating instability.

The analysis of the eight sectoral interventions and the Combined Scenario demonstrates that strategic investments and policy reforms can drive significant improvements across all key sectors. Strengthening governance structures while ensuring equitable access to economic opportunities is essential for breaking the instability cycle. Countries that prioritize investments in infrastructure, education and healthcare will see the strongest gains in long-term stability and economic resilience.

Deeper integration through the AfCFTA and regional security frameworks offers an opportunity to amplify economic gains and reinforce governance reforms.

Country-specific development priorities

Burkina Faso

Security and economic diversification as cornerstones of stability Burkina Faso's development outlook is heavily constrained by insecurity and political instability, particularly the ongoing threat from extremist groups.

- Economic diversification, beyond its reliance on gold mining and subsistence agriculture, is necessary to create sustainable livelihoods. Under the Manufacturing Scenario, the sector's contribution to GDP could rise from 9.6 percent in 2023 to 22.4 percent by 2043, creating employment and enhancing value-added production.
- Agricultural productivity improvements can significantly reduce food insecurity and increase rural incomes, with crop yields potentially doubling under an ambitious reform strategy.
- Governance reforms are critical to restoring institutional legitimacy and ensuring effective public service delivery.

Guinea

Resource-rich but governance-weak; bridging the gap Despite Guinea's mineral wealth, particularly in bauxite, gold and iron ore, the absence of economic diversification has hindered sustainable development.

- Enhancing linkages between the mining sector and the broader economy is crucial. The Manufacturing Scenario demonstrates that targeted industrial policy interventions could increase the sector's GDP contribution to 14.5 percent by 2043.

- Improved governance and transparency in extractive revenues can enhance fiscal stability, reducing dependency on foreign aid. Guinea's Financial Flows Scenario suggests that with governance reforms, FDI could increase from 3.9 percent of GDP in 2023 to 5.3 percent by 2043.
- Education reforms are vital. Currently, 83 percent of children cannot read by age 10. Under the Education Scenario, mean years of schooling for young adults could rise from 5 years to 8.2 by 2043, improving workforce productivity.

Gabon

Transitioning from oil dependence to a knowledge-based economy Gabon, despite its upper-middle-income status, faces structural economic weaknesses, including heavy reliance on oil, which accounted for 38 percent of GDP in 2023.

- The Manufacturing Scenario highlights that diversification into timber processing, agro-processing and industrial manufacturing could increase the sector's GDP contribution from 15 percent in 2023 to 22.1 percent by 2043.
- AfCFTA participation presents an opportunity to expand non-oil exports, helping Gabon reduce its trade deficit, which is projected to widen to 4.4 percent of GDP by 2043 under the Current Path.
- Governance reforms and social inclusion are critical. The Governance Scenario projects that improvements in fiscal management, anti-corruption measures and institutional transparency could reduce poverty from 31.3 percent in 2023 to 9.3 percent by 2043.

Mali

Addressing population growth and structural economic deficiencies Mali's high population growth rate (3.3 percent annually) and fragile security situation pose severe constraints to long-term development.

- Addressing food security through agricultural modernization is key. The Agriculture Scenario suggests that increasing crop yields to 5.9 tons per hectare by 2043 could reduce import dependency to just 3.4 percent, boosting rural incomes.
- Industrialization through agro-processing could accelerate economic transformation, with the Manufacturing Scenario showing potential for the sector's GDP share to increase from 9.8 percent to 29 percent by 2043.
- Investment in education and governance reforms are essential for stability, with the Governance Scenario projecting a 23.3 percent improvement in governance effectiveness by 2043, compared to the Current Path.

Niger

A demographic challenge with untapped economic potential Niger's extreme population growth (3.4 percent annually) and youth dependency burden remain significant challenges to economic stability.

- Improving governance is crucial. Under the Governance Scenario, the capacity index could improve from 0.24 in 2023 to 0.34 by 2043, strengthening public sector efficiency.
- Energy and infrastructure development will unlock economic growth. The Large Infrastructure and Leapfrogging Scenario projects that electricity access could expand from 21.5 percent in 2023 to 74 percent by 2043, supporting industrialization and digital transformation.
- Investment in human capital is vital. The Education Scenario suggests that mean years of schooling could increase from 5.7 in 2023 to 8.8 by 2043, with gender disparities significantly reduced.

The transformative impact of the Combined Scenario

The Combined Scenario integrates interventions across eight key sectors — governance, education, health and demographics, agriculture, manufacturing, trade, infrastructure and financial flows — demonstrating that a comprehensive and cross-sectoral approach can significantly accelerate development across Burkina Faso, Guinea, Gabon, Mali and Niger.

By addressing structural economic weaknesses, governance deficits and infrastructure gaps, the Combined Scenario showcases the potential for inclusive and resilient growth, with each country experiencing profound socio-economic transformation. This is described for each country below.

Burkina Faso

GDP per capita increases by 25 percent beyond the Current Path, while extreme poverty declines from 27.7 percent in 2023 to just 2.6 percent by 2043. Key drivers include manufacturing expansion, agricultural modernization and enhanced infrastructure investments.

Credit: Getty, Westend61

Guinea

Economic growth accelerates to 7.3 percent annually, driven by mining sector linkages, governance improvements and infrastructure expansion. Extreme poverty will be eradicated by 2043 through increased foreign investment, education reforms and trade integration via AfCFTA.

Gabon

GDP per capita rises 29.4 percent above the Current Path, as economic diversification reduces oil dependency. Targeted investments in human capital, renewable energy and manufacturing drive structural transformation.

Mali

The economy expands 57.3 percent beyond the Current Path, reaching $83.3 billion by 2043. Extreme poverty is eliminated by 2037, enabled by industrial growth, governance improvements and agricultural productivity gains.

Niger

Extreme poverty falls to 18.4 percent by 2043, as education and governance reforms unlock long-term economic resilience. Increased energy access, digital inclusion and expanded agricultural production drive sustainable growth.

Security as a cross-cutting priority

Security is critical to sustained development, particularly in Burkina Faso, Mali and Niger, where conflict threatens economic stability and progress. Key strategies include:

- Balancing military and socio-economic responses to conflict;
- Investing in education, livelihoods and governance to reduce the drivers of extremism; and
- Strengthening regional security cooperation.

8.0 Conclusion

The development trajectories of Burkina Faso, Guinea, Gabon, Mali and Niger underscore the complex interplay between economic diversification, governance and social resilience in shaping inclusive and sustainable futures. While each country faces distinct challenges, common themes also emerge: the need for institutional reforms, security stabilization, economic transformation and strengthened regional cooperation. This summary report highlights policy pathways that can unlock transformative growth and stability through a development-led approach.

A strategic blend of targeted sectoral interventions, including governance reforms, infrastructure development, education investment, and green and digital transformation will be essential for fostering long-term stability and inclusive growth. Achieving this requires adaptive policymaking, strong regional cooperation and committed partnerships between governments, the private sector and development actors.

The findings of this report serve as a platform for engagement and action, with the insights intended to facilitate dialogue, shape policy priorities and provide a basis for the co-development of practical solutions tailored to each country's context.

Regional and international institutions, including the AU, RECs and the United Nations system, must cohere in fresh and innovative collaborations that leverage their discrete strengths. The Africa Facility to Support Inclusive Transitions (AFSIT), in partnership with key stakeholders, provides a critical mechanism to translate research into action, ensuring that governance and development pathways are resilient, inclusive, and deliver for citizens.

At the country level, leadership by national governments is key to ensure national ownership of development strategies. Partnerships with civil society and the private sector remain essential to ensure locally driven solutions that are both context-specific and scalable. By fostering coordinated action and knowledge-sharing, these partnerships can transform insights into impactful, long-term development pathways.

Drawing on the findings in this report, policymakers and partners can begin a dialogue on how to move beyond crisis response toward a sustainable development vision where stability, opportunity, and prosperity reinforce each other in a virtuous cycle — upholding peace, resilience and inclusive development

UNDP