



**12<sup>th</sup> African Union Private Sector Forum**

**10-12 November 2021**

**Cairo, Egypt**

***Theme: Strengthening African private sector's capacity to respond to disrupted markets and ensure economic resilience in the face of COVID-19 Pandemic.***



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## I. Background

A thriving private sector is central to achieving the objectives of Africa's Agenda 2063. Suffice to state that the success of Agenda 2063 is to a large extent premised on the role of the private sector in achieving the African Economies growth objectives and, thereby, creating greater wealth and employment opportunities.

However, the recent crisis created by COVID-19 has dramatically changed the macroeconomic settings in which the private sector now operates in Africa and the world at large. It has highly affected the levels of public and private debt, reduced financial stability and increased credit and investment risk and uncertainty, among other challenges. Thus, African policymakers have to carefully reassess the macroeconomic conditions affecting Private Sector development and urgently undertake necessary reforms that boost the role of Private sector as an engine of inclusive economic growth and sustainable development.

The multilateral trading system overseen by the World Trade Organisation (WTO) has helped to spur economic development for both developing and developed economies by creating a more predictable, fair and transparent trading system that encourages investment and industrialization. Nevertheless, in recent times, this progress has been slowed by crises such as that triggered by the COVID-19 pandemic. This new economic related crisis has caused major disruptions to trade. In its October 2020 forecast, the WTO predicted that the volume of world merchandise trade would decline by 9.2 per cent in 2020, followed by a 7.2 per cent rise in 2021. In its October 2020 World Economic Outlook, the International Monetary Fund (IMF) forecast negative growth of -4.4 per cent for the world in 2020, with a rebound to 5.2 per cent in 2021.

The current marketplace for big public contracts is dominated by foreign companies with a greater share attributed to approximately 10,000 thousand Chinese companies' operating in Africa and multiplicity of European



Multinational Companies operating in Africa and most of them funded under the Official Development Assistance (ODA) cover with a negative incidence on African private sector.

Furthermore, failure to strengthen the competitiveness of African private sector to effectively participate in big public contract processes will further aggravate Africa's participation in World trade. Strengthening the technical capacity and the financial viability of domestic companies will require that AU countries invest additional capital expenditure on training highly qualified engineers, private sector managers and to create a special guarantee fund to ease access to commercial loans for domestic companies to effectively participate in big public contract tender processes in Africa. To date, according the Global Fortune 500 hundred report of 2020 mostly dominated by American and Chinese companies, no African private company was mentioned as global champion. Overhauling the African public contract sector within the context of COVID 19, to ensure a 50 per cent participation of domestic companies to have at least 50 percent of Public Procurement to African Private Sector including SMEs ,Women and Youth will fast track the creation of African companies within the construction, the pharmaceutical industries , the information technology, energy, agriculture and Agribusiness , mining and Mineral Development domains and Industrialization as a whole as a core for Africa;s Economic transformation.

There is also a great importance to strengthen the capacity of the African private Sector to have a Made in Africa Products that are competitive , Value added ,standardized ,of quality and to promote made in Africa products among African Private Sector to increase Intra Africa Trade and Operationalize the AfCFTA .

On a whole, there is still great need to strengthen the African private sector's capacity to respond to disrupted markets. The COVID-19 crisis has presented challenges to businesses to reconsider their products, services and business models in light of market disruptions. To do this, the African Private Sector requires a conducive business environment and a supportive entrepreneurial and innovation ecosystem. One that promotes productivity and better working conditions for business growth and sustainability. Governments should priorities reforms and other support measures that promote growth and innovation of African Private Sector in order to help pull the countries out of the economic and



social crisis created by the pandemic. This includes reforms that promote greater economic resilience to external shocks.

In light of the prevailing circumstances, the AU in close collaboration with Member states and the Voice of the Private Sector of Africa The African Business Council and all the Stakeholders and Development Partners will continue to facilitate the engagement of all policy actors in recovery Policy planning and implementation.

The AU recognizes the fact that, when designing, implementing and monitoring economic recovery policies, it is important for the voice of private sector actors to be heard. This will require putting in place new innovative approaches that harness the potential of new technologies and digital platforms to enhance public-private sector dialogue and engage all essential market actors when identifying reform priorities. This initiative is in line with AU Executive Council Abuja Decision Number **EX/CL/Dec.183 (VI)**, which institutionalized the African Union Private Sector Forum as a key instrument of dialogue and partnership between the African Union policy makers and the private sector actors. The Forum also acts as a vehicle for empowering the African Private Sector through advocacy, sharing business and market information and skills.

Given the foregoing background, the African Union Commission in collaboration with the **Africa Business Council** plans to jointly organize the 12<sup>th</sup> Africa Private Sector Forum on 10-12 November 2021 in Cairo, **Egypt** under the Theme: ***Strengthening African private sector's capacity to respond to disrupted markets and ensure economic resilience and steady recovery in the face of COVID-19 Pandemic.***

## **II. Structure & Content**

The 12<sup>th</sup> AU Private Sector Forum which will be held in close collaboration with African Business Council will be a three day event. It will feature opening session, plenary session discussions focused on policy issues that promote sustained, inclusive economic growth and development, full and productive employment and decent work for all. There will also be a startup pitch and closing sessions. B2B, B2G and G2G interaction stands will be available throughout the event, where companies including those owned by women and youth entrepreneurs will



demonstrate their innovations and inventions, creative art-facts and digital solutions and explore partnerships with other companies and governments.

Plenary sessions will host specific panel discussions and will delve into discussions on strengthening of reforms to enhance competitiveness, fast-tracking of public procurement reforms to ease procedures and simplify them to facilitate more tenders from African Private Sector companies, use of digital technologies to ensure value addition on Made in Africa products so as to enhance productive capacities of Africa's businesses

Interactive Policy discussions will also be held on Smart & Sustainable Energy: Smart oil and gas infrastructure, Inland Transport and logistics systems (Railways, cars and other transportation systems, Smart Ports and water and other resources management enhancements.

Other issues to be discussed will focus on Innovative and creative strategies for promotion of tourism as a key sector contributing to the transformation of African economies as well as brainstorming on deliberate measures to be undertaken to boost agricultural production and productivity levels through the scaling up of agro-technologies, investing in access to affordable quality seeds and fertilizers, markets through value chain improvements, and promoting agricultural research and development among others.

There will also be, the launching of "*African Union Investment Promotion Network Website*" as well as showcasing and promotion of a variety of "*Made in Africa products*"

### **III. Objective of the Forum**

The main objective of the 12th Africa Private Sector Forum is to explore feasible ways and means of strengthening African private sector's capacity to respond to disrupted markets and ensure post COVID 19 economic resilience and steady recovery driven by strong, vibrant and dynamic Private Sector and be able to continue driving Africa's transformational Agenda 2063 aspirations

#### **Specific Objectives of the Forum**



- a) To dialogue and explore ways of creating a conducive business environment and supportive entrepreneurial and innovation ecosystem for Africa's Private sector
- b) Ameliorate governance in the public contract procurement value chain amongst AU countries to enhance competitiveness and to impose a quota for private sector participation in big public contract tender processes in Africa
- c) To facilitate the engagement of market actors in recovery planning. It is important for the voice of private sector employers and workers to be heard when designing, implementing and monitoring an economic recovery. This requires new innovative approaches that harness the potential of new technologies and digital platforms to enhance public-private dialogue for socio-economic transformation
- d) To provide a platform for a Public-Private sector dialogue on regulations and promotion of E-Commerce in order to facilitate better access to markets and digital trading platforms while removing or significantly reducing the need for physical travels and contacts
- e) To further discussions on ways to make it easier for the African Private Sector to access relevant financial services. Given that the closing of the greater part of global economy has created a financial crisis, among other crises in many countries, policymakers should consider how financial sector reforms can be used to increase liquidity for Business financing, while improving mechanisms that extend online payments.
- f) To discuss measures on how Africa's Private Sector can be actively engaged in the economic recovery of African Countries by improving public procurement policies and procedures that enhance MSME active participation in the tendering process.
- g) To explore means to improve trade and supply chains in which markets are open and competition is maintained hence creating opportunities that enable Africa's Private Sector to operate in national and global supply



chains, improve their competitiveness and enabled to access new global markets to increase Intra Africa Trade .

- h) To call for a commitment to boost agricultural production and productivity levels through the scaling up of agro-technologies, investing in access to affordable quality seeds and fertilizers, markets through value chain improvements , and promoting agricultural research and development among others.
- i) To mobilize for critical resources required to invest in Smart & Sustainable Energy: Smart oil and gas infrastructure.
- j) To highlight the importance of tourism as a key factor in economic transformation and call for increased investment in the sector. This also calls for collaborative efforts to strengthen the capacity of African private sector and integrate them in the tourism value chain.
- k) To create awareness about the presence of an active “*African Union Investment Promotion Network Website*” that is mainly intended among others to promote the exchange of information and facilitate interactions, between all private sectors within Africa and across the globe.

#### **IV. Expected results**

- a) Recommendations made on measures to undertake to create conducive business environment and supportive entrepreneurial and innovation ecosystem for Africa's Private sector
- b) Governance regarding the execution of big public contracts in Africa is significantly ameliorated to include at least 30% Public Procurement for African domestic companies annually.
- c) Every African country will make significant efforts to provide guarantee towards domestic private actors to access commercial loans to effectively participate in big public contract tender processes annually.
- d) New innovative approaches that harness the potential of new technologies and digital platforms to enhance public-private dialogue for



socio-economic transformation discussed and recommended to member States for implementation.

- e) Better access to markets and digital trading platforms that reduce the need for physical travels and contacts recommended for adoption.
- f) Financial sector reforms and promotion of Financial Inclusion that can increase liquidity for African Private Sector financing advocated for and recommended.
- g) Undertaken reforms in Public procurement policies and procedures that enhance Private Sector including MSME participation and acquisition of supply contracts including Women and Youth owned Businesses.
- h) Improved trade and supply chains that keep markets open and maintain market competition and create opportunities for Africa's private sectors that are operating in both national and global supply chains.
- i) Policymakers will also be encouraged to commit to boost agricultural production and productivity levels through the scaling up of agro-technologies, investing in access to affordable quality seeds and fertilizers, markets through value chain improvements, and promoting agricultural research and development.
- j) Critical resources required to invest in Smart & Sustainable Energy: Smart oil and gas infrastructure will be mobilized.
- k) The importance of tourism as a key factor in economic transformation highlighted and African businesses capacity to participate and benefit from tourism value chain strengthened.
- l) Awareness about the presence of an active "*African Union Investment Promotion Network Website*" and its intended objectives created.

## V. Participants

- a) Over 300 participants will be invited to attend



- b) The participants shall be drawn from Captains of Industries, Business Leaders ,RECs Business Councils, Chambers of Commerce and Industries , Private Sector Federations, Union of Industries, Manufactures Associations , Women and Youth led/ owned SMEs, Business Women and Youth Associations, Public Policy Makers, Champions of Development and Financial Institutions, Regional and International Organizations ,Development Partners .
- c) E-Commerce and digital trade experts
- d) Officials/Experts from within and outside Africa will be invited to participate at the Forum to share their experiences

## VI. Contacts

***For more details on the Forum, kindly contact;***

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