

AFRICAN UNION

الاتحاد الأفريقي

UMOJA WA AFRIKA



UNION AFRICAINE

UNIÃO AFRICANA

UNIÓN AFRICANA

Addis Ababa, ETHIOPIA P. O. Box 3243 Telephone: (251) 11 5517700 Fax: (251) 11 55182970

15TH AFRICAN UNION HIGH LEVEL PRIVATE SECTOR FORUM
“UNLOCKING OPPORTUNITIES FOR PRIVATE ACTORS TO
ACCELERATE INTRA-AFRICAN TRADE AND INVESTMENTS”

31 October - 02 November 2024

Lusaka, Zambia

1. INTRODUCTION

As a follow-up to the Recommendations that resulted from the 14th African Union Private Sector Forum that took place in Nairobi, Kenya on 10 to 12 July 2023, whereby African Union member states were required to implement the following strategic actions in order to fast track intra-African trade and investment predicated on the economic integration of continental value chains (baby food, pharmaceuticals, textiles, automotive assembly and manufacturing, transformation of critical minerals, etc.):

- *Strengthen Public-Private Dialogue accountability and feedback mechanisms through public-private collaborations in upscaling economic and social development as well as bridging infrastructure gaps and services.*
- *Member States are encouraged to adopt favourable policies including removing Non-Tariff Barriers, promotion of regional and continental value addition and embrace technology for ease of information asymmetry; and*
- *Ensure we include the African business champions in the African Union economic policy-making agenda within the framework of the purported AU Common Private Sector Forum.*

Moreover, accelerating recovery from the multifaceted crises affecting Africa since 2020 with the outset of the COVID-19 which disrupted global supply chains, and it was further aggravated by the Ukrainian-Russian conflict with negative incidence on cost of living associated with soaring inflation. Accelerating economic recovery in Africa from these crises will require that the African Union members' states collaborate with private sector champions and medium sized actors to unlock business opportunities and barriers affecting intra-African trade and investments.

Access to energy and finance: Concerning building an enabling business climate thus far, worthy to note, easy, affordable and reliable access to infrastructure (particularly energy) and finance are the two most cited obstacles affecting the business operations in Africa. Access to electricity is cited by 20.7 per cent of firms in Africa as the main obstacle, and finance by 19.6 per cent.

About 590 million people in Africa lack **access to electricity**, and for those with access, the quality is generally poor and reliability unacceptably low compared with other regions of the world (ECA, 2020a). More African firms identify energy than any other factor as their major constraint. It is a greater obstacle for small firms in Africa than large ones. Some 79 per cent of firms in Africa experienced electricity outages between 2007 and 2018, and the average effective cost of electricity for manufacturing enterprises in Africa is close to 20 cents per kilowatt-hour, about four times higher than industrial rates elsewhere in the world (AfDB, 2018).

Enabling transportation network: Transport is a catalyst for sustainable economic development and growth. Some 3.6 per cent of firms in Africa identified transport as the main obstacle to business. Poor road, rail and port infrastructure increase cost, transit times and breakage or spoilage. Road freight tariffs in Africa are two to four times higher

per kilometer than those in the United States, and travel times along key export corridors two to three times higher than those in Asia (AfDB, 2018). According to the World Bank Enterprise Survey (2007–2018), 1.9 per cent of the value of products is lost to breakage or spoilage during shipping to domestic markets in Africa. Increased connectivity would facilitate and grow domestic, regional and international trade, lower the cost of doing business and make African nations more competitive, both within the continent and globally.

Furthermore, the lack of an **inclusive interoperable payment and remittance system** for both businesses and citizens in Africa, makes it extremely difficult to move goods and services in Africa. Integrating Africa’s economy through the use of blockchain technologies anchored on developing a robust policy and regulatory framework will quickly create the enabling conditions both domestically and regionally to use private cryptocurrency platforms and Central Bank Digital Currencies (CBDC) to foster interoperable payment systems with existing mobile money and commercial banking payment systems.

Consolidating the ongoing public-private dialogue and collaboration Platform set up in every African country by the International Finance Corporation (IFC) of the World Bank Group could significantly improve the doing business reforms in Africa. Networking likeminded private sector actors both nationally and continentally could contribute in exchanging best practices, foster benchmarking visits as well as share lessons learnt with their peers.

2. GOAL

- Ameliorate private sector policy reforms landscape towards growing a stronger community of African private sector champions to accelerate cross-border trade and investments both continentally and globally.

3. STRATEGIC OBJECTIVES

- Strengthen ongoing public-private sector dialogue to ameliorate the business climate in Africa through multistakeholder engagement with all relevant stakeholders to position African private sector champions as drivers of growth as well as the creation of decent job.
- Foster business-business network amongst likeminded public and private actors to leverage their efforts to accelerate cross-border trade both continentally and globally.

4. EXPECTED OUTCOMES/RESULTS:

Outcome 01:

- Africa’s private sector champions are effectively networking, trading and investing in likeminded value chains across the borders both continentally and globally.

Outcome 02:

- A data base of Africa's private sector champions in compatible domains are effectively developed and published on the African Union website.

Outcome 03:

- Best practices and lessons learnt are shared with likeminded private sector actors in Africa.

5. DATE OF THE EVENT

The date of the event is from 31 October -02 November 2024 in Lusaka, Zambia.

6. RESOURCE PERSONS

Resource persons (key speakers and panelists) for the Forum shall be selected from African Countries and International specialized agencies.

7. PUBLICITY ON THE FORUM

The Forum shall have a website which shall be hosted by the African Union Commission. Other means available shall also be used to widely promote and popularize its objectives and purpose, including social media sites, brochures, posters, leaflets, etc.

8. WORKING LANGUAGES OF THE FORUM

The working languages of the Forum are: English and French.

9. FOCAL POINTS

1. Mr. Islam Swaleh
Head of Entrepreneurship and Investment
African Union Commission
E-Mail: swalehi@africa-union.org
2. Mr. Elia Karuhanga
Policy Officer Private Sector Development
African Union Commission
KaruhangaE@africa-union.org
3. Ms. Tsige Gugsu
Economic Development, Integration and Trade
African Union Commission
TsigeG@africa-union.org

10. PROPOSED TOPICS FOR PANELS DISCUSSIONS:

Panel 01: Developing an interoperable and inclusive cryptocurrency payment and remittance system in Africa.

Panel 02: Setting up a business-friendly capital market architecture to accelerate private sector growth and to integrate Small and Medium Sized Enterprises (SMEs) businesses into major supply chains in Africa.

Panel 03: Developing innovative financing instruments to foster green energy transition towards sustainable climate change adaptation in Africa.

Panel 04: Transforming Africa's critical minerals upon encouraging the participation of African private sector mining champions and SMEs.

Panel 05: Presentation of Pan-African Private Sector Trade and Investment Committee (PAFTRAC) 2024 Africa CEO Survey

Panel 06: Enabling access to Renewable Energy Technologies as the only alternative towards universal access to energy in Africa.

Panel 07: Fostering digital inclusion and Artificial intelligence in Africa.

Panel 08: Rerouting Africa's borrowing towards encouraging manufacturing sector in Africa.

Panel 09: Accelerating economic integration in Africa is predicated on building a common Africa aviation market as well as enabling free movement of people.

Panel 10: Accelerating the implementation of the AfCFTA by uplifting transportation and telecommunication network barriers.

Panel 12: Pitching Session

Business to Business, Business to Governments and Business to others sessions will also be held.