

INFORMATION & COMMUNICATION DIRECTORATE

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Public-Private Partnership a viable path for Africa's economic recovery; African Private Sector Forum.

To set Africa firmly on the path towards economic and social transformation, private sector engagement is crucial. The 12th African Private Sector Forum has concluded its three-day meeting in Cairo, Egypt, providing a platform for information exchange, business networking and adopting policy recommendations on Africa's development priorities, with a focus on Strengthening African private sector's capacity to respond to disrupted markets and ensure economic resilience in the face of COVID-19 Pandemic. The Forum was strategic to establish and/or expand partnerships with the private sector through Public-Private Partnership (PPP) engagements, particularly underpinned on Africa's response to the effects of the COVID-19 crisis and to build resilience and help recovery of businesses and economies.

COVID-19 has dramatically changed the macroeconomic settings in which the private sector 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. The 12th African Private Sector Forum made considerations on avenues for policymakers to reassess the macroeconomic conditions affecting Private Sector development and focused on reforms required for a conducive business environment and a supportive entrepreneurial and innovation ecosystem that promotes productivity and better working conditions for business growth and sustainability.

Among the recommendations, is the need to strengthen the capacity of the African Private Sector to have a "Made in Africa" Products that are competitive, Value added, standardized and of high quality, and the promotion of the "Made in Africa" products to increase Intra-Africa Trade and particularly following the start of trading under the African Continental Free Trade Area (AfCFTA). The African Union Commissioner of Economic Development, Trade, Industry and Mining Amb. Albert Muchanga revealed that the AU Commission is currently in the process of establishing a "Made in Africa" standard that will promote quality and productivity in addition to contributing to the elimination of technical barriers to trade.

While officially opening the African Private Sector Forum, Amb. Muchanga observed that as the African continent enhances efforts to recover from the COVID-19 Pandemic, to grow its economy and make it more resilient from future shocks, the private sector must be at the centre of those efforts. "As the African private sector organizes itself at the continental level, the greatest challenge it faces is to supply to scale, with goods and services, the 1.3 billion market of the African Continental Free Trade Area (AfCFTA). A vacuum or failure to do this would bring in trans-shipments or trade deflection. If that happened, the AfCFTA market would be weaker. Equally important, there would be de-industrialization across Africa. Jobs and prosperity would consequently be lost, and with them, the vision of creating the Africa We Want", the Commissioner noted. He further stated that the Secretariat of the African Continental

Free Trade Area is working on a regime on rules of origin, which will; among others, forestall trans-shipments or trade deflection.

The Forum underscored the need to overhaul the African public contract sector within the context of COVID 19, to ensure a 50 per cent participation of domestic companies and 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 core for Africa's Economic transformation. The newly elected President of the African Business Council Dr. Amany Asfour observed that for Intra-African Trade to be sustainable, focus must be given to private sector strengthening capacity building for Micro, Small and Medium Enterprises; Policy advocacy through a fair share of procurement to both public and private entities and through financial inclusion; and support of product development through value addition of African natural resources, designing, fine finish and branding of "Made in Africa" products.

Afreximbank's Executive Vice President Finance and Banking Services, Mr. Denys Denya, noted the significance of the African Private Sector Forum to rally the support of policy-makers and the private sector in the COVID-19 pandemic recovery efforts. Denya observed the role of the AfCFTA in revitalizing trade and reshaping the growth of African economies while expanding opportunities for the largest demographic dividend, the youth, and in breaking the artificial borders that hamper intra-African trade. While the policy-makers are driving the operationalization of the AfCFTA, the private sector play a critical role in the full and successful implementation of the common market. The African Union in collaboration with the Afreximbank, are rolling out the [Pan-African Payments and Settlement System](#) (PAPSS), which provides alternative to current high-cost and lengthy correspondent banking relationships to facilitate trade and other economic activities among African countries through a simple, low-cost and risk-controlled payment clearing and settlement system.

Deputy Speaker of the Egyptian Parliament, Mohamed Abul Enein, expressed optimism on the ability of African economies to recover, recalling that pre-COVID-19 pandemic, six of the world's 10 fastest-growing economies were in Africa, an indication of the potential within the continent. He emphasized on the need for the continent to focus on the implementation of commitments in the high-return sectors such as the expansion of agriculture, renewable energy and infrastructure sectors, which he noted are key in eradicating poverty on the continent, and allow viable opportunities for solid Public-Private Partnerships. Currently, Egypt has one of the largest solar parks, demonstrating the prospects for partnerships. His sentiments were complemented by the Assistant Minister for Economic Affairs Mr. Ibrahim Al Seginy and the Assistant Minister of Foreign Affairs for African Union and African Organisations Amb. Soha El Gindy, who equally underlined the need to strengthen productive capacities and integrate industrialization to harness Africa's natural resources by enhancing human capacity to add value to the resources and to explore the continental high consumer market, as a means to promote intra-African trade.

At the African Private Sector Forum, the Best African Manufacturers Awards ceremony was also held. Awards were given to the Dangote Group; the Arab Organization for Industrialization; and the Elsewedy Electric company. Separately, a High Level event

for African Startups Pitch “Hunting for Africa’s Unicorns” and innovators and investors match-making event, was held where youth entrepreneurs across Africa benefited from pledges and support from established business enterprises. The African Union Investment Promotion Network [Website](#) was also launched.

The [African Private Sector Forum](#) is an annual gathering of stakeholders in the public and private sector convened by the African Union, to promote the work of the AU in the area of economic integration and private sector development and engagement. The Forum also acts as a vehicle for empowering the African Private Sector through advocacy, Networking, sharing of business and market information and skills.

Learn more about the African Private Sector Forum [here](#).

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