

## **G20 COMPACT WITH AFRICA PEER LEARNING WORKSHOP ON PRIVATE SECTOR-LED DIVERSIFICATION AND GROWTH**

**Jointly Organized by the IMF and the Government of Ethiopia**

Addis Ababa, Ethiopia, July 17-18, 2019

Hilton Hotel

Menelik II Ave, Addis Ababa, Ethiopia

### **Issues**

Despite their relatively good growth performance in the past two decades, many African economies have not been catching up with the advanced economies and losing ground with other developing economies in other regions especially in Asia. Moreover, growth remains insufficient to create enough jobs for the fast-growing working-age population. There are useful lessons from the economic history of countries that witnessed high and sustained growth in other regions. The main takeaways are that countries that grew fast enough to achieve income convergence pursued export diversification to widen their production base and to sustain high investment. Almost all of them achieved this thanks to tackling both government and market failures to spur export diversification and technology development with an emphasis on competition and accountability. In this context, policies to unlock FDI are key given fiscal space constraints and the potential spillovers to the rest of the economy. As such, the forum aims at achieving the main objectives of the G20 Compact with Africa (CwA), which is an initiative bringing together African countries, international organizations and bilateral partners to support private investment in the continent.

### **Background and Workshop Role**

The upcoming event, organized at the request of the Ethiopian government, is intended as a forum to share experiences among member countries and distill lessons of history and adapting these to country specific current circumstances and strategies. It also intends to foster public-private sector dialogue by including the point of view of international investors potentially interested in investing in the continent.

The forum aims at discussing and proposing guiding principles in the design of a comprehensive strategy for sustained growth and diversification. It builds on the Dakar workshop organized in January 2018.

## **Day 1 – Private Investment and Competitiveness in Industry**

**8:00 Registration and reception**

**9:00 Opening remarks (30 minutes):**

*Abebe Abebayehu (EIC Commissioner), Abebe Aemro Selassie (IMF), Ambassador Britta Wagner (Germany), Ambassador Fumio Shimizu (Japan)*

**9:30-10:00 Keynote Address “Made in Africa: The Ethiopian Experience”**

*Arkebe Oqubay (Ethiopia)*

**10:15-11:45 Making a Miracle in Africa: Diversification and Innovation Policies for Sustained Growth**

*Chair: Tesfachew Teffere (EIC)*

*Speaker (60 min.): Getahun Mekuria (Minister of Innovation and Technology, Ethiopia), Reda Cherif (IMF), Fuad Hasanov (IMF)*

*Discussants: Ebenezer Adumuah Northey (Ghana)*

The session will tackle diversification and innovation strategies at different stages of development and the role of the state in creating a dynamic export sector.

**12:00-13:30 Made in Africa: Learning to Compete in Industry**

*Chair: Antonio Pedro (UNECA)*

*Speaker (40 min.): Amit Khandelwal (Columbia University USA)*

*Discussants (20 min.): Lutz Hartmann, CEO Fruitbox Africa, Mr. Karim Nassar (Egypt)*

The session will discuss how to help firms export and upgrade quality and how SEZs and FDI can be used to support this process.

**14:30-16:00 Global Manufacturing and Supply Chains: Insights for Success**

*Chair: Yohannis Mulu Tessema (ACET)*

*Speakers (40 min.): Hanan Morsy (AfDB)*

*Discussants (20 min.): Alan David Johnson (IFC)*

This session will discuss strategies for success in global manufacturing and how to integrate/move up global value chains.

**16:30-18:00 Strategies to Attract Private Investment**

*Chair: Eyob Tekalign (Ethiopia)*

*Speaker (40 min.): Nikola Spatafora (IMF), Temesgen Tilahun (EIC)*

*Discussants (20 min.): Mr. Bruno Kouakou Tano (Côte d’Ivoire), Mr. Nahom Abraham (EU Chamber of Commerce)*

The session will discuss the policies needed to encourage private investment and spur development by targeting domestic and foreign private firms. In particular, it would discuss whether a focus on SMEs could play a role in the broader development agenda in terms of export development, employment and technological upgrading.

**19:00 Dinner**

## **Day 2 – Export Diversification Policies**

### **9:00-10:30 The Role of the State in Development: Lessons from East-Asia**

*Chair: Carolyn Turk (World Bank)*

*Speaker (40 minutes): Stephan Haggard (University of California San Diego)*

*Discussant (20 min): Jan Blum (KfW), Tom Butera (Rwanda)*

The session will discuss the role of the state in East-Asia to support export-led growth and technology transfers. It will also discuss some of the political economy aspects of the policies pursued.

### **11:00-12:30 Improving the Quality of Export Oriented Industries to Foster Diversification**

*Chair: Stephen Karingi (UNECA)*

*Speaker (40 min.): Michiko Izuka (National Graduate Institute for Policy Studies, Japan)*

*Discussants (20 min.): Jilali Kenzi (Morocco), Mr. El Hadji Cheikh Gueye (Senegal)*

The session will discuss strategies to improve the quality of export-oriented industries to foster diversification through closing infrastructure gaps, export-oriented industry clusters and innovation systems in the context of developing countries.

### **14:00-16:00 Roundtable Discussion: Sharing Experiences and the Way Forward**

*Chair: Zeine Zeidane (IMF)*

*Peer-learning session including country officials, speakers, representatives from different development agencies and the private sector.*

The peer-learning session will discuss the views and experiences of the CwA countries in designing successful strategies to diversify their exports and attract FDI.

### **16:30-17:00 Closing Remarks**

*Zeine Zeidane (IMF)*