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**Workshop Agenda**  
**Leveraging the CwA for Increased Investment**  
**-The Private Sector Perspective-**

Africa Investment Forum 2019: 11 November, 2019

11:30 a.m. – 1:00 p.m.

Session Room 2

Johannesburg, South Africa

- 11:30 a.m. Welcome, background, and expectations**  
*Ed Brown, Senior Director, African Center for Economic Transformation*
- 11:40 a.m. Opening remarks**  
*Hon. Tito Mboweni, Minister of Finance of South Africa*
- 11:45 a.m. Case Example #1: Successful investment in CwA country**  
*Farid Fezoua – President & CEO, GE Africa & President & CEO for GE Healthcare Africa*
- 11:55 p.m. Case Example #2: Successful investment in CwA country**  
*Solomon Asamoah, Chief Executive Officer, Ghana Infrastructure Investment Fund*
- 12:05 p.m. Group work to identify policy challenges and possible solutions**
- 12:40 p.m. Report out from each group and discussion**
- 12:55 p.m. Conclusions, highlights and next steps**

# Workshop Agenda

## Leveraging the CwA for Increased Investment

### -The Private Sector Perspective-

#### Facilitators and Rapporteurs



Ed Brown, Senior Director for Director of Policy Advisory Service, ACET

Dr. Edward K. Brown is Senior Director of Policy Advisory Services at ACET. He has more than 35 years' experience in international development and public policy, half of which were spent at the World Bank. He has worked extensively in Africa, Eastern Europe and Central Asia.

Currently, Ed manages a team of ACET in-house senior policy advisors, researchers and economists, drawing on a worldwide pool of expertise to assist African policymakers respond to specific challenges and opportunities—with the explicit goals of transferring knowledge, building local capabilities and spurring economic growth and transformation.

His main interests are in public policy, economic management (public resources mobilization and expenditure management), natural resource management, including institutional and organizational reforms and development strategies. Ed holds a PhD and MA in Development Economics and Demography from the University of Pennsylvania.



Sarah Alade, CWA Advisory Panel Member

Ms. Alade was the acting governor of the Central Bank of Nigeria in 2014 and served as Deputy Governor for Economic Policy from 2007 to 2014. She joined the Ministry of Finance and Economic Development in Kwara State in 1977 and joined the Central Bank of Nigeria in 1993 as an Assistant Director in the Research Department, where she served as head of the State Government Finance Office from 1993-1996, head of the Federal Government Finance Office from 1996-2000, and head of the Fiscal Analysis Division from 2000-2004.

Alade attended the University of Ife where she obtained a B.Sc (Hons) degree in Economics in 1976. She also obtained an M.Comm degree from the University of Melbourne in 1983 and a PhD in Management Science from the University of Ilorin in 1991.

Alade has served chair of the board of directors of the Nigeria Interbank Settlement System (NIBSS) and as secretary of the National Payments System Committee. She was also a member of the technical committee of the Vision 2010, and chair of the Monetary Policy Implementation Committee. Ms. Alade is a member of the Nigerian Economic Society and is a fellow of the Nigerian Institute of Operational Research.



Kapil Kapoor, Senior Fellow, ACET

Kapil Kapoor is the immediate past Director General, Southern Africa, at the African Development Bank Group. In this capacity, he provided leadership to a team of about 150 staff and an active portfolio of about 200 projects and programs across 13 countries in Southern Africa, valued in excess of US\$12 billion.

Immediately prior to this position, he was the Director for Strategy and Operational Policies at the Bank. In this capacity, he led the preparation of the Bank's Long Term Strategy; its Private Sector Development Strategy and, more recently, the "High5" strategies for agricultural transformation and "Jobs for Youth". He has played a central role in developing and implementing several key policy initiatives that the Bank has implemented in recent years such as the establishment of the multi-billion dollar Africa50 Fund to scale up infrastructure finance in Africa and the diversification of the Bank's Credit Policy to provide eligible African Development Fund (ADF) countries access to resources from the ADB window.



Daniel Nti, Chief Operating Officer, ACET

Daniel Nti is the Chief Operating Officer at ACET. Prior to joining ACET, he was the Director of International Development Office of the Open University (OU) and managed multimillion-pound capacity-building programmes throughout South Asia and across 14 countries in Sub-Saharan Africa.

Before joining the OU, he was the Managing Director of Arachnea, an international internet consultancy based in the UK with offices in the Middle East and the United States, which delivered integrated web based solutions to large corporates globally. Over the last 20 years he has held senior level positions in the private, public and international development sectors across Europe and Africa. He sits on several boards in the UK and in Africa and is a sought after international speaker on leadership and people motivation. Daniel has an MBA and a Diploma of Imperial College in Management from Imperial College, London University.



## Compact with Africa Backgrounder

The G20 Compact with Africa (CwA) was initiated under the German G20 Presidency to promote private investment in Africa, including in infrastructure. It has been supported through the German, Argentine, Japanese and now Saudi Arabia G20 presidencies. The CwA's primary objective is to increase attractiveness of private investment through substantial improvements of the macro, business and financing frameworks. It brings together reform-minded African countries, international organizations, bilateral partners from G20 and the private sector to help coordinate country-specific reform agendas, support respective policy measures and advertise investment opportunities to private investors. The initiative is demand-driven and open to all African countries. Since its launch in 2017 twelve African countries have joined the initiative: Benin, Burkina Faso, Côte d'Ivoire, Egypt, Ethiopia, Ghana, Guinea, Morocco, Rwanda, Senegal, Togo and Tunisia.

The CwA is a central pillar of the G20's [Partnership with Africa](#) to promote private sector-led development and improve the investment environment. This initiative governed by a G20 working group, the Africa Advisory Group, which is co-chaired by Germany and South Africa. The three IOs with extensive operational experience across Africa—the African Development Bank (AfDB), the International Monetary Fund (IMF), and the World Bank Group (WBG)—work together to identify important policy issues and a set of policy matrices have been agreed with each country. These cover three categories:

The Macroeconomic Framework identifies considerations for maintaining macroeconomic stability, while providing for adequate investment in non-commercial infrastructure. These include putting in place resilient macroeconomic policy frameworks that ensure sustainability of public debt over time; increasing domestic revenue mobilization via an investment-friendly tax system, combining domestic tax reforms and enhanced international cooperation to contain profit-shifting and tax evasion; ensuring sound public investment management; and improving the performance of public utilities.

The Business Framework lays out how to make Africa more attractive for private investors. This includes setting up reliable regulations and institutions, including by strengthening the legal and regulatory frameworks to reduce uncertainty; establishing investor protection and dispute resolution mechanisms; providing political risk

insurance; improving project preparation; and standardizing contracts, such as clauses and provisions of public-private partnerships contracts.

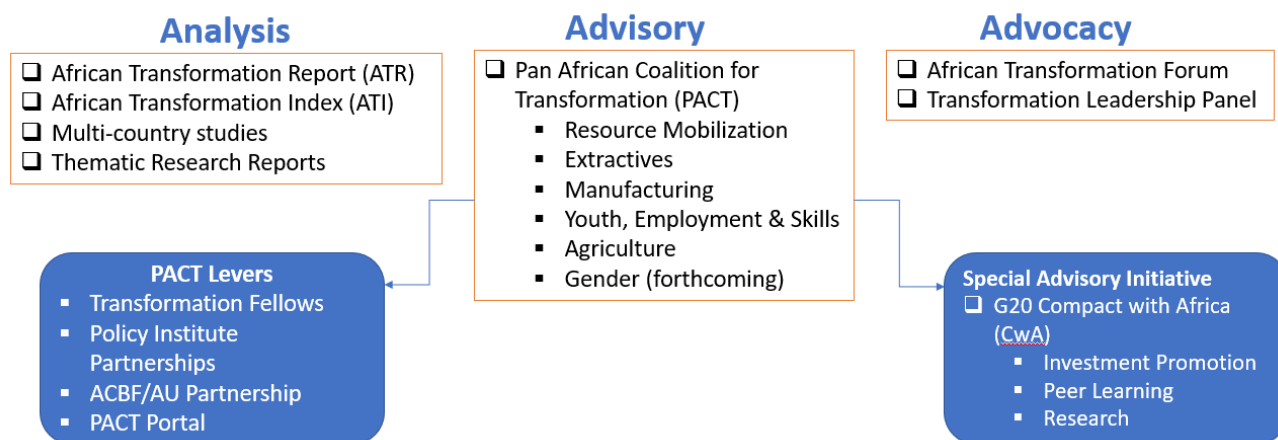
The Financing Framework aims at increasing the availability of financing at reduced costs and risks. This includes supporting efficient risk mitigation instruments to effectively attract and sustain private investment; developing domestic debt markets, including by introducing an appropriate regulatory and supervisory framework and supporting the development of a domestic institutional investor base; and broadening private finance by relaxing unnecessary restrictions to invest in Africa and creating instruments for institutional investors.

The initiative works closely with the private sector to support investment. More than thirty CwA-associated investment forums have been convened in Africa and in Europe. At the country level the private sector is engaged through the CwA Compact Teams, which also include the government and IOs. At the AIF in 2018 \$18.5 billion in investment interest was secured for specific projects in CwA countries. The next major engagement with the private sector will take place on November 19-20 when German Chancellor Merkel is inviting all CwA heads of state to Berlin for a summit, to be followed by an investment forum organized by Afrika-Verein.

The African Center for Economic Transformation (ACET) supports implementation of the CwA initiative with technical analysis, peer to peer learning, peer review, investment promotion and advocacy within the T20 and G20. ACET is a leading pan-African policy institute based in Accra Ghana that provides analysis, advocacy and advisory services to African governments.

## ACET Backgrounder

The African Center for Economic Transformation (ACET) was established in 2008 to harness policy relevant knowledge for the continent’s policymakers. Over the past eleven years we have engaged more than twenty African governments, providing analysis, advisory services and advocacy.



### Analysis

ACET’s African Transformation Reports (ATR) are our flagship publications prepared every three years. The first of these, in 2014, defined a framework for economic transformation. It focused on the drivers of transformation such as the state and private sector as partners in transformation, export promotion, and building technical knowledge and skills; as well as the pathways to transformation such as agroprocessing, labor-intensive manufacturing, extractives and tourism.

The second ATR, entitled *Agriculture: Powering Africa’s Economic Transformation*, focused on how agriculture can lead economic transformation, for example if farm productivity is raised

and farming is linked to manufacturing and other sectors through agroprocessing, other agriculture-based manufacturing, finance, and logistics.

The third ATR, forthcoming in early 2020 looks at four “survival issues” for Africa and will provide policy recommendations for Africa’s leaders. Addressing defining trends such as climate change, integration, innovation and demographics, the ATR will address the most pressing and complex policy issues affecting economic transformation.

The ATRs are carried out by ACET staff and a roster of African and global experts and peer reviewed by international organizations and recognized development experts. The flagship reports have received strong reviews by leading thinkers and policymakers and eminent persons, including Heads of State.

The African Transformation Index (ATI) was designed measure economic transformation, compare countries’ rankings, and track countries’ progress over time in order to generate policy action. We developed a sub-index for each of the five main aspects of economic transformation and combined them to form an Index. Countries are compared for three-year period which helps measures the impact of policy actions and allows for effective country comparisons. This also serves as a point of departure for seeking explanations in terms of policies, institutions, natural endowment. The ATI was first produced in 2014 and is being updated with variables to represent four key policy areas: Overall Environment for Growth and Transformation; Skills and Technology Transformation; Agricultural Transformation; and Industrial Transformation.

ACET’s internationally recognized cross-country analysis and country or sector specific research is often derived from the initial analysis in the African Transformation Reports, but deepened and expanded to country cases. Since 2008 ACET has undertaken more than 70 major reports, working papers and pieces of empirical research. These range, for example, from sub sector studies aimed at exploring potential pathways to increase export diversification to multi-country studies on extractives in Africa to recent reports on the Future of Work. In many cases they are undertaken in collaboration with African organizations and think tanks, international financial institutions, development agencies or foundations. ACET’s analysis provide a strong evidence base for policy options, national strategies and program implementation.

## **Advisory Services**

A cornerstone of ACET’s approach is directly supporting the design and implementation of transformational policy at the country level. This advisory work is often anchored in our analysis and research, including the African Transformation Reports and the African Transformation Index. A key mechanism to provide advisory services to African governments is through a knowledge exchange platform – the Pan-African Coalition for Transformation (PACT). The PACT consists of groups of six to eight African countries for each theme that learn from ACET’s knowledge products, but also from each other through regular peer to peer learning events. In many cases one of the participating governments serve as the “champion” for the PACT chapter, to include hosting peer learning events. There are three existing PACT “chapters” on



extractives, resource mobilization and manufacturing; with chapters on agriculture and skills in development.

The PACT chapters address central policy challenges in participating countries. For example, the manufacturing chapter has focused on improving infrastructure for smart industrialization, addressing skills gaps, and regional value chain development. Likewise, the resource mobilization chapter focuses on base erosion and profit shifting by multinational companies; improving efficiency of revenue administration, tackling illicit financial flows, and broadening the tax base. The agriculture chapter will focus on policy challenges related to land tenure, creating markets, skills, and agroprocessing.

We are increasingly working to include marginalized voices in policy dialogues. While this includes smallholder farmers, civil society and youth, we are particularly focused on gender. We are preparing to undertake a groundbreaking piece of research on gender and economic transformation that will address the relationship between gender equality and economic transformation and identify key gender gaps that matter for development in countries across Africa in the areas of education, health and economic opportunities. This work will form the basis for a future PACT chapter on gender and economic transformation.

The PACT is supported by a number of tools (levers) to support ACET's engagement strategies. A key challenge is that ACET is a small organization with a limited physical footprint across Africa, hence we leverage other means to ensure continuity and policy implementation.

For example, we are piloting the ACET Transformation Fellows Program, with the primary objective to bolster ACET's ability to support policy engagement at the country level on a sustained and effective basis – and provide fully-funded resident fellowships for talented, young African professionals to gain experience in, and exposure to, the key development challenges facing Africa. A rigorous selection process will ensure these are some of Africa's brightest and most committed young people who will become a “transformation corps” of new leaders.

The Fellows program is closely linked to a new partnership strategy with African policy institutes. ACET will systematically and innovatively engage with other African policy organizations to extend its policy engagement in specific African countries around key transformative policy challenges. ACET and each policy institute will collaborate on primary research, undertake analysis, support policy design and provide technical support to policy implementation. The policy institutes will serve as ACET's in-country partner to help ensure continued country ownership and prioritization of key policy decisions. ACET will serve as a coordinating node in those policy areas where it has been engaging African governments.

Separately we are developing a long-term partnership with the African Union and the African Capacity Building Foundation to ensure the PACT policy engagements also inform AU policy bodies such as the AU's Specialized Technical Committees (STC). This tripartite collaboration would utilize the annual STC meetings on finance, monetary affairs, economic planning and

integration as an opportunity to engage Ministers and senior officials on thematic or sectoral areas of productive transformation that leverages ACBF's convening ability as an AU Specialized Agency and builds upon ACET's research and ongoing policy dialogue through the PACT.

Finally, we are also developing an online platform – the PACT Portal – to expand and deepen our knowledge sharing capabilities. It will operate as a monitoring dashboard for policy implementation, a policy knowledge sharing interface and an online learning platform.

## **Advocacy**

To date ACET's primary advocacy vehicle has been the African Transformation Forums (ATFs), which ACET organizes every two years, and are the only continental events specifically focused on economic transformation. The first ATF in Kigali, hosted by ACET and the Government of Rwanda in March 2016, drew more than 300 participants from across Africa and beyond. It concluded with the establishment of the Pan-African Coalition for Transformation (PACT) described above. During the forum President Kagame epitomized the objective of the PACT when he said, "We can accomplish more together than we can apart". The most recent Forum, held in June 2018 in Accra, drew more than 300 participants, including African heads of states, ministers, and global CEOs. ATF 2020 will take place in Johannesburg and will focus on the role of leadership in addressing Africa's most pressing challenges and opportunities such as climate change, innovation, regional integration and demographics. Our advocacy approach at the ATF is focused on galvanizing action for results and helping African leaders and policymakers design and implement policies and strategies that will support—and accelerate—growth and employment, while providing voice for stakeholders.

More recently we have established the Transformation Leadership Panel (TLP) which will convene around a common cause: to advocate for action at the highest levels of government and regional institutions—including directly engaging with Heads of State, Ministers, and bodies such as the African Union—around the aforementioned urgent issues: climate, population, innovation, and integration. In doing so, the TLP also can help provide intellectual leadership, directional guidance, and technical expertise for the next edition of ACET's flagship publication, African Transformation Report (ATR) 2020, which will focus on these same issues through the prism of leadership requirements and key policy actions.

## **Special Advisory Initiative: Compact with Africa**

ACET is increasingly asked to play global roles in Africa's development agenda, including with the G7 and the G20. For example, the G20 Compact with Africa (CwA) initiative was launched under Germany's G20 presidency and endeavors to increase investment in Africa, particularly for infrastructure. Twelve African countries (Benin, Burkina Faso, Guinea, Côte d'Ivoire, Ghana, Egypt, Ethiopia, Morocco, Rwanda, Senegal, Togo and Tunisia), the G20 countries and the World Bank, IMF and African Development Bank are all parties to the Compact.

With support from the governments of Germany and Norway, ACET helps coordinate the CwA initiative and undertakes original research, organizes peer learning events and supports CwA countries with investment promotion, technical assistance, and knowledge products. The first technical theme for CwA where ACET facilitated research and peer learning (in partnership with IMF) was resource mobilization and management, particularly focused on efficiency of revenue administration and weak capacity of tax agencies, as well as transfer pricing and international tax competition. The second theme is blended finance (in partnership with OECD), with a focus on development finance institutions' ability to adapt to local contexts This relates directly to development of local financial markets, leveraging national institutional investors, and ensuring alignment between national strategies and investment. The third theme for the CwA engagement will be public-private partnership (in collaboration with the Economic Commission for Africa) particularly the fiscal risks associated with such arrangements. These may include off-budget commitments, contingent liabilities, and addressing poor performance in the management of large projects.



## **Implementation Through Partnership**

Partnership is central to everything ACET undertakes. Our research, our advisory services and our advocacy are done in partnership with other development partners, African governments, the private sector and civil society. Our funding model is also based on partnership. Early and sustained support came from foundations such as Hewlett, Rockefeller and Gates; bilaterals such as the Dutch government, and MDBs such as the World Bank. As the donor landscape has changed dramatically over the past five years, particularly regarding core funding support, ACET's business model has also adapted (and continues to do so).

We are steadily moving to co-created, multi-year programs that provide some flexibility for specific new projects and for supporting ongoing ACET programs and core operations. Examples include the five year MasterCard Foundation partnership focused on youth, employment and skills – but also supporting the Transformation Leadership Panel, the African Transformation Report and the African Transformation Forum. Likewise, through the Think Africa Partnership with the World Bank and governments of Germany and Norway we support the Compact with Africa and country specific investment policies; but the program also provides flexibility for ongoing programs. We are actively exploring similar co-created programs with additional partners.