

The Voice of the Private Sector in Kenya

# *Report*

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**REPORT OF 14<sup>TH</sup> AFRICAN UNION  
HIGH-LEVEL PRIVATE SECTOR  
FORUM REPORT HELD FROM 10<sup>TH</sup> - 12<sup>TH</sup>  
JULY 2023 AT KICC, NAIROBI**

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## BACKGROUND



The 14<sup>th</sup> African Union High-Level Private Sector Forum that was co-organised by Kenya Private Sector Alliance (KEPSA), African Union (AU), East African Community (EAC) and East Africa Business Council (EABC) kicked off on Monday, 10<sup>th</sup> July 2023 at the Kenyatta International Convention Centre (KICC) in Nairobi, Kenya.

The three-day meeting discussed solutions to the challenges encountered while implementing the African integration agreements. These challenges have resulted in insufficient investment inflows and sluggish progress in fulfilling the agreed commitments within Africa's diverse regional trade agreements. The overarching theme of the forum revolved around the concept of "Accelerating the Implementation of the AfCFTA" through robust engagement between the public and private sectors. The objective was to strengthen regional and continental trade and investment, facilitating inclusive growth and sustainable development.

## SESSION I: OPENING REMARKS

Mr. Job Wanjohi, the Head of Policy and Research at the Kenya Association of Manufacturers (KAM)



Mr. Wanjohi acknowledged that Africa has established solid foundations for education, health, and gender inclusion in the workplace. He emphasized the need for continuous collaboration between the public and private sectors to stimulate industry growth, enhance mineral value addition, attract increased investments, and generate sustainable job opportunities for development.



## Ms. Susan Maingi, Chair of the Trade and Industry Sector Board at the Kenya Private Sector Alliance (KEPSA)



Ms. Maingi highlighted the urgency to expedite the conclusion of AfCFTA negotiations while ensuring comprehensive coverage of investment, competition policy, intellectual property rights, and the digital economy. She emphasized the importance of building broad public support for the AfCFTA, monitoring its impact on distribution, and implementing social safety nets to support countries and businesses facing short-to-medium-term challenges. Ms. Maingi also emphasized the need for an enabling environment that promotes entrepreneurship, innovation, and investment, accompanied by transparent and accountable governance. Simultaneously, she urged the private sector to embrace the opportunities presented by the AfCFTA while adopting sustainable and responsible business practices to drive inclusive growth and make a positive social impact.

## Ms. Angelina Ngalula, Chairperson of the East Africa Business Council (EABC)

Ms. Ngalula acknowledged the resilience of the East African community in the face of global shocks. She highlighted the growth in total EAC trade and the increase in intra-EAC trade, emphasizing that the AfCFTA can boost inter-Africa trade further and reduce the continental trade deficit. Ms. Ngalula emphasized that Public-Private Dialogue Engagements can enhance the implementation of the AfCFTA by eliminating tariff and non-tariff barriers and supporting balanced trade across African countries. She also called for mass awareness campaigns on AfCFTA opportunities, particularly for small and micro enterprises.



Additionally, she urged the fast-tracking of the finalization of AfCFTA rules of origin and the operationalization of the Pan-African Payment Settlement System for seamless payments across Africa.

### Ms. Annette Ssemuwemba, Deputy Secretary General of the East African Community (EAC)

Ms. Annette underscored the industrialization policy of the EAC vision to achieve a GDP growth target of 25% by 2032. She identified limited industrialization, non-tariff barriers, and connectivity backlog as challenges to intra-African trade. Ms. Ssemuwemba emphasized the strategic use of public-private dialogue to drive industrial development, foster regional value chains, empower small and micro enterprises (including Jua Kali), build technical capacities, and strengthen continental markets. She highlighted the opportunities provided by the EAC platform for accessing regional opportunities.



### Ms. Emily Mburu, Director of Trading Services, Investment, Intellectual Property Rights, and Digital Trade at the AfCFTA Secretariat



Ms. Mburu outlined the objective of the AfCFTA, which is to support trade liberalization for goods and services in Africa. She provided an update on the number of countries that have signed and ratified the AfCFTA and the submission of trade schedules for goods and services. Ms. Mburu emphasized the private sector strategy focusing on key sectors such as automotive, agro-processing, pharmaceuticals, transport, and logistics to facilitate trade for the private sector and SMEs. She stressed the need for

harmonization of regulations and standards, implementing the Pan-Africa Payment and Settlement System, and the importance of dialogue in achieving integration and implementing agreements toward Agenda 2063.

H.E. Amb. Albert Muchanga, Commissioner for Economic Development, Trade, Tourism, Industry, and Minerals at the African Union Commission



The ambassador shared the aspirations of A.U. Agenda 2063, which envisions a prosperous and politically united Africa. He highlighted a study commissioned by AUDA-NEPAD to achieve inclusive growth and sustainable development in Africa, focusing on positioning African economies to grow at 7-10% annually and increasing investments from 20% to 40% of Africa's GDP. He emphasized the essential role of the private sector in integration and the importance of mainstreaming environmental and social governance in business to tackle climate change and foster sustainable development in Africa.

Keynote address - Hon. Rebecca Miano, MBS, Cabinet Secretary for the Ministry of East African Community (EAC), Arid and Semi-Arid Lands, and Regional Development



Hon. Miano underscored the significant contribution of the private sector, which accounts for the majority of Africa's production, investment, credit, and employment opportunities. She highlighted the vast market potential provided by the AfCFTA, with over 1.3 billion people and a combined GDP exceeding 2.5 trillion dollars. Hon. Miano emphasized the



opportunities offered by the AfCFTA in trade in services and leveraging rules of origin to expand opportunities for the private sector while promoting the utilization of local resources. She emphasized that the success of Africa's economic integration hinges on the role of the private sector in achieving growth objectives, creating wealth, and expanding employment opportunities.

## **SESSION II: The session aimed to provide a strategic perspective on the crucial role of both the public and private sectors in strengthening the link between regional and continental markets, fostering enhanced trade and investment**

The session was moderated by Eng. Ahmed Mansur, the President of the Pan African Manufacturers Association (PAMA).



**Dr. James Mwangi, CEO of Equity Group,** highlighted the disparity between Africa's population and resources and its contribution to global trade, investments, and manufacturing. He emphasized the transformative potential of the AfCFTA and stressed the importance of strategic planning, infrastructure development, and the removal of trade barriers to fully harness the agreement's benefits for sustainable development. He called upon the private sector to unite and seize the opportunities presented.

**Mr. Vimal Shah, Chairperson of BIDCO Africa,** shared insights on the active participation of the private sector in the AfCFTA. He emphasized the need for urgency and called for a borderless and unified Africa and digitalization to address logistical constraints hindering intra-Africa trade and investments.



**Dr. Amany Asfour, President of the Africa Business Council (AfBC),** discussed the potential impact of the AfCFTA on job creation, industrialization, and economic diversification. She highlighted the importance of coordinated policies and robust institutions to facilitate seamless trade and equitable distribution of benefits. Dr. Asfour emphasized the need for

research investments, leveraging technology, capacity building, access to finance, and tailored support mechanisms to enable youth and SMEs to participate in regional and continental trade effectively.

**Ms. Flavia Busingye, Acting Director of Customs and Trade at EAC**, provided insights into policy frameworks and regulatory measures in place to create an enabling environment for businesses. She addressed challenges such as harmonizing standards, enhancing border infrastructure, and promoting intra-African investment. Ms. Busingye outlined the progress made in implementing the AfCFTA and called for diversification while discussing future steps for its success.

The panelists engaged in thought-provoking dialogue, emphasizing the importance of technology, innovation, and sustainable business practices for economic transformation in Africa.

### **SESSION III - FINANCE PANEL: The session delved into the evolving financial landscape and highlighted the pivotal role played by financial institutions in addressing the barriers to accessing finance**



**Mr. Benedit Musengene, Trade Facilitation Director of Trade Mark Africa**, discussed the development of a one-stop border post-performance management tool in 2019. The tool, which is now a digital resource as a mobile application, will inform policy decisions to enhance trade facilitation efficiency. Since 2019, the time required for crossing borders has significantly reduced from two weeks to three hours, enhancing trade across borders. The tool will inform policy decisions to strengthen trade facilitation efficiency. It is encouraged to utilize the tool to report experiences when crossing borders.

**Prof. Charles Linjap, Executive Director of Investment Watch**, focused on innovative financing to transform the SME landscape in Africa and promote integration into the common market. The support provided by apex bodies to the private sector in various nations was highlighted, particularly their technical support to help MSMEs access finance.



It was noted that access to finance faces challenges on both supply and demand sides, necessitating changes in infrastructure and the adoption of new digital financing innovations. Upskilling and capacity building were also emphasized to ensure competitiveness among small businesses. Trade finance was identified as crucial for small businesses to access markets and sustain their operations. To address these challenges, financing should cater to the different segments of the economy and bridge the gap between supply and demand through improved access to information.

High compliance costs were acknowledged as a hindrance for small businesses to access finance. The segmenting of financing based on gender was also recommended further; enhancing the adoption of digital solutions and understanding the value chains to develop tailored programs for clients were deemed important. Lastly, the creation of platforms for public-private and private-private dialogue was emphasized to ensure inclusive solutions.

**Ms. Brenda Nyambura, Technical lead of Trade Programs at GIZ**, highlighted the trade promotion programs initiated by GIZ to enhance financial inclusion and enable vulnerable groups to access finance in Africa. She discussed the AfCFTA program in Kenya and the focus on e-commerce initiatives. Recommendations were made for specific interventions and regulatory reforms that go beyond implementation to enforcement.

**Mr. George Owuor, The Director of Public Policy at Mastercard**, emphasized three components that need to change: technology, attitude, and policies. Technology should facilitate trade, consumer attitudes toward solutions should evolve, and policies should be adapted and tailored to the target market. All types of payment methods, including digital and conventional, should be considered in the discussions. It was emphasized that a holistic approach involving all stakeholders, including regulators, is necessary to develop facilitative policies.

## SESSION IV - PLENARY SESSION

**TEXTILE PANEL - Transforming business models in the global garment industry: “The role of clothing, textile and Leather value chain in Africa”**



This session highlighted ways through which the public, private sector as well as Development partners can contribute to the development of viable clothing, textile and leather value chain in Africa

**Ms Antoinette Tesha, Programme Director, Textile and Apparel, Gatsby Africa** and the moderator of the session while giving the opening remarks said that the Textile industry is one of the emotive, nostalgic, exciting but high potential of the content. The industry is global and vast in size and has the potential of creating millions of jobs while spearheading manufacturing in the Africa Continent.

She noted with new innovation and Environmental, Social and Governance (ESG) conversation, Africa has an opportunity to create industries under the moral narrative and adopting international best practices.

**The Keynote Speaker, Mr. Jas Bedi, the KEPSA Chairperson** informed the delegates that the Textile industry is one of the industries that can employ a lot of people. It is an industry that transformed some countries to industrialized countries among them being United Kingdom, Taiwan and Hongkong. Textile and apparel industry are the industries to start with if you want to transform your manufacturing sector. It does not require a lot of skills as compared to other industries but industrialize countries quickly. According to Mr Bedi, there is no country that has industrialized without the Textile industry.

Global Textile industry is restructuring and undergoing re-organization and the Africa Continent can take the opportunity. The international market is looking to diversify its market and Africa can benefit from it if we create an enabling policy environment and rebrand differently.

**Ms. Paulina Mbala Elago, Former Executive Secretary Southern African Custom Union** while giving her contribution to the panel discussion said that it would be important to convene a sectoral roundtable bringing together all stakeholders from the regions and the Africa Continent to discuss key impediment to the growth of Textile Sector in Africa. This will also address policy challenges to ensure competitiveness of textile and apparel products produced in the continent.

Different Africa regional bodies and the Africa Union Business Council need to come up with common policies for sector that will ensure shared perspectives including value chain. We need to be deliberate in sourcing both the input products from Africa and our output product targeting the African Markets.

**Mr. Lexy Mojo-Eyes President/CEO at Legendary Gold Limited** shared how the company was able to put Nigerian Fashion industry in the global map. He said to put the African Fashion in the global map, we must be intentional and it has to start with citizens of the specific country. The political leaders have also to support the industry for it to grow to the global level. The leaders need to act as global ambassador of the Country's fashion to be noticed outside their country. They need to identify with their country's fashion. He added that this is the most important industry since we all wear clothes but what we wear must be made in Africa

**Mr. Nkandu Kabaso, The Creative Director, Nkanda Yatu** noted that we have a great potential in Africa hence we need to globalize made in Africa. We are very creative and our fashion is unique. What the Sector needs is support by government to support its growth.

Coordination between the public and private sector is important to create conducive environment. This is the most untapped sector which has a lot of potential to create many jobs for the youth.

**Mr. Loga Mahop** The Creative Director, Forest Spirit noted that training and skills development is important to ensure we have the right textile and apparel products. This will ensure we create that right product that will meet global quality standard and will be competitive in the global market and not just in Africa. We must have an integrated approach us a Continent in terms of policies and standard to ensure there is cross-border trade. Africa potential is great and all that is needed is government support.

## DIGITAL TRADE PANEL:



The session on the role of digital trade and its implications on African economies discussed various opportunities and challenges. Moderated by Ms. Pren-Tsilya Boa-Guehe from Google Government Affairs & Public Policy, the panelists highlighted key aspects of the discussion.

**Ms. Zuhri Patawaya** presented the E-commerce program for Africa and shed light on the challenges faced in the e-commerce sector. These challenges included issues related to rules of origin, limited internet access, unreliable data, customs facilities and logistics, documentation and smart contracts, common currency, and regulatory and data privacy concerns.

**Mr. Charles Murito**, Google Director of Government Affairs and Public Policy for Africa, emphasized the importance of small and medium-sized enterprises (SMEs), which make up 90% of businesses in Africa and employ two-thirds of the population. He also highlighted that 60% of SMEs in Africa are owned by women. He discussed the digital divide and projected that by 2025, 50% of Africans would be in the digital space. He stressed the need for SMEs to develop their digital presence to succeed in the fourth digital revolution.



**Mr. Max, the Technical Lead for Employment and Digitalization at GIZ Kenya**, emphasized that digitalization can help scale up SMEs and maintain their critical role in the economy. He highlighted the importance of regulations that protect consumers and digital data in the growing e-commerce sector. He mentioned GIZ's support for the implementation of the East African Community (EAC) digital strategy and called for the domestication of regional instruments. Capacity building and training were identified as crucial for digital growth, improving businesses, and building trust between customers and platforms.

**Ms. Celine Bacrot, from UNCTAD's Trade Logistics**, stressed the need for government and businesses to engage in research and innovation to sustain digital economic growth. She emphasized the creation of an enabling environment for digital businesses to thrive, including addressing data instability, unreliable data, and data security concerns. She highlighted the importance of public-private engagement in achieving these goals.

**Mr. Eric Sirare, representing Trade Mark Africa**, emphasized the necessity of building digital skills among the African population through relevant programs. He highlighted the importance of making government services available digitally to facilitate trade. Leveraging mobile technology was identified as a significant opportunity to boost the digital economy and digital trade. He also highlighted the low online presence of SMEs in Africa, with only 8% currently having an online presence.

Overall, the session explored the opportunities and challenges in the digital trade sector in Africa, highlighting the importance of regulations, capacity building, research and innovation, and public-private engagement in fostering a thriving digital economy.

## SESSION V - PLENARY SESSION

### CLIMATE CHANGE PANEL



The session aims at enhancing the private sector's understanding of the importance of ESG in the context of climate change and sustainable trade and investment, sharing the preliminary findings of the survey and case studies currently conducted by AUC, discussing strategies that should be put in place at National, regional and continental level to enhance

the competitiveness of the African private sector in this new context. Moderator Mr. Ebenezer A. Amadi, Global Sustainability Expert - Board Member Fast Forward 2030

During the session, **Mr. Nicholas Charalalambis, representing Imani Development**, presented the findings of a survey conducted by the AUC. The survey focused on the motivations, challenges, and requirements for implementing environmental, social, and governance (ESG) practices. According to the survey, companies embrace the ESG model primarily due to consumer requirements, investment attraction, and compliance with social standards. However, implementing ESG practices comes with challenges, such as a lack of tax incentives, regulatory mismatches, and limited skills in the workspace. To address these challenges, frameworks supporting businesses in implementing ESG practices and clear national regulations facilitating business operations are necessary. Mr. Charalalambis concluded by emphasizing that ESG is about making a positive impact rather than merely complying with standards, encouraging businesses to adopt sustainable practices.

**Ambassador Fathallah Sijilmassi, the Director General of the AUC**, responded to the discussion by identifying three key areas where the African Union (A.U.) can support businesses in embracing ESG. Firstly, due to the pervasive nature of climate change, businesses have recognized the importance of implementing ESG measures for sustainable practices, trade, and business growth. Secondly, sustainable production is crucial for businesses to effectively engage in intra-African trade. Lastly, Ambassador Sijilmassi stressed the need for mobilizing financial resources to enhance capacity building in the region regarding ESG practices, considering the opportunities and challenges faced by businesses.

**Ms. Mary Ngechu, the Founder of Takataka ni Mali**, highlighted the pressing challenge of waste management. Despite a significant portion of waste being recyclable, a majority is still deposited in landfills. To address this, she emphasized the need for collaboration among investors, including waste pickers, recyclers, entrepreneurs, and financial investors, to scale up waste management efforts and combat climate change. Ms. Ngechu also underscored the importance of favorable national and regional policy frameworks that facilitate the movement of waste and support entrepreneurial waste recycling innovations.

**Prof. M. H. Khalil Timamy from Pwani University** emphasized the imperative for the private sector, particularly the manufacturing sector, to depart from the "polluter pays" principle and adopt a precautionary principle. He argued that the polluter pays principle grants too much freedom to pollute, posing significant environmental risks. Prof. Timamy stressed the importance of recognizing the adverse effects of pollution on sustainability and urged businesses to embrace ESG practices for consistent growth and fairness.

## SESSION VI - PLENARY SESSION

### TRANSPORT LOGISTICS AND INFRASTRUCTURE

**Mr. John Mathenge, Technical Advisor and Board Member of the Federation of East African Freight Forwarders (FEAFFA)**, eloquently underscored the imperative of addressing the existing logistical challenges in order to fully unlock the vast potential of the African

Continental Free Trade Area (AfCFTA). In this regard, sustainable infrastructure management emerged as a pivotal factor that requires focused attention. Creating an enabling business environment that attracts investments was also identified as a crucial element in facilitating seamless trade and economic growth. Moreover, Mr. Mathenge emphasized the significance of capacity building, as it plays a vital role in equipping individuals and organizations with the necessary skills and expertise needed to thrive in the evolving trade landscape.

**Mr. Kenneth Ayebare, the distinguished Chairperson of the National Logistics Platform in Uganda (PSFU),** accentuated the paramount importance of prioritizing infrastructure development, particularly with regard to road networks and other vital logistical elements. By actively investing in these crucial areas, the overall cost of transportation can be effectively reduced, thus enhancing the competitiveness of businesses operating within the region. An alarming statistic highlighted the fact that transport costs alone account for a staggering 40% of manufacturing goods' expenses in Uganda, underscoring the urgent need for strategic investments in road infrastructure and other critical logistics components. Mr. Ayebare emphasized that a robust infrastructure backbone not only fosters efficiency but also serves as a catalyst for economic growth and prosperity.



**Mr. Cuthbert Ncube, the Executive Chairman of the Africa Tourism Board,** drew attention to the pressing issue of the current unsustainable pricing structure within the transportation sector. He passionately advocated for the implementation of mechanisms aimed at rectifying this issue, ensuring fair and reasonable pricing that aligns with the principles of sustainability. By addressing this challenge, the transportation industry can achieve a delicate balance between economic viability and environmental responsibility, thereby contributing to the overall well-being of the African economy.

**Mr. Auni Bhajji, the Regional Director of the AGL Group,** shed light on the various financing models available to support infrastructure development, with a particular focus on the potential of Public-Private Partnerships (PPPs) and green bonds. These innovative financing mechanisms hold significant promise in driving sustainable infrastructure growth and development, enabling the realization of ambitious projects that are critical for advancing



the African continent as a whole. By effectively leveraging such financing models, Africa can make significant strides towards achieving its infrastructure goals while simultaneously embracing environmentally friendly practices

Overall, the panelists highlighted the importance of addressing logistics challenges, investing in infrastructure, reducing transport costs, and implementing sustainable pricing mechanisms to enhance the competitiveness and development of the transport sector in Africa.

## SESSION VII - PARALLEL SESSIONS

### ROOM 1 - YOUTH AND WOMEN PANEL



The panel discussion focused on the challenges faced by youth and women in the entrepreneurial space and outlined potential solutions to address these challenges. The identified obstacles include traditional mindsets, outdated education systems, gender-based violence, and unfavorable regulatory frameworks for entrepreneurial initiatives. These challenges have a negative impact on the development of youth and create social and economic gaps in Kenya. The struggles faced by women in cross-border trading were highlighted, hindering the growth of women-led SMEs.

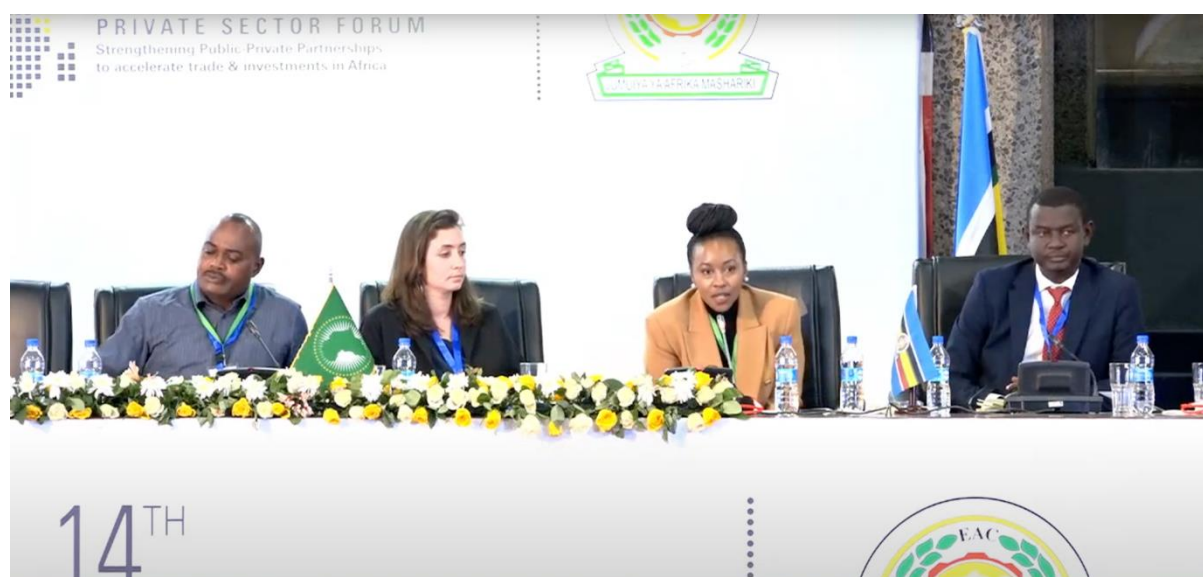
To promote youth and women in the business space and enhance trade within the AfCFTA Agreement, several key deliberations were made. Firstly, it was emphasized that Africans should intentionally consume locally produced goods to promote quality products and boost local businesses. Accessible and detailed online platforms were deemed necessary to provide information on competitive value chains, markets, standards, and trading requirements, thereby facilitating the identification of market opportunities. Capacity building and empowerment of youth through industry-specific guidance and technical support were identified as crucial for successful and sustainable businesses. A standardized

and harmonized regulatory framework that promotes innovation and entrepreneurship was deemed essential to align with the A.U. 2063 Agenda.

Access to finance was highlighted as an important factor, with recommendations for the establishment of accessible continental venture funds, credit guarantee schemes, and investor networks to support innovative youth. Training of border officials was proposed to address the information gap between citizens and officials regarding free travel, thereby promoting easy access to markets and facilitating free trade. The establishment of reporting desks at borders was also suggested to effectively address gender-based violence cases and promote gender parity in the economy.

In conclusion, the panel discussion acknowledged the significant role of youth and women in economic growth and encouraged them to explore trading opportunities. Simultaneously, it urged state heads to fast-track the mitigation of travel challenges and implement favorable policy frameworks to facilitate ease of trade within the region.

## ROOM 2 - ENERGY PANEL



The panel discussion was themed Access to Reliable and Affordable Energy Supply; Addressing the critical challenge to African Businesses

The panel discussions focused on exploring ways on how the private sector can contribute to the development of African on and off grid renewable energy infrastructure off-grid renewable energy infrastructure and find ways to digitalize and utilize technologies that would maximize energy distribution and efficiency for the continent.

The Moderator of the panel discussion **Prof. Charles Linjap, Executive Director Investment Watch** While give opening remarks noted that in terms of universal access to energy, North Africa is very advanced compared to Sub-Saharan Africa. In Africa, only about 650 Million people has access to adequate energy for production. With a population of 1.7 billion people, more than 50 percent of people can't access adequate energy. In terms of regulatory environment, according World Bank, most financing they have been giving to

African state goes to Independent Power Producers (IPPs). However, he wondered why we have IPPs rather than Public Private Partnership which they will market to the end users. He said these are some of issues among others that the panel will be addressing

**Mr Murefu Barasa is the Managing Partner at EED Advisory Limited** in response on how to ensure access to energy said that we need to integrate new innovative solution which are tailor-made for Africa. He noted that we have all the natural resources to produce clean energy. He highlighted that the challenge with some of the African countries is try to replicate the electrification model that was used by the Western countries to electrify their country while the dynamics are different.

He added that the private sector has played a big role in electrify Kenya by decentralizing power especially in rural areas through the support of the government by subsidizing some things to make affordable to rural people. He concluded by saying that Public Sector need to work with private sector by offering incentives to unlock the private sector capital.

**Mr. Edward Iruura, Electricity Regulatory Authority, Uganda** started by appreciating the role energy plays in economic development. He noted that Access to energy stimulate economic development. He mentioned that the strength of the regulatory environment of the energy sector of the country determine the willingness of the private sector to invest in that country. The private sector wants predictable policy environment to invest.

He observed that other areas we need to look into is the area infrastructure through joint financing between countries in different regions in the continent. This will promote power pool allowing countries to share electricity between them. He added affordability of power is a key component toward this conversation.

**Ms. Mabel Rubadiri, Public Affairs Associate, KOKO Networks,** highlighted that there several barriers preventing universal access to energy. Among the barriers are infrastructure required for different forms of energy. She also stated that government support with tailor-made policies for both national and regional is very important in supporting the sector. Affordability of energy resource is very important hence the need for government incentives. In addition, global commitment to creating an enabling environment that will de-risk the sector is very key.

**Molly Brown, Head of Carbon Strategy, Burn Manufacturing** highlighted the impact of traditional cookstoves to health of the users and the high cost of the same especially to urban dwellers. She said that transitioning from the tradition biomass to efficient cookstoves and electricity is key since it is cheaper, better to our health and fast hence saving on money and time. Partnership between public and private sector is important to make innovative clean cookstoves cheaper and more affordable to the target consumers which are mostly low-income people.



## SESSION VIII - AGRIBUSINESS AND FOOD SECURITY



Africa has more than 65% of global arable land and huge youthful population, which could be harnesses to leapfrog a green revolution towards achieving food security by 2040. Additionally, investing in the entire agri-business value chain will require that we provide the necessary incentives and paradigm shift towards effectively assisting Agripreneurs and relevant actors in achieving food security in Africa in the entire value chain should be accompanied with the necessary enabling.

Analyse the existing agribusiness policy framework, ongoing government incentives towards achieving food security and the current level of private sector participation in the agribusiness value chain.

**Mr. Charles Chiza, Acting Director of Industry, Minerals, Entrepreneurship and Tourism, African Union Commission** moderator of the session opened the session by noting that investing in the whole agribusiness value chain will require that we provide the necessary incentives and burden shift toward effectively assist entrepreneurs in achieving food security in Africa. The entire value chain should be accompanied with conducive environment to achieve food security in Africa

**Prof. M H. Khalil Timamy, Sustainable Development Studies, Department of Environmental Sciences, Pwani University,** observed that the countries that felt the impact of Ukraine- Russian war were countries who relied on the two countries for their food supply. He argued that we have adopted the wrong policies hence killing the agribusiness sector in Africa. He gave an example of Kenya where they erroneously issued certificates for importing. He said that we need to re-organize our agribusiness and agroprocessing sector to reduce on import from outside Africa.

He concluded by noting the for agriprocessing and agribusiness to rely work we need to set up the necessary infrastructure and identify captive markets for our cereals.

**Mr. John Bosco Kalisa, CEO, East African Business Council (EABC)** reiterated that our food systems are very weak. That's why Africa has really felt the impact of COVID 19, impact of environment, and impact of Ukraine-Russian war in our food supply system.

He noted that necessary infrastructures are key to achieving food security. Due to lack of necessary infrastructure, it is estimated that over 40 per cent of our food go to waste. Deficiency in production infrastructure affects our over production in the agricultural sector. He added that we also need to come up with solutions of how to de-risk the sector which is considered a high risk.

**Mr. Michael Dunford, Director East Africa, World Food Programme (WFP)** said the East Africa covering ten countries in Africa and some the most food insecure place in the world. He informed the forum that food insecurity went from 50 Million- 80 Million people in the region in the last two years. This is mostly due to cost, Covid 19, conflict and environment among issues.

To address some issues the region is facing to make it food secure, WFP is shifting from importing outside the region to local and regional procurement policy. WFP is investing 4 billion USD toward this program. They are working with local supplier develop the kind product they want and helping them with some investment and small holders' farmers to preventing post-harvest losses. They have created approximately 565 000 jobs in the region

**Dr Victor Djemba is the United Nations Industrial Development (UNIDO) Chief, Regional Division for Africa**, while responding to how we can increase our productive capacity noted that we have the potential and natural resource required from production but wondered why we keep importing to feed our citizens. He said that we need to create agro-processing ecosystem through industrial agglomeration at the national level then upscale to regional level and then to the Continent Level. We need also to create effective value chain system. This will revolutionize our food production in 5 years. We need to ensure Private sector is at the center of this through supportive policy and regulatory framework. African Continental Free Trade Area (AfCFTA) will open the market for what is produced.

## CONCLUSION AND WAY FORWARD

### RESOLUTIONS: PRIVATE SECTOR ACTORS

**Agenda 1: Key actions to achieve inclusive growth and sustainable development in Africa towards the Implementation of the AfCFTA**

- Enhance innovation through research and technology to boost its productivity with focus on manufacturing.
- Ensure philanthropic capital is blended with private capital to generate more capital for SMEs and Enterprises doing social good.
- Create a platform of African champions to foster meaningful Public-Private Partnerships dialogue to accelerate Africa to Africa Trade and Investment.

**Agenda 2: Enhancing access to finance in Africa - Exploring financial Innovations that will shape economic growth**

- Adopt simplified credit rating and performance-based instrument application for SMEs to enhance their credit worthiness.
- Strengthen the technical capacity of SMEs on how to pull crowdfunding and venture capitalists fund into their businesses.

**Agenda 3: Transforming business models in the global garment industry - the role of clothing textile and leather value chain in Africa**

- African designers need to be consistent in their products to effectively compete on the international market and encourage African offshoring of African brands elsewhere in Africa.

**Agenda 4: The role of digital trade and its implication on African economies opportunities and challenges**

- Develop simplified e-payment wallets in Africa for inclusive online businesses.
- Reduce the digital divide between urban and rural internet penetration rate upon investing on enabling soft internet access to infrastructure.

**Agenda 5: Environmental, Social and Governance (ESG) practices among the African private sector overview of the preliminary findings of the AU survey on the status, opportunity and challenges of Climate Change**

- Undertake capacity building for ESG in order to build climate resilience systems across African governments.
- Obtain ESG certification in order to facilitate access to carbon credits and to export into the global value chain.

**Agenda 6: Youth and Women entrepreneurs - unlocking the potential of youth and women to emerge as successful leaders and entrepreneurs**

- Adopt best practice of successful Incubation Hub models that have been successful such as those in Singapore and China to ensure that youth are empowered to create employment and grow the private sector on the continent.

**Agenda 7: Access to reliable and affordable energy supply - addressing the critical challenge to African businesses**

- Develop a community of best practice sharing and networking amongst the IPP Enterprises in Africa.

**Agenda 8: Crowding in private sector investment in transport and logistics and infrastructure development**

- Undertake actions to put in place mechanisms in to address infrastructure development and economic sustainability across all AU members states.

**Agenda 9: Agribusiness and Food security**

- Develop a community of best practices and knowledge sharing for African Enterprises participating in Public-Private Partnership projects in Africa.