

IMPORTANT FLAGSHIP EVENTS IN THE CONTEXT OF THE 7th AFRICAN PRIVATE SECTOR FORUM



The Second EU-Africa Business Forum follow-up workshop and the launching of the Gen-HUB Africa platform were held during the 7th African Private Sector Forum

Reflecting on business and investment forums that took place during 2014, BizClim looks back at the 5th EU-Africa business Forum (EABF) and 7th African Private Sector Forum (APSF) as two important flagship events, where decision makers and the private sector from Europe and Africa strived once again to enhance the role of the private sector in sustainable and inclusive development. In retrospect, at BizClim we feel proud and satisfied to have been associated to these events.

Considering the critical role of the private sector for inclusive and sustainable development, the African Union Commission (AUC) organised the 7th APSF under the theme: *"Promoting Africa's Private Sector for inclusive growth: Exploring untapped mechanisms of funding"* in Nairobi, Kenya from the 3-5 December 2014 – an annual forum that has become an

important instrument of interface and partnership between the African Union (AU), policymakers and the private sector.

Africa, the world's second largest and most populous continent, with 1.1 billion people, is rapidly beginning to realise its true economic potential. Africa's economies are developing at a remarkable pace; making the continent home to seven of the world's fastest-growing economies. There is no doubt that laudable efforts have been made by governments to improve the business and investment climate in Africa and that these are paying off. Besides interesting and informative presentations and debates, such forums are an excellent opportunity to sample and measure the impressive progress towards wealth creation in Africa, gauge sentiment of game changers and learn about challenges, which continue to stand in the way of a much more prosperous Africa.

With the on-going development challenges, more emphasis is being placed on the role that Africa's vibrant

private sector can play in ensuring this growth is inclusive. With abundant resources, an emerging middle class and a young population, Africa is seen as a continent of opportunities and is embarking on a promising development journey. But, success of this journey relies on the private sector's ability to move millions out of poverty and into productive activities..

With the support of BizClim, two important sessions were organised in the framework of the 7th APSF (i) the second follow-up workshop to the 5th EABF and (ii) the launching of the HUB-GEN platform for renewable energy.



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The second EU-Africa Business Forum follow-up workshop, the need for implementing the most important recommendations

The EU Delegation to the AU and the AUC jointly organised the second EABF follow-up workshop in Nairobi, in the framework of the APSF hosted by the AUC. The APSF provided a unique opportunity to ensure dialogue with the private sector community on the follow-up activities to the 5th EABF held in Brussels last year, and which gathered about 1,180 high-level participants, including many influential African private sector operators and representatives.

The AUC Director for Economic Affairs, Dr. R. Kouassi, and the Head of the EU Delegation to the AU, H.E. G. Quince, opened the workshop, setting the context for the discussions. Director Kouassi stressed on the need to turn the ideas and recommendations of the 5th EABF into concrete projects and actions in line with the spirit behind the organisation of the first two EABF follow-up workshops. In his view the EABF provides the European and Africa private sector a unique platform to exchange practices, identify challenges and most importantly, key investment opportunities.

EU Ambassador Gary Quince highlighted the fact that the 5th EABF was one of the most successful events linked to the 4th EU-ACP Heads of State Summit. Furthermore, he stressed the fact that the EU and Africa are stepping up their economic cooperation and a number of very important milestones have been reached in the past. These will provide a strong incentive for improved economic relations between the two continents, such as the EU's engagement with the private sector, as envisioned in the new EU Communication on private sector development, which highlights the role of private sector as a partner in development. This new policy document indicates the way in which the EU can support private sector more effectively and how the EU can step up dialogue on improving the business environment.

Jacqueline Mugo, Secretary General of Business Africa, provided an overview of the main recommendations stemming from the EABF plenary sessions and highlighted key recommendations from the twelve thematic round tables. She also shared some of the views of the private sector during the 5th EABF in Brussels, including the importance of Africa and Europe to work as partners on equal footing, the need to better leverage the participation of private sector in development, the need for stability and predictability to attract long-term investment and growth in Africa.

The EABF recommendations have been collected in a matrix made public and available online (www.bizclim.org/en/issues_specific.php); it covers issues, pertaining *inter alia* to: the need for a business enabling environment across Africa; the need to promote more EU-Africa and intra-african trade; support to private sector development; the establishment of public private partnerships; and the need for ensuring access to finance for micro-, small- and medium-sized enterprises. Furthermore, the 5th EABF provided twelve sets of recommendations on twelve key areas covered in the thematic roundtables addressing issues such as risk capital, inclusive business models, agrifood chains, ICT for agriculture, infrastructure, raw materials, healthcare and pharma, social entrepreneurship and development of SMEs.

The launch of the HUB-GEN platform, a new online platform to link developers of small-scale African energy projects with investors and technical advisers.

In the frame of the APSF, the NEPAD Agency's, Africa Sustainable Energy Incubator Platform (GEN-HUB) was launched during a round table meeting of investors and sector experts in Nairobi, Kenya on 5th December 2014. The platform, which is a NEPAD Agency initiative, in collaboration with the ACP Business Climate Facility (BizClim), aims



to fast-track African sustainable energy development projects in order to bring to an end, the harsh reality that over 600 million people in Africa, still have no access to energy. Around twenty developers and investors attended this dynamic session, where some projects received support from the GEN HUB's platform, one of them was the Allan Marega's renewable energy project that turns agricultural plant waste into briquettes, as a charcoal and wood-fuel alternative for rural African communities. SME energy projects like Allan's, often lack investors that can help accelerate the expansion of affordable and sustainable projects.

The structure for a proposed Pan African Sustainable Energy Incubation Facility and a "*Pan African Sustainable Energy Project Investment Fund*" was put forward. Together, they can provide the diligence and governance to be compatible with supporting investment channel criteria. The proposal is tested and supported by professional assessment and consultation with the NEPAD, Bizclim (PMU), energy sector experts, investment forums, impact fund managers, DFI's, project developers and the applied knowledge gained through the establishment of an online Pilot Incubator Platform www.genhub-africa.com. Twenty projects were assisted and eight projects were taken to investment promotion stage, of which three have secured investment or contracted cashflow securities with industry partners.

Following the investor roundtable, credible support has been identified from a diverse range of fund sources. Subject to the provision of a DFI undertaking, other impact funds would be willing to support a structure, which could cross cut the diverse return on investment criteria set by investor groups from private equity and philanthropy funds.

For further information please visit <http://www.genhub-africa.com/>