

THE BROOKINGS INSTITUTION

WEBINAR

UNLOCKING AFRICA'S BUSINESS POTENTIAL

Washington, D.C.

Wednesday, July 8, 2020

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P R O C E E D I N G S

MR. COULIBALY: Good morning, good afternoon, and good evening, depending on where you are. I am Brahim Coulibaly, Senior Fellow and Vice President of the Global Economy and Development Program at Brookings.

Thank you for joining us for this virtual event on *Africa's Business Potential*. It is motivated by my colleague, Landry Signé's most recent book on *Unlocking Africa's Business Potential: Trends, Opportunities, Risks and Strategies*. In this COVID era where everything seems gloom and doom this book shall provide a refreshingly-positive narrative on Africa and what it has to offer for mutually-beneficial partnership with external actors.

Indeed, Africa has tremendous, but often overlooked potential, and offers rewarding opportunities for businesses looking for new markets and long-term investments with favorable returns, and high socioeconomic impact. Since the early 2000s Africa has been home to the fastest-growing economies in the world with one-third of the economy is expanding at 5 percent or more per year for two decades, much higher than the 3 and 0.75 percent for the global economy over the same period.

Even though COVID pandemic will interrupt this momentum, I am confident that the region's economies will be reemerge from this with renewed vigor, the economic performance, along with rapid population growth, rapid urbanization, is contributing to strong growth in the middleclass, and a growth that is only second highest over the next decade and only second to South Asia -- to Asia.

Under the leadership of the African Union regional integration centered around the Africa Free Trade Agreement is advancing. Together, these trends are generating unprecedented dynamism and high demand for housing, food, beverage, infrastructure, financial services, among others. The sector is identified in Landry's book that makes Africa the next big-group market in the world.

These opportunities are, however, not always well understood outside of Africa, particularly from businesses in parts of the world that have not had a long history of engagement with the Continent, or when they are understood, the risk-adjusted returns on those investments are understated because of misplaced perceptions about the prevailing risks in the region.

But unlocking Africa's business potential also means addressing issues around (phonetic) governance, improving the business environment, fighting corruption, investing in key

infrastructures, notably digital and energy so enterprises can be competitive in the 21st Century. Our progress in those areas, I would note, have also been encouraging, African governments have made significant progress on business reforms, with countries in the region dominating the list of the top ten performers in recent years.

Even so, there remains more to be done. But I would encourage potential investors not to wait for a perfect business environment to engage, the reality is that no country in the world has started its economic and private-sector development with the best infrastructures, governance or business environments.

Instead, historically, the business environments have evolved in locksteps with the stage of economic development, and those investors who engage early will be well placed to consolidate their position when the business opportunities reach their full potential.

Landry's book is unique in that it not only suggests the opportunities, but it provides strategies to navigate the risks. This great piece of work by Landry won't come as a surprise to those of us who know him. He's a lead thinker and practitioner who is widely recognized for his scholarly work and passion for Africa's socio-economic development. I will encourage those who have not yet, to obtain a copy of the book.

We are very fortunate to have for this event a great panel that is moderated by a Florie Liser, the President and CEO of the Corporate Council on Africa, who is also really passionate about doing business in Africa.

The panel includes Worku Gachou who is Managing Director for Africa at the U.S. Development Finance Corporation, an institution that can play a catalytic role in the engagement of U.S. businesses on the Continent, and we're also joined by Madam President, Ameenah Gurib-Fakim, former President of the Republic of Mauritius, a country that is a success case by any definition of the term, so her perspectives and Mauritius' experience will be no doubt enrich the conversation.

With that, let me turn it over to Landry for his presentation. Thank you. I look forward to a lively conversation.

MR. SIGNÉ: Thank you very much, Coul, for an exceptional introduction. I'm very grateful also for having the distinguished panel of speakers, Worku, Florie, Your Excellency. So thank

you very much for joining us today.

So, as we say, this book would have not been possible without the support of incredible people and institution with whom I'm extremely grateful. And I will begin with Brahim Coulibaly, our current Vice President, who has being also Director of the Africa Growth Initiative, and has hosted me, welcomed me at Brookings, encouraged me, provided me insightful feedback. So thank you very much, Coul.

I'm also very grateful to President John Allen, David Rubenstein, the Carnegie Corporation of New York, the Brookings Institution Press staff including its Director, Bill Finan, my postdoc, Chelsea Johnson, who has played an important role here. The Brookings team such as David, Kristina, Janine (phonetic), who have helped putting this event together. And last, but not least, my family, including my partner Nadine, and my son, Louh Lujinor (phonetic), who has just celebrated his first year.

So as we say on the Continent: wisdom is like a baobab tree, no one individual can embrace it. So this book, unlocking Africa business potential has been the result of a support of many people, I cannot name everyone, but I'm very grateful to everyone who has contributed to this venture, including of course, Hess (phonetic), and Homi Kharas.

So now, let me speak briefly about some trends, why I think Africa should be at the top on the agenda for global but also local investor, and as pointed out by Coul, so we have the combined growth of the household consumption, and business spending, which I submitted of course before the pandemic to reach \$6.7 trillion by 2030.

So, this is really important because Africa, potential Africa growth, and especially from a business perspective is driven by demand, to which I combine as well the fast urbanization. Many entrepreneurs now are focusing on cities versus thinking of all countries, for example, will grow from 6 to 17 cities of more than 5 million inhabitants in 2030, and from 3 to 5 cities of more than 10 million inhabitants from 2015 to 2030.

So we definitely see we have tremendous growth of cities and fast and usually -- fast urbanization. Another point which is important, and it is core to the work that we do at Africa -- at the Africa Growth Initiative is the relatively fast industrialization. But let me point out here that I'm speaking

about energy stream without smokestacks, because when scholars speak about industrial development on the Continent, they mostly focus on traditional manufacturing, and while looking at traditional manufacturing, a scholar will be speaking about sometime the industrialization.

But that is because they overlook industries without smokestack, which export in related industries have grown six times faster than traditional manufacturing between 1998 and 2015. So those are critical areas, and they have the same type of characteristic as traditional manufacturing, including exportability, trade-ability, the absorption of moderately-skilled workers as well as the high productivity.

So we also have the effort to close the infrastructure gap in Africa so with programs such as the program for infrastructure development in Africa, a Continent that's programming at closing the infrastructure gap, but also recently in the past years the African Development Bank has, for example, organized the African Investment Forum with a commitment of numerous investor. Of course, those have to be implemented concretely.

So we also have the innovation to unlock resources and agricultural wealth. Of course Africa has 60 percent of the world's unused arable land, so tremendous opportunities, especially in coastal countries, which is also combined with the fast digitalization, increased technological innovation, and enthusiasm for the Fourth Industrial Revolution.

As, you know, the Fourth Industrial Revolution is characterized by diffusion between the digital, the physical and the biological world, and its (inaudible) as well by its scope, its system, impact as well, and the velocity, and the speed to which technologies are -- innovations are evolving.

And on the Continent, as you know, New York City had more mobile phone subscribers than the entire Continent in the late '90s, when now we have over 700 million mobile phone subscribers on the Continent. So we also have increased stability, in the late-'80s most African countries were led by unaccountable leader, when now we have a tremendous increase of accountable leader, and a demand for accountability from African citizens, who prefer even democracy but also accountability, accountable government, sometimes even over-effectiveness of those governments.

So, we also have the improving business environment, and so which is characterized by the fact that about a half of the top 10 outperformer, globally, in terms of ease of doing business, have been in Africa in the recent year, whether countries are democratic or not, all are committed to really

unlock Africa business potential to improving the business, and women of course.

Challenges remain, and works need to be done in terms of governance, in term of property rights, in terms of fight against corruption, against illicit flows. But the Continent is in a much better place now than before.

So, we also have the fast regional integration, and especially with the African Continental Free Trade Area which was adopted in 2018, legally came into force in 2019, was suppose of course -- countries we're supposed to trade under the CFTA as of this month, but which was postponed, given the critical importance of addressing the health crisis, postponed to January of 2021.

So, the CFTA really represents a unique opportunity for the Continent, but also for international partners to really engage and successfully increase trade and investment.

And this is also related to the U.S., we see the initiative such as Prosper Africa, different initiative which aims at connecting the Continent with the rest of the world, whether with the U.S., China, Russia, Brazil, U.K., among other players. So we also have the critical importance of the Diaspora, whether in terms of building bridges, playing as ambassador, representing the Continent, investing, also contributing to technological transfer. So, those are some of the critical trends which are observed on the Continent.

And let me finish, probably, with highlighting a few reason also why I think that ultimately why, despite the pandemic, and despite the dramatic impact that will have, or the drastic impact that will have on the short run, which is observable also around the world in countries such as the United States, or France, or Italy, or Canada.

So the despite the short-term impact of the COVID pandemic, I still think that African economies have demonstrated relative resilience, and when I speak about African economy, of course you have different groups. So the first group of countries, for example, is the group of countries which, with relatively steady economic performance over the past two decades.

So this group would include a fast grower, such as Rwanda, Ethiopia, or slower but relatively consistent growers such as Morocco, for example. So those countries may also be some of the most resilient in the context of COVID-19, and that is because they have increasingly implemented pro-growth policies, improving the ease of doing business, governance, effectiveness as well as relation with

international donors and global investors and their performance, who have had a strong performance for about a couple of decades which also include resisting to past crises.

So a certain group of countries will include countries such as Côte d'Ivoire or Ghana, whose GDP growth rates have improved significantly over the past decade, but not for a long time enough when you compare to the first group of countries.

Those countries who have also improved just the capacity, macroeconomic management, and a relation with multilateral institutions, but they face some elements of vulnerabilities which include the fact that you have drop in the domain of cocoa, knowing that those countries are among the world's largest exporters or producers of cocoa. So this will affect probability of performance, but the level of resiliency will definitely be assessed after this crisis.

And the third group of countries include those whose economic performances have been either very slow, or have substantially oscillated between growth and decline, over the past two decades. So the slow growers will include countries such as Central African Republic, Chad, Zimbabwe, and the oscillating growers will include countries such as Gabon, Nigeria, or Angola. As, you know, many of those countries are all exporters, so which also explained, partly, the reason why they have oscillated.

So will say heterogeneous -- it's a heterogeneous group of countries and some of them, for example, are dependent to external partner such as China, and if you compare China, Angola, you have about 61 percent of total export, mostly oil of Angola sold to Chinese buyer, or you have other countries such as South Sudan as well, which are heavily dependent on external players.

So those are some of the reasons why I think that, of course, we'll have many growth narratives on the Continent post-COVID, but the Continent definitively will remain one of tremendous potential with economies which are becoming increasingly competitive, the support of the citizen toward better and more accountable governance, as well as the demographic trend which is a combination of population growth.

But also income growth, the percentage of citizen with discretionary -- available discretionary income and as pointed out the innovative and productive potential, which has been attracting foreign investment, and finance, major players. We have the diversity of trade partners, the African Continent Free Trade Area which is unique.

And finally, the benefit from the fourth -- the readiness of Africa, or the increasing readiness of Africa to really benefit from the Fourth Industrial Revolution, many of those innovations which are being used during this COVID-19 pandemic.

So I can be speaking for a much longer time. I usually speak for three hours, in lecture sometime for a few days, but I would like to give the floor now to Florie. And thank you very much again for your attention. Florie, you're on mute?

MS. LISER: Yes. Thank you, Landry. It's a pleasure to be here for this event in the launching of your book, *Unlocking Africa's Business Potential*, and I'm delighted to be moderating the panel today, and to talk about one of my favorite topics; which is business opportunities in Africa. Of over 27 years the Corporate Council on Africa, CCA, had provided access, connections and insights that promote the U.S.-Africa trade and investment relationship.

And we at CCA believe in the great business potential of Africa, which is why I'm so pleased that Professor Landry Signé has written such an excellent new book on this very subject, so congratulations again, Professor.

Now, as he detailed in the book, the fundamentals are compelling in Africa. Prior to COVID-19 real GDP growth on the Continent was in the 4 to 5 percent range for a decade. We all know about Africa's large youth population, growing consumer spending, and huge need for infrastructure, and the African Continental Free Trade Area, promises to be a game changer in harmonizing Africa's trade, and creating a world of new business opportunities.

Landry's book explores all of these themes and challenges us to look at Africa in a new way, from the agriculture and energy sectors, to tourism and banking, the African story is dynamic and exciting. New U.S. Government initiatives like Prosper Africa, and the new Development Finance Corporation, and we're delighted that Worku Gachou is here from DFC.

These types of initiatives recognize Africa's great business potential, and of course the African business story also has its challenges like everywhere in the world, issues like infrastructure gaps, corruption, bureaucracy low levels of intraregional trade and skills deficit keep Africa from fully realizing its potential. And now Africa, like the rest of the world, is grappling with COVID-19 and in the midst of planning for post-COVID economic recovery.

So I look forward to discussing all these themes in Dr. Signé's new book with our distinguished panel today, and I think that all of you who are participating in this session today will conclude, as we have at CCA, that every global company needs to look to Africa to grow and expand their businesses.

Now, before I turn to our distinguished panelists to say a brief introduction, and to make some initial remarks before we go to Q&A, I do want to also let you know that viewers can submit questions for the panelists by emailing events@Brookings.edu, or via Twitter at Brookings Global, by hashtag -- by using hashtag Africa Business Potential, so again events@Brookings.edu. And I actually see some questions that have already come in, some excellent ones that have already come in for the panelists.

So let me first turn to Her Excellency Madam President Ameenah Gurib-Fakim to make some brief remarks. Thank you.

MS. GURIB-FAKIM: Thank you very much, Florie. Did you want me to introduce myself again? I think you did a great job already, so let's go past the formalities.

MS. GURIB-FAKIM: First of all, congratulations are in order for the fantastic book that Landry keeps doing. And as you have rightly said, Lorie, I don't know when he has time to write all these books because I follow him on Twitter, he's all over the world and yet he still manages to produce some fantastic, of course, very scholarly work. Again congratulations, Landry, for this great work.

And you have rightly put in your book some key features as to what Africa needs to do to proceed in order to emerge, now we have -- we have not COVID, because one thing that I appreciated in the book when you wrote about, you know, the economy is writing this headline: Africa, the Hopeless Continent, and ten years later coming up with another headline: Africa the Rising Continent.

Now, what has made this transition? Now, I always like to situate Africa history, Africa economic history, or political history, over a span of 60 years, because before this we were under of course a different kind of powers that were present, and I see the emergence of Africa coming for the past 60 years. So, I think for the past 60 years we have done tremendous progress that we received from that lens.

Immediately after, you know, the departure of the Colonial powers we used to have, you

know, generals and heads of armies at the helm of the countries. And now as you've rightly said in your book, we are saying more bureaucrats, we are seeing professional, we're seeing more scientists coming at the head of the countries, and the narrative has changed.

But in spite of the change of this narrative, we are seeing that the fear on the Continent, because of our recent 60 years history, is that there is still the fear that when new partners are coming to join us, oh, we are fearful that we're going to witness another scramble for Africa.

So what we hope to see, increasingly, be it with China, India, and all the partners who are still operating on the Continent, we want to see greater partnership, greater partnerships especially in this age of post-COVID, because we are going to see a contraction of the economy of the Continent, of the Sub-Saharan Africa especially for at least 10 percent. And this will not spare anyone. So we are seeing contraction 7 to 10 percent of the economy, and with all that goes with it.

But I think what the COVID-19 has done to us, and not just to Africa, but I think the rest of the world, it has revealed that many of our weaknesses, and one big weakness that we have seen is how the manufacturing sector, and the entire supply chain has been disrupted especially when we look at just one sector, the health sector, because we're talking about the COVID-19, the PPE, and also the API in the pharmaceutical sector, how we are so dependent on China and India in terms of manufacturing of our medication.

I think recently the U.S. has also come to terms with that. So how are we going to emerge out of this? And one thing that we have rightly taken on board is the Africa Free Trade Agreement, because here we are hoping that we'll see a better integration of the Continent, because right now it's at a -- you know, really poor 20 percent, or less than 20 percent in terms of trade. So we are hoping that post-COVID, and of course with the ACFTA, that we'll see deeper integration.

May be reaching up to what EU is doing at 70 percent integration. So this of course will be the ultimate aim. So what we are hoping to see emerging is more manufacturing because when we see more manufacturing we'll see of course, more innovation which will come up, more transformation of African raw material, and unfortunately, many of our leaders have not understood that we need to keep on transforming Africa's goods.

Now one example I took from Akinwumi Adesina, the African Development Bank Head, is

that how come when Starbucks coffee, the price is going up, or chocolate is going up in price, the Africa farmer hardly gets anything back. So these are things that we are increasingly aware of, and these are things that we will have to put on the table if we are going to look at partnership.

So this is what I want to highlight is that Africa has to go for more transformation, Africa has got to go for more manufacturing, Africa has to go for more agricultural-based industry, because we are sitting on a one-trillion- business. The food sector will never go out of business, the health sector will never go out of business, the digital sector we have to invest in, because this is really what we have seen emerging during the COVID-19. And these are plenty of green shoots there, and of course it goes without saying that infrastructure and construction will all be there.

So this is my take initially on this debate, and I'm sure there'll be more questions that we can answer eventually. Thank you so much.

MS. LISER: Thank you, Madam President. Let's turn now to Worku Gachou got, as you know, is the Director for Africa at the U.S. Development Finance Corporation, which used to be OPIC, the Overseas Private Investment Corporation.

Worku, tell us a little bit about yourself, and then about this transition of OPIC to DFC, and what you're doing in Africa.

MR. GACHOU: Sure. Thanks so much, Florie. And thanks to Brookings for organizing this, this important event, Landry, congratulations (audio skip). It is a true it's a true honor to be with everyone. And, Florie, you know, just always appreciate your leadership on showing that, you know, U.S.-Africa commercial and trade investment issues continue to be a front-burner issue here in Washington.

So, like you said, it's been an exciting time, an exciting year at the DFC. You know, we opened the new agency January of this year, which was a culmination of a landmark legislation that got signed into law the year prior, called the BUILD Act. And so the DFC is now a 60-billion development bank of the U.S. Government where we use our finance and products -- our finance products to stimulate economic growth in emerging markets. And so our focus is Latin America, Africa, Indo Pacific and Eastern Europe.

And so, you know, we have a triple aim with these investments, first and foremost it is

development, it is in our new aim and so, you know, we seek to mobilize private sector capital to build long-term sustainable economic growth. And, you know, these investments range from, you know, supporting smallholder agricultural farmers to building large 100-megawatt power plants, right. And this is the recognition that development can kind of take shape and in many different forms.

The second is foreign policy, you know, we wanted to ensure that we are advancing U.S. foreign policy and national security goals, recognizing that a lot of our allies and partners in emerging markets are actually looking for sustainable investments. You know, people are trying to move past foreign aid and grant assistance, recognizing that, you know, those aren't -- those aren't sustainable, and really seeking to drive long-term private sector capital growth in their countries.

The third piece is returns. All of our investments since we invest, you know, U.S. taxpayer money, we invest in projects that we think are financially sound, and that will eventually return money back to the U.S. Treasury. And so this allows our institution to be self-sustaining, and further our development and drive.

You know, we talked about DFC's kind of new tools that we were given at the start of this year and, you know, a lot of people talk about our new \$60-billion lending cap, but I want to highlight just some of the new tools that I think are specifically important for the Africa region.

First and foremost it's our focus on low-income and low-middle-income countries. If you'd look into the BUILD Act, there's a specific directive that the new agency needs to focus on those countries that are most in need. And when you look at the globe, 70 percent of those countries are actually located in Sub-Saharan Africa.

And so for me, you know, I see that as an opportunity to actually grow, to grow the portfolio, right. When I look at the region that I'm in charge of I see that, you know, where you look at, you know -- it has the most developmental challenges and needs, but it's also the most potential, like how Landry laid out in this book.

Second, you know, we have the ability to make equity investments which, you know, is a new tool, it's, you know, when you think of the world of finance, you know, historically we've been a lender, a debt (inaudible). And so with our ability to drive equity we can now be more strategic and targeted in which countries and which companies we can support for scale and growth.

The last two which I think is quite important for the Continent, is our ability to provide technical and feasibility assistance. You know, one of the things that I've quickly realized after joining the Agency is that, you know, there are a lot of interesting deals out there, you know, I think everyone on this panel, and that's listening in and appreciates, the entrepreneurial spirit of the Continent but, you know, our investment officers need -- you know, need the deals to be packaged and structured in a way that allows them to underwrite and execute the deal.

So, there's a lot of predevelopment work that actually needs to happen to get in a stage to actually absorb development finance, and sustainable (inaudible). So, we have a new program, where we will actually work with companies on the pre-development stage, and help underwrite some of those costs by providing grant capital to get them in a stage where we can then turn to our other side of the house and invest.

The last new tool which I think is extremely important on the Continent is actually our flexibility with U.S. nexus. You know, historically we've had to have a 25 percent U.S. equity or U.S. shareholder ownership of a project for us to invest in that project, recognizing that, you know, we can't advance our low-income and lower-middle-income goals with that kind of threshold just because of the lack of U.S. business. This new tool gives us flexibility to support local companies that align with our Triple Aim objective.

Just drilling down specifically on our Africa portfolio, you know, currently we have \$11 billion of commitments in Sub-Saharan Africa, which is exciting because that is our largest actual regional exposure for the agency. And so, you know, my goal, and with our new 60 billion lending cap, is to develop a pipeline of bankable transactions to actually utilize these new deals.

Our investments are in, you know, a majority of them are in the infrastructure space, we do a lot of energy work, we also support a lot of agriculture, and then interestingly enough we also support a lot of financial institutions, as a way to deploy capital more quickly.

You know, I wanted touch on one of our specific Africa programs because it aligns with both -- with what the president said, and what Landry's book about, and it's our Connect Africa program. Now, we committed last year, or a-year-and-a-half now \$1 billion to support investments in three particular sectors, the ICT space, value-added manufacturing, and transport and logistics.

And we recognize that, you know, those three sectors are integral for Africa's development, and we need to be more acute and more strategic in our ability to finance investments in those sectors. And so, you know, an example I am proud to say, you know, 14 months in we have \$450 million of commitments under the Connect Africa program. We still have \$500 million left, so it's a lot of work that needs to be done, but luckily the routes like CCA that can help us get there.

But, you know, within the ICT space, you know, we supported a mobile network operator called Africell with \$120-million loan to build out their effort -- their network infrastructure in Sierra Leone, Gambia, Eastern Congo and Uganda. And our investment into that company was recognizing that providing reliable connectivity at affordable prices for their customers is an inherent development benefit on the Continent. So, it addresses one of the points that the President raised about the importance of ICT connectivity on the Continent.

The second is value-added manufacturing, you know, like the cocoa and the Starbucks example, I think we recognize that too many goods and too many commodities are exported out of the Continent raw, when value could be created in the country and those -- and those earnings and that benefit could be, you know, absorbed by the local customers.

And so we're supporting a number of manufacturing facilities on the Continent. One of my favorite is Akola it is jewelry manufactured in Uganda and, you know, they don't just source their -- source their inputs from Uganda and then construct and assemble it elsewhere, they actually build, manufacture and ship from their -- from their factory in Uganda, only employing disenfranchised women. And you can now get them at the shelves in Bloomingdale's and Nordstrom.

The last piece I just want to touch on is transport and logistics. I think this goes to, you know, hopefully the regional integration that will come up with the Africa Free Trade Agreement, but recognizing that the cost of moving goods on the Continent are just too high.

Here in the U.S. the cost of moving goods about 7 to 8 percent of the actual goods, on the Continent it's 70 to 80 percent, and there's no way that you can actually stimulate economic growth with that high of a margin. And so looking at, you know, innovative companies that are trying to address some of the logistical and transportation bottlenecks is a focus of ours.

You know, I'm conscious of time, and I know we have a number of great questions but,

you know, happy to turn it back over to you, Florie.

MS. LISER: Wonderful. Thank you, Worku. I still appreciate that a number of the programs that you talk about, and work that the DFC is doing in Africa really link back to sectors that Madam President mentioned, that's important for Africa as a whole.

Now, let me turn to some questions for both of you: Madam President what should African governments do to unlock Africa's economic potential and the business potential in order to accelerate a post-COVID economic recovery on the Continent, this will be very critical. You're still on mute -- oh, there you go.

MS. GURIB-FAKIM: Thank you. It may seem paradoxical, because I've just said that the Continent and several countries they're going to be witnessing a contraction of the economy, and I think yet this is the time now to invest, and to invest in the youth, to invest precisely, as Worku has said, in the manufacturing sector because we still need the infrastructure, and to invest in quality standards, because if we are going to see emerging trade across the Continent, we're going to have to see a kind of acceptance of the norms.

And we all want quality. And one thing that I must also say, and this I think calls for greater partnership between the U.S. and African countries is through medicine. And we have seen that unfortunately in Africa, so many medicines, and antibiotics, and all these which are traded, which of course substandard or fake.

And so this is something that we need to promote in terms of the quality of medicine. So, you know, we need to invest in, you know, in the widest sense of the word in the entire infrastructure, and I think the development of the Continent will emerge as the nexus of empowering the youth through entrepreneurship, we need to invest in them as well.

We need to invest also in social safety nets, and this has emerged really drastically, not just in Africa but elsewhere in the world, where the poor have been left to really to fend for themselves with nothing to fall back on. So these are issues that we have to see emerging investment, in the widest sense of the word, in the youth, in the women, in agriculture, in medicine, in the infrastructure, in IT, because I think in IT we're going to leapfrog.

We don't need infrastructure as it has been the case 30 years ago, and now with the new

technologies, with of course access and we have seen work as well, talking about investment that's phased.

So, I think when we start investing in all these that very soon we will see the Continent picking up. And of course we need to change the narrative of blocks. We need to look at how we can trade, how we can really put in place all the blocks that the Africa Free Trade, the Continental Free Trade Agreement rest on, movement of people, movement of goods, movement of services.

I think this is where we will see the future going, but definitely I agree with Worku that the cost of transport across the Continent has to be looked into because this will be a big challenge on to the emergence of the Continent -- you know, as a market of 1.2 billion people. So we need to do something about this.

MS. LISER: Thank you, Madam President. Let me let me say that -- Oh, Landry, you wanted to jump in. Please, go ahead.

MR. SIGNÉ: That is a really fabulous, Excellency, and thank you to all also for their very kind words. So, one thing that I wanted to add, is that and as pointed out by Excellency, the African Continental Free Trade Area is implementation, its successful implementation will constitute an exceptional tool to really accelerate Africa's recovery.

And in addition of reducing the cost of doing business, to increasing supply network, improving supply networks, or domestic demands, I think it will be critical on the short run that government avoid, or at least limited arrears to private firms from the public sector.

So this should provide instead finance for the private sector to save jobs which are critical to unlock Africa potential, and they should, of course, provide tax waivers, or extended deadline. Some governments have already done that, but one aspect that we sometime overlook is also the worker from the informal sector, which represents about, depending on the countries, about 70 percent on average on the condition of the working population.

So it will be critical for government to maintain household consumption among the bottom 75 to 80 percent of household who have very limited savings, and therefore offer quite often services and products in the informal sector to the worker of the formal sector, whether from the public or private sector. So protect the income of urban (phonetic) wage and salary employees and protect health of

urban informal sector workers.

I think government should declare, and that's a line also with what Worku and Excellency said, this will even declare transport of food from farm to get to market as an essential service. I think that

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MS. GURIB-FAKIM: Landry, if I may? Landry, if I may. I have to put my hat of woman again here. You've mentioned the informal sector, and yet the informal sector are dominated by women, and they tend to be the first in and of course the first out -- the last in and the first out into the system. So we need to put money in the hands of these women, so that they can precisely drive, because the economy of Africa, many countries, it is still dependent on the informal economy.

So, we need to put money, yes, I agree with you, in the hands, but we need to have a special thought for our women folk because they feed the family, they do the agriculture, they do most of the burden of the work. So, I'm sorry I couldn't resist not saying that.

MR. SIGNÉ: Absolutely, absolutely agree.

MS. LISER: I think, too, and I'm going to turn back to Worku on that, because he can share a little bit about a program that is actually focused on women, that OPIC, now DFC, is working on. But you all have touched on this issue of countries facing the very tough situation of protecting lives, and then protecting livelihoods, and this is the challenge that everyone has.

Worku, I'm going to ask you to say a little bit about your women's program, but I also want to ask you a question that has come in about: what are the prospects for U.S.-Africa trade and investment relations, given the struggle that we, ourselves, in the U.S. are having with COVID-19, as well as the fact that, you know, this is an election year for the U.S. You know, should we not be looking to the U.S. to be ambitious in what they do with Africa because of COVID-19, and elections, or what? But let me turn it back to you.

MR. GACHOU: Sure. Thank you for the opportunity to talk about our women's program. We launched last year our 2X Africa program, 2X stands for the two female chromosomes, and then also the multiplier effect of investing in women. And so through our 2X Africa program we committed \$1 billion to support investments in companies that are women-owned, women-led, or women-benefitting.

And so we have, you know, an exciting pipeline of deals that we are looking at. We've

coordinated with the African Development Bank, UNECA, and other regional institutions to actually help build out that pipeline, and then also working with regional financial institutions, like Union Bank of Nigeria, as another method to deploy capital through our 2X Africa program.

Just to your point about kind of COVID-19, and U.S.-Africa engagements under these broader issues, you know. I think it's impressive to see programs like Prosper Africa being launched, you know, this year, and actually hitting the ground running, and assuring that, you know, the issues of trade investments, you know, remain a priority for the administration going forward.

I think, you know, an example of that is, you know, when COVID hit DFC has a really powerful tool in terms of financing. But, you know, the Continent is quite big, there are a lot of markets, and so what we wanted to do was try to find a way to identify local African businesses that are engaged in the health care supply chain, from therapeutics, PPEs, and other businesses.

And so we actually utilized Prosper Africa to tap all of our embassies and consulates in the region to identify companies in their respective domains and then flag them and transfer them to us so that we can do an exhaustive review to see if any of those companies could be in a position to receive DFC financing. And so this type of proactive outreach is something that is completely new, right, and it's facilitated by Prosper Africa and our willingness to continue to engage on these issues.

And then just about broader, you know, trade and investment issues in an election year, you know, I am actually -- you know, this background behind me is not at my home, my home is not this regal. I am actually at the White House right now because we, just about an hour ago, kicked off the formal negotiations for the U.S.-Kenya Free Trade Agreement.

And so this is a major milestone this, as many of you know, will be the first potential free-trade agreement between the U.S. and a Sub-Saharan African country. And so I think, you know, yes there's an election going on, but I think there is a lot of excitement, and a lot of people working on trade and investment issues like we saw this morning.

MS. LISER: Thank you, Worku. I know that many of CCA's (phonetic) members are very focused on the U.S.-Kenya talks, not just because it's Kenya, but also because we see it as a building block for how the U.S. can enhance its trade and investment relationship with our African partners going beyond AGOA.

MR. GACHOU: For sure.

MS. LISER: Which is one-way, unilateral program just something that's more reciprocal, and something that really takes account of Africa's increasing role in the global economy. And I think that it, you know, there's so many that recognize that Africa really is the place to invest, it is the place that holds incredible opportunities, and how to harvest those. This is the importance of programs like Prospect Africa and the work that you all are doing and especially focusing on women through your 2X Program.

And I just wanted to go back to Her Excellency. I don't know how much more time we have. But, you know, one of the questions that we have is about the emergence of new players in Africa such as China, India, Brazil who are obviously competing with U.S. for business on the Continent. And I wondered if you could share a little bit of your thoughts of how Mauritius looks at that, how African countries look at that, or should look at that, in terms of the range of players in the African market now?

MS. GURIB-FAKIM: Thank you, Florie. This is a very interesting question because we have seen precisely a multitude of actors. You know, you mentioned China, we have seen recently of course the UAE, and many of the Arab countries as well, very, very interested in very key areas. And well, you know, we welcome partnership, as I said, we welcome investment, but I think the keyword to take ahead, I think this is something that we'd like to bring forward is, exchange of good practices, more partnership.

And, you know, if you look at, for example, what China is doing in terms of -- Landry rightly mentioned the Fourth Industrial Revolution -- we'd like to see more of these exchanges happening. But we, increasingly, would like to see more partnership because we do not want yet another scramble for Africa.

Having said this, one area that I would like to see more partnership, and of course more revival on the African Continent, you know, and Landry also mentioned this in his book. Africa is home to 60 percent of the world's arable land, and if you look at the country of the size of China it's only 9 percent. You know, and yet there is so much that this Continent can provide in terms of support, but over and above this we need to see.

Again, I'll go back to what the African Development Bank has been saying, how this

sector, if only for agriculture, can be a fast-growing sector. We are sitting, as I said, over one-trillion-dollar business, how it can be a source of jobs as well for our youth. How we can make Africa agriculture become an entrepreneurial sector that can absorb so much of our youth who was out there, and we are the youngest Continent on this planet up until 2050, we are going to be the supplier of labor force to the world.

So how do we put all these together? So, again we are -- you know, the emergence of the Continent, the food security of this planet, or many of the regions we just mentioned will rest at the nexus of us investing in that space as well. So I see, you know, so many of these at the intersection of governance (phonetic), at the intersection of Agriculture, the intersection of new technology so that we see Africa prosper. But again, it depends on how much we put our hands in our pockets, the investment.

MS. LISER: Absolutely. Thank you, Your Excellency. I'm going to just -- before we turn to Landry to say a last word, I do want to turn to Worku for just this question that has come in. So many people have asked the question about what role the Diaspora can play in benefiting African business potential, and the U.S. Diaspora.

And given that you're Diaspora, I'm Diaspora, Landry is Diaspora, I thought that I should at least give you a minute to say something about that very important question before we turn to Landry to end this.

MR. GACHOU: For sure. Thanks, Florie. And, you know, credit to you because you've always ensured that, you know, the Diaspora kind of stays front and center in the conversation about trade and investment between U.S. and Africa. And I think, you know, the Diaspora, frankly is just an untapped resource that could really help drive trade investment between the U.S. and Sub-Saharan Africa.

And I think, you know, when you look at a lot of people new market entrants into the Continent, they have a lot of kind of basic questions and some of those questions, you know, could be addressed by Diaspora members, you know, when it comes to cultural things, or even specificities on cities.

I think, you know, to Landry's point, you know, people are now beginning to look at the Continent, you know, not from the region, not from countries, they're looking at city opportunities, right.

And so having, you know, someone who is familiar with those local dynamics, and the local kind of cultural significances to those dynamics, you know, will be only a value-add to folks.

And so I think, you know, we have a lot of Diaspora that kind of comes to us and say, hey, you know, I could go to my home country and help, you know, do this project, or do this deal, and unfortunately, you know, for us we need something that's a bit more structured, and something that's a bit more thought through.

And so, you know, I think it is -- you know, I put actually the onus back on the Diaspora to actually really spend time, you know, think through, you know: What are the market opportunities, right? How, can you develop those opportunities? How can you go out and develop the right partnerships to actually execute on these ideas, many of which, you know, are great. And then come to us and, you know, we'd be willing to take a look at potential investments.

MS. LISER: Wonderful. Thank you, Worku. I know you have a hard stop now. But we're going to see if we just get Landry to say a last few closing words. We thank Brookings for this excellent event, for the opportunity to look at this new book and the themes that are there, to host Madame President, Ameenah Gurib-Fakim; and Worku Gachou from the U.S. side at DFC. And CCA is always happy to be a facilitator of these kinds of discussions. Landry, please. You're on mute, Landry.

MR. SIGNÉ: Thank you very much, Florie. I would like to express my gratitude to all of you distinguished panel, and moderator, to the audience, to my Brookings colleagues as well for organizing this event.

And to conclude, two quick points, so the first one to echo also what Excellency said, if you invest or educate a woman you are educating a family and a village or society. So African Government will definitely create special investment fund dedicated to women, including to help them transition during the COVID era, for the post-COVID-19 recovery.

And the final point that I also want to mention is that speaking about an African proverb: not everyone who chase the zebra caught it, but he or she who caught it chased it. So, if you want to know about the strategy, to catch, and so you have to read the book, *Unlocking Africa Business Potential*; there is no better time to invest or to do business with Africa than now. Thank you very much.

MS. LISER: Absolutely. Absolutely. Thank you very much, Landry. Thank you Madam

President. Thank you Brookings, Coul. We look forward to working with you to continue advancing U.S.-Africa trade, investment and business engagement. Thank you so much.

MS. GURIB-FAKIM: Thank you, Florie. Thank you for the great chairing. Thank you.

MR. SIGNÉ: Thank you very much.

MS. GURIB-FAKIM: Bye-bye.

MR. SIGNÉ: Thank you so much, Florie. That was fabulous.

MS. LISER: You're welcome. You're welcome. Good job, good job, Landry.

MR. SIGNÉ: Thank you.

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