

# HIGH 5s AND THE ROLE OF PRIVATE SECTOR IN EURO-AFRICAN DEVELOPMENT

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*Vice President*



**Confindustria Assafrica & Mediterraneo** is part of the **Confindustria (Confederation of Italian industries)**, the most important organization of private companies in Italy

**Confindustria Assafrica & Mediterraneo** represents and supports Italian Companies with business interests in **Africa**, Mediterranean and Middle East

Provides a wide range of services, supplying **business utilities**, companies matchmaking, business **partnerships**, monitoring local markets and spreading updated **information, lobby** in the concerned area





## Sector companies

Energy, Gas, Water, Mining,  
Environment, Metallurgy

Electronics,  
Telecommunications

Building & Infrastructures,  
Building materials, Glass

Engineering industry,  
Machinery, Equipment

Services, Transport

Timber, Furniture, Fitting out

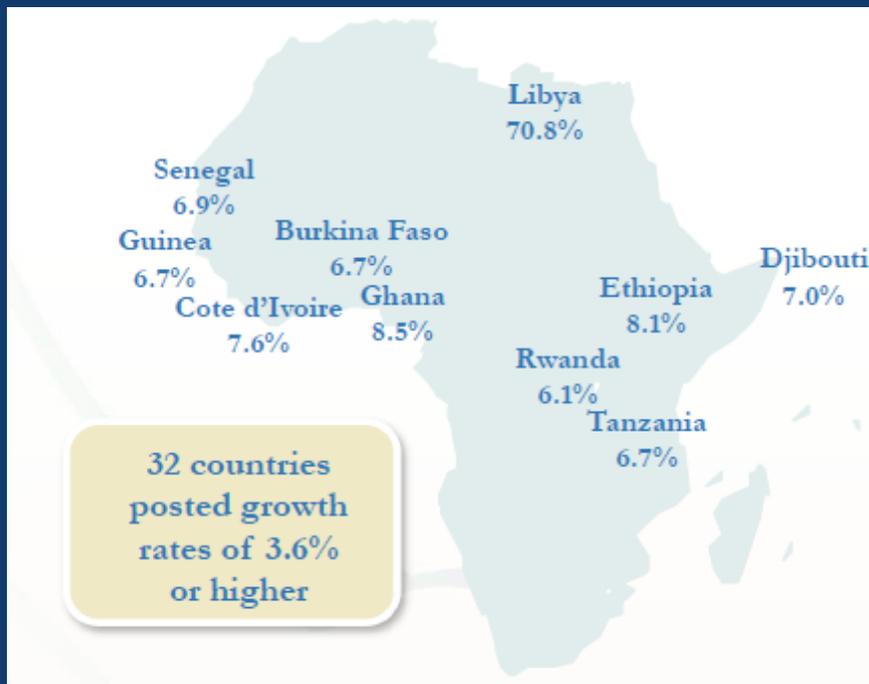
Agri-Foodstuff

Paper, Printing, Publishing

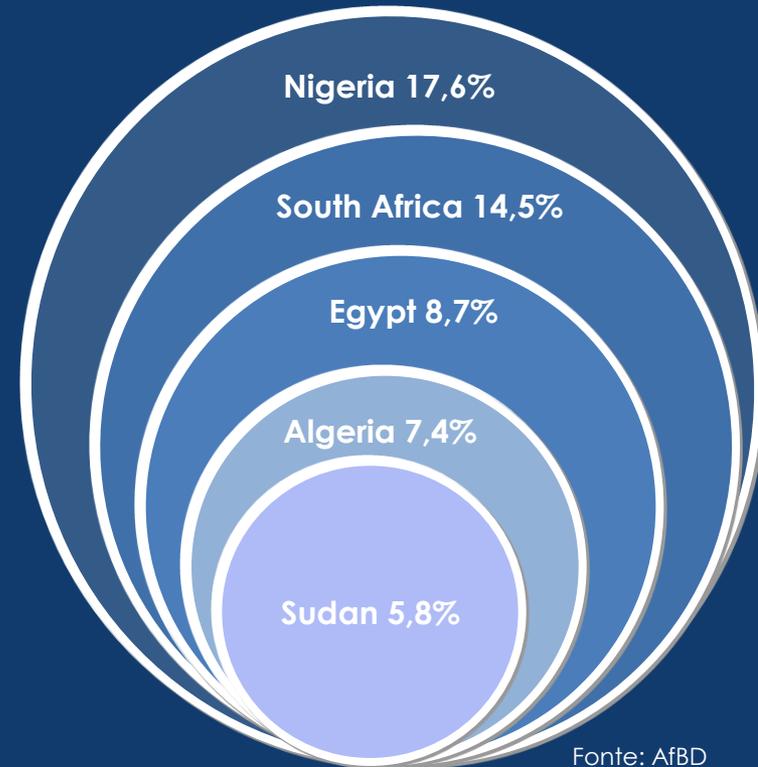
Rubber, Plastic, Chemistry,  
Pharmaceutical, Health

Textiles, Clothing,  
Leather

### Positive outlook for 2018 and 2019



Largest African economies (% of GDP)



## Africa of free trade: Accelerate the transformation

→ the AfCFTA can increase intra-African trade by 52%

→ engage countries to remove tariffs on 90% of goods and to liberalize services

→ It will create a trade block of 1.23 billion people with a combined GDP of over \$ 2.5 trillion



## Priority areas



### 1. Light up and power Africa

Over 645 million Africans do not have access to electricity, 700 million have no access to clean cooking energy, and 600,000 die each year from indoor pollution from reliance on biomass for cooking. Energy-sector bottlenecks and power shortages are estimated to cost about 2 to 4 percent of GDP annually, undermining economic growth, employment creation and investment

### 2. Feed Africa

Is an initiative to transform African agriculture into a globally competitive, inclusive and business-oriented sector - one that creates wealth, generates gainful employment, and improves quality of life

### 3. Integrate Africa

Regional integration is essential for expanding the size of African markets

### 4. Industrialise Africa

A persistent lack of industrialization is holding back Africa's economies, which remain largely dependent on sectors like agriculture and unprocessed commodities that add relatively little value, even though in absolute terms it is growing

### 5. Improve quality of life for the people of Africa

Africa's population is 1.2 billion and is projected to more than double by 2050, when it will comprise one-fourth of the world's population. This growing working age population could drive Africa's economic transformation. It is necessary to improve the quality of life today and achieve inclusive growth. This means addressing the youth employment challenge



# 1. LIGHT UP AND POWER AFRICA

*The High 5s*



The aspirational **GOAL** of this priority area is to help the **Continent achieve universal electricity access by 2025** with a strong focus on encouraging clean and renewable energy solutions.



This will require providing 160 GW of **new capacity**, 130 million new on-grid connections, 75 million new off-grid connections and providing 150 million households with access to clean cooking solutions.



To achieve these goals it is estimated that the **investment needed** will range between **US \$60 billion** and **US \$90 billion** per year.

In 2017, Africa reached 176,000 Megawatts (MW) of installed capacity, equivalent to close to 90% of Germany's capacity



## 2. FEED AFRICA

### *The High 5s*



The overall **GOAL** of the Feed Africa priority is to make Africa a **net food exporter** by 2025



Transformation will involve **mobilizing resources and capital**, representing a significant opportunity for potential to drive inclusive and green growth actors along the value chains



**Transforming** an initial set of agricultural value chains will require approximately US \$280-340 billion over the next decade. Such an investment **would likely create new markets worth US \$55-65 billion per year by 2025**

*Africa, the world's last frontier of agriculture development*



65% of world's uncultivated arable land



25% of the most fertile land



10% of renewable water resources



### 3. INTEGRATE AFRICA

*The High 5s*



**Increase** infrastructure and ICT connectivity, trade and investments, financial markets development and integration



Increase intra-Africa trade to about 50% by 2045



Strengthen **trade corridors** to enable business development, job creation and higher flows of goods, services and people



Create **larger**, more **attractive** and **competitive** markets, with higher productive capacity



Many governments have not worked enough with the private sector and others to develop and upgrade regional infrastructure



## 4. INDUSTRIALISE AFRICA

*The High 5s*

### *Strategic pillars*



Fostering successful industrial policies



**Catalyzing funding** into infrastructure and industry projects



Expanding liquid capital markets



**Promoting and driving small and medium enterprise development**



Promoting strategies **partnerships** in Africa



Developing efficient industry clusters across the Continent

**NOW IS THE TIME  
TO INDUSTRIALIZE**



African countries must embark on a bold agenda driven by private sector-led investments in industrial transformation.



## 5. IMPROVE QUALITY OF LIFE FOR THE PEOPLE OF AFRICA

The High 5s

### Jobs for Youth in Africa(JfYA) Strategy (2016-2025)



The objective of the JfYA strategy is to create **25 million jobs** and train 32 million young people, **impacting 50 million** African's over the next decade.



The initiative hopes to **generate US \$30 billion** in income gains for the African economy



The strategy aims to increase inclusive employment and entrepreneurship, strengthen human capital, and create durable labor market linkages by making use of three strategic levers: **Innovation, Investment, and Integration**

*We aim to create vocational and employment schemes for the youth – so that they do not undertake the perilous journey across the Mediterranean to Europe – through such schemes as the 'Jobs for Africa's Youth' Initiative*

*– AfDB President,  
Akinwumi Adesina*

*A quick look into the past*



The **ACP-EU Partnership Agreement**, signed in Cotonou on 23 June 2000, was concluded for a 20 year period from 2000 to 2020.

Since 2000, it has been the framework for EU's relations with 79 countries from Africa, the Caribbean and the Pacific (ACP).

In 2010, ACP-EU cooperation has been adapted to new challenges such as climate change, food security, regional integration, State fragility and aid effectiveness.

Confindustria Assafrica and sister european Associations boosted private sector as main driver of development in EU policies, previously mainly focused on aid to ACP countries

## *A quick look into the past*



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Cotonou promotes dialogue and collaboration between state and non-state actors



PPT- Private Public Partnership



An effective entrepreneurial tool side by side

EU public policies for Development

*The role of private sector*

## Now

**AFRICAN DEVELOPMENT BANK's priority focus areas in its partnership with the European Union**

Local currency funding and private sector risk-sharing schemes

Private Sector development

SME financing for the underserved



We need a 'New Deal' between [#Africa](#) and [#Europe](#), a deal of equal partners where we set our priorities together, we identify the problems together and we all take responsibility for reaching our common goals. [@FedericaMog](#) [#AUEU](#)



The **EUROPEAN UNION**, through instruments like the **European Investment Plan (EIP)**, is determined to strengthen partnership and promote a different model of participation with the private sector in Africa and the neighbourhood

- Not only working through a mechanism of financial guarantee
- But also closely collaborating with business stakeholders in order to improve investment climate

*With a contribution of €4.1 billion from the European Commission, the External Investment Plan is expected to leverage more than €44 billion of investments by 2020*

## OUR VISION

The Italian industrial model as tool for a  
sustainable jointed development  
Italy/Africa

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**SME**

Small Medium Enterprise

- Italy has **high-quality products** in agribusiness, energy, welfare, training & infrastructure
- **Industrial Machinery: Africa is foostering local transformation of commodities.**  
It means **huge opportunities** for the concerned Italian sector
- African middle class considers **Made in Italy** (“bello e ben fatto”), as “status symbol” of its increasing economic and social prosperity

# For more information

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