

Africa Ireland Economic Forum 2014

The fourth Africa Ireland Economic Forum (AIEF) was held on 30 October 2014. First held in 2011, the AIEF was once again co-hosted by the Department of Foreign Affairs and Trade, the UCD Michael Smurfit Graduate Business School and the resident African Ambassadors to Ireland.

The level of attendance by African delegations and Irish business was high and approximately 300 people representing at least 17 countries attended the Forum, making it the largest annual economic event on Africa in Ireland. Delegates took the opportunity to make connections and discuss opportunities to strengthen two way trade and investment between Ireland and countries of the African continent.

The following day site visits were held for visiting delegates to the Teagasc research farm in Grange, the UCD Nova Business Centre and Diageo.

Attesting to the level of interest in deepening engagement between Africa and Ireland, a number of side events coincided with the Forum: the launch of the Irish Exporters Association Africa Business Forum, the Global Diaspora and Development Forum hosted by the UCD Clinton Institute and supported by Irish Aid, and a Nigeria Trade and Investment Forum hosted by the Embassy of the Federal Republic of Nigeria.

Short reports of each session below:

Plenary Opening

Opening remarks provided an overview of the AIEF programme, introduced travelling speakers, highlighted side events and set the scene for the day. The opening session was also an opportunity to reflect on the diversity and differing pace of development across the African continent and the relevance of Ireland as an ICT hub and UCD as a venue for the Forum. The Forum took place on the eve of President Higgins' visit to Ethiopia, Malawi and South Africa, another signal of the importance of relations between Ireland and African countries.

Enterprise Ireland spoke of its newly opened African offices and the €550 million annual exports by 300 Irish companies to Africa. As Africa is the second-fastest growing region in the world, there is a compelling case for engagement, but there is also a need to focus on sectors of most potential. Telecommunications, agri-tech, food, education, life sciences, financial services, engineering and oil/gas are all sectors of particular interest. Enterprise Ireland's ambition is to build on African success stories and grow exports to €800 million by 2016, providing employment locally and growth benefits in Ireland.

Plenary Panel: Transformation through Technology

The plenary panel discussion focused on the theme of Transformation through Technology, addressing the kinds of technologies in use across Africa today, including mobile money platforms and other financial services. It spoke of the opportunities to harness and leverage

technology to respond to African realities, citing the example of technology responding to the challenges of population density and communities poorly served by banking.

The huge influence technology is exerting on behaviour and culture across the continent is evident in Facebook's 100 million users in Africa. The immediacy, efficiency and accessibility of technology provide an opportunity to revolutionise access to information and education. Users can upgrade skills independently by accessing material online, as well as sharing experiences beyond the local community. This has powerful opportunities for inclusion and creating a level playing field, especially in education, where connected and motivated individuals set their own learning agendas.

Africa was also a mobile first environment, leapfrogging the desktop internet stage, which has huge implications for connectivity. New business models, that are culturally sensitive, will be required to respond to this challenge, and successful models will be then adopted by the rest of the world (such as branchless banking). Innovation can be necessary in responding to questions of regulation, or risks from cybercrime, for example. Finding the right balance on regulation is seen as paramount, for both business and government. Having an enabling policy environment for technology to thrive is important. Insufficient or delayed regulation can create significant risk for countries, for example in finance and banking. It is recommended that businesses engage with national institutions and regulatory bodies. Regulators need to be looking ahead and struggle to match the pace of technology innovation, but effective business models can help regulators keep up (example of iTunes doing this in the global music market). The recommendation is to develop relations with the local government, as there is a responsibility to understand the challenges that policy makers face.

Keynote Session

The keynote speakers were Dr. Carlos Lopes, Executive Secretary for UN Economic Commission for Africa; Ambassador Ketebu of Nigeria; Minister of State for Development, Trade Promotion and North South Cooperation, Seán Sherlock T.D. and Ms. Nora Owen, Chair of the Irish Aid Expert Advisory Group.

Dr. Carlos Lopes spoke of Africa's growth since the turn of the century and an improved investment climate. He welcomes two-way investment and strengthened economic relations, responding as they do to Africa's request for private sector investment. Africa is on the brink of a technological revolution, with a young population driving technological growth. It is the second biggest mobile market and the highest growth in the technology sector is in Africa. ICT is becoming a key pillar of African economies. Technologies are also being imported so there is a key opportunity for partnership. There is also a rise in capital goods imports. One third of the economic growth of Africa is driven by internal consumption, and many markets are bigger than assumed. Next year 100 million new people will join the middle class. At 9% some of the largest investment returns are in Africa. There is large untapped potential in the domestic pharmaceuticals market, of which currently 90% is imported.

Ambassador Ketebu spoke of economic development in Nigeria and the ambition to make it one of the top twenty economies by 2020. Since the rebasing of its GDP in 2013, it is

Africa's largest economy in size and value. Emerging technologies have contributed to this. Investment is sought in education, pharmaceuticals, technology, infrastructure, SMEs, energy and mining. She stated that there is an enabling policy environment reflecting the country's commitment to driving business and trade.

Minister Sherlock highlighted Ireland's growing trading relations with Africa and the work of Ireland's Embassies on the continent. Irish Embassies and Ambassadors across the continent are engaging with Irish companies entering markets, selling goods and services, investing in countries and winning tenders. This activity has ranged across many sectors including, but far from limited to, major energy projects, engineering consultancy, agri-business development and education and learning partnerships. He also spoke of the need for economic growth to be inclusive and to close the technology and innovation gap.

Nora Owen highlighted the need for a coherent and inclusive approach that targets poverty reduction and creates jobs. There is a role for the private sector, but there must be balance, synergy, respect for human rights and ethical business practice. Africa is the second most attractive investment destination in the world. There is an opportunity to build upon the goodwill generated by Ireland's cooperation programme and Embassies in-country should be the first port of call for businesses seeking guidance.

Breakout Sessions

The breakout sessions discussed agri-business, construction and infrastructure and managing aid and trade. Feedback was brought to the final plenary session by Ireland's Ambassador to Tanzania, Fionnuala Gilsenan. Ambassador Anas Khales of the Kingdom of Morocco also spoke in the closing session of the Forum.

1. Agri-business

Chaired by Dr. Lance O'Brien from Teagasc, the Agri-business session focused on investment opportunities in East Africa, Ireland's experience of developing the sector and the launch of the new consortium to share Irish expertise – Sustainable Food Systems Ireland.

East African participants emphasised developments in agri-business in Kenya and Tanzania and producers working towards moving up the value chain, particularly in commodities such as tea, beef and dairy as a priority. Investment in the sector is guided by requirements to ensure growth is inclusive and engages with smallholder farmers, as well as being sustainable and not impacting negatively on food security. Strong regulatory and quality standards for food safety are seen as important for domestic and export markets and there was a clear sense that the government's role is critical. There is also a role for technology in relation to inputs and modernisation and it is important that knowledge and innovation systems connect with farmers' needs.

Ireland's recognised comparative advantage in market development and knowledge and innovation systems may provide solutions to issues currently faced in developing agri-business sectors across Africa. Sustainable Food Systems Ireland will be an opportunity for knowledge to be shared in a structured manner. It is recognised that every local situation is

unique and Irish responses may provide learning and expertise but these must be tailored to the local context.

2. Construction and Infrastructure

The Construction and Infrastructure panel was chaired by Mr. Koen Verbruggen, Director of the Geological Survey of Ireland and heard from the World Bank, the Private Infrastructure Development Group, the Federal Ministry of Finance of Nigeria and Geoscience Ireland. Experience of projects from across Africa included a water supply project in Ethiopia, a highway in Kenya and energy, roads and telecoms in Lesotho.

Throughout the discussion, the importance of managing risk emerged particularly in relation to good governance. Africa is often perceived as a risky place to do business, but it is not possible to generalise across the continent as risk is country and in many cases project specific.

Changing forms of partnership highlight the range of options available: from businesses going it alone to joint ventures to multi-stakeholder partnerships, including public private partnerships.

The World Bank highlighted the importance of engaging at a macroeconomic level, the need to engage in transformative change and to think big.

3. Managing Aid and Trade

Chaired by Nora Owen, the session drew strong interest from African and Irish business, government and NGO delegates.

Some of the key points related to the following:

- the importance of investment in R&D specifically focusing on African issues such as communicable diseases, agriculture and tourism
- a need to move up the value chain and away from exporting raw materials and commodities
- the importance of not just seeing Africa as a potential market, but also seeing the investment opportunities that exist: trading and investing
- the opportunities which will open up through supporting further development of intra-regional trade
- the importance of building trust between businesses and governments
- the Irish diaspora can be an important source of information and support in developing Irish businesses in Africa

Aid should support countries to decrease their dependency, by promoting investment in strengthening the enabling environment and public goods. Aid for trade should support key initiatives such as developing legal and regulatory frameworks for investment and improving the business environment across a range of areas, including the rule of law. The fundamental principles of aid effectiveness, namely capacity building and local ownership are key.

African governments are encouraged to take more control of the development agenda and set out what they want from development cooperation revenues. All revenues, domestic and aid-related should be working towards the same policy objectives with mutual accountability.

Questions of business and human rights arose and it was remarked that stakeholders, particularly businesses engaging abroad have responsibilities in this area and should ensure that the ILO decent work agenda and the UN Guiding Principles on Business and Human Rights are integral to a company's work abroad.

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