



Post Event Report
Key Assertions & Recommendations

EXECUTIVE SUMMARY

The 14th CII EXIM Bank Conclave on India Africa Project Partnership, organised in New Delhi during March 17-19, 2019 with the support of the Ministry of Commerce & Industry, and the Ministry of External Affairs, Government of India, directed attention on the areas where India could play an instrumental part in Africa's integrated development. At the Conclave, Indian government and industry reaffirmed the commitment to partner Africa in areas prioritised by the African countries in the true 'Partners in Progress' spirit.

The India-Africa bilateral trade volume has increased from US\$34.7 billion in 2007-08 to US\$51.9 billion in 2016-17, having reached a high of US\$70.3 billion in 2012-13. However, to achieve the lofty bilateral trade target of US\$150 billion in the next few years, the trade partners would have to initiate major steps including, as suggested by Mr Suresh Prabhu, Commerce and Industry Minister, Government of India, entering into a Free Trade Agreement (FTA) or a Preferential Trade Agreement (PTA).

The balance of trade has been predominantly in favour of Africa. For instance, in 2017-18, India's exports to Africa were valued at US\$24 billion, whereas India's imports from Africa were valued at US\$38 billion. However, to triple the bilateral trade volume, India should have to geographically diversify its trade exchanges with African countries, and at the same time help the LDCs in Africa to address their domestic capacity constraints, such that they are able to fully leverage the benefits extended to them under Government of India's DFQF scheme.

Partnering Africa in strengthening the region's mining and manufacturing industries would be one big step in this direction. Most African countries that are endowed with rich natural resources are now inviting investments for setting up processing industries in the agriculture and mining and manufacturing sectors. The thrust on helping the African industries to move up the global value chains will have a major bearing on the India Africa bilateral trade flows too.

Some of the key sectors where Indian investments are invited are: infrastructure, IT/ITeS, FMCG, e-commerce, agriculture & food processing, education, healthcare, and media and entertainment, power projects, new and renewal energy development, and skills development.

For years, Africa has faced acute infrastructure financing deficit, which is now estimated at about US\$100 billion a year. To address this issue, one of the key recommendations made at the Conclave was to encourage greater private sector participation in Africa's infrastructure sectors, which may be facilitated by undertaking project feasibility studies and through investment risk mitigation. It was also pointed out that attracting just 0.1% of global institutional investments of the order of US\$120 trillion funds would be sufficient to bridge

Africa's infrastructure financing deficit. India could also help the African countries to develop and deepen their capital and debt markets that in turn will open up further financing options for the infrastructure sector.

The limited transport connectivity between India and the African countries was always cited as a barrier to accelerated bilateral trade and investment flows. However, the opportunity to expand the digital connectivity between the two regions would perhaps obviate the need for widespread and capital-intensive physical infrastructure connectivity. Countries like Ghana are taking strident steps to usher in a digital economy, and are reaching out to India for its time-tested ICT expertise.

Energy cooperation is a key facet of India-Africa partnership which is expected to deepen as both regions take big steps to embrace clean, green energy sources. It was stated at the Conclave that all African countries may be encouraged to join the International Solar Alliance.

On a larger plane, the India Africa partnership has assumed greater global significance, evidenced by the growing number of trilateral partnerships for Africa, involving India and countries like the US, Japan, France, and UAE.

The 3-day Conclave witnessed intense deliberations on all of the aforementioned areas and drew the participation of 500 delegates from 41 African countries, and an equal number of delegates from India. The Conclave had the presence of 3 Heads of State and Government from Africa as well as 33 ministers from different African countries. Overall, 500+ projects were discussed in the B2B meetings hosted at the Conclave.

DAY 1: MARCH 17, 2019

INAUGURAL SESSION: INDIA & AFRICA: SHAPING A GLOBAL PARTNERSHIP FOR A BETTER WORLD

- Welcome Remarks: Mr Chandrajit Banerjee, Director General, CII
- Address: Mr David Rasquinha, Managing Director, EXIM Bank of India
- Address: Mr Rakesh Bharti Mittal, President, Confederation of Indian Industry (CII)
- Address: Mr Anup Wadhawan, Commerce Secretary, Government of India
- Keynote Address: Mr Suresh Prabhu, Minister of Commerce & Industry, Government of India
- Address by Guest of Honour: Dr Mahamudu Bawumia, Vice President, Republic of Ghana
- Address by Guest of Honour: Dr Ibrahima Kassory Fofana, Prime Minister of Guinea
- Address by Guest of Honour: Mr Monyane Moleleki, Deputy Prime Minister, Kingdom of Lesotho

Key Assertions

The India-Africa relations are shaped by a common desired destiny that is writ large in the bilateral trade and investment ties and cross-border partnerships. Today, as India gears up to become a \$5 trillion economy within the next few years, and a \$10 trillion economy thereafter, the Indian government and industry are committed to partnering Africa in the areas prioritised by the African countries in the true ‘Partners in Progress’ spirit. The annual CII EXIM Bank Conclave on India Africa Partnership was cited as an opportune occasion for the ‘partners in progress’ to reaffirm the ‘win-win’ approach.

The India-Africa bilateral trade flows are reflective of India’s partnering approach, wherein the balance of trade is significantly in favour of Africa. As a case in point, in 2017-18 India’s exports to Africa were valued at US\$24 billion, whereas India’s imports from Africa were valued at a higher US\$38 billion.

It was pointed out that there is huge potential for expanding the India-Africa bilateral trade flows, toward which India should look to geographically diversify its trade ties with the African countries, as also diversify the bilateral trade basket. At the same time, India and Africa would do well to take firm steps to enter into a free trade agreement or a preferential trade agreement.

Africa has also emerged as one of preferred investment destinations for Indian companies. Today, as India's outbound investment flows increase, a sizeable chunk of those investments could be channeled to Africa in sectors like infrastructure, IT/ITeS, FMCG, e-commerce, education, healthcare, media and entertainment sectors, agriculture and food processing, power, and new and renewal energy sectors. The oil & gas sector in Africa has already seen significant investments by Indian energy majors.

It was cited that Indian industry could play an instrumental part in helping African countries to build capacity for processing the natural resources in Africa itself. And to build a large workforce for the manufacturing sector, Indian industry will redouble its efforts in the area of skill development in Africa.

More specific to agriculture, it was pointed out that India's capability to develop agricultural equipment for small farmers would be of the essence to African countries.

The absence of robust physical connectivity between the two regions was always viewed as a limiting factor in the efforts to expand India-Africa bilateral economic and business partnerships. However, the opportunity to expand digital connectivity between India and Africa would obviate the need for widespread and capital-intensive physical infrastructure connectivity. Nonetheless, keeping in view Africa's central location on the global map, India could help establish strong logistics linkages in the region.

It was stated that both India and Ghana are driven by common developmental challenges in an increasingly globalised world. Against this backdrop, Ghana having undertaken several economic reforms to enhance the Ease of Doing Business in the country seeks a greater inflow of private investments from India. The country also seeks India's expertise in ICT application.

The African leaders were highly appreciative of Prime Minister Mr Narendra Modi's decision to set up 18 new missions in Africa.

Like every year, the Conclave had a high participation level, with the presence of 500 delegates from 41 African countries, and an equal number of delegates from India. The Conclave had the presence of 3 Heads of State and Government from Africa as well as 33 ministers from different African countries.

DAY 2: MARCH 18, 2019

ROUND TABLE: INNOVATIVE FINANCE KEY TO DEEPER INVESTMENT TIES

Moderator: Mr David Rasquinha, Managing Director, EXIM Bank of India

Lead Discussants: Mr Moulay Hafid Elalamy, Minister of Industry, Investment, Trade and Digital Economy, Morocco

Mr Mambury Njie, Minister of Finance and Economic Affairs, The Gambia

Mr Bhashir Mamman Ifo, President, ECOWAS Bank for Investment and Development (EBID)

Mr Kapil Kapoor, Director General, Southern Africa Office, African Development Bank

Mr Andrew M Asira, Head of Operations, East African Development Bank

Mr Yusuf Daya, Senior Manager, Trade Policy and Market Access, Afreximbank

Mr Mengistu Jima, Head – Export Credit Agency Finance of TDB

Mr Davies Pwele, Head – Business Development, DBSA

Ms Nana Ama Poku, Deputy CEO, Ghana Exim Bank

Key Assertions

Innovative financing is critical to the developmental projects that are planned and executed in Africa. In this, the private sector has an instrumental role in bridging Africa’s development financing needs, through participation in public-private partnership (PPP) projects.

However, the robustness of the private financing mechanism will depend on the availability of bankable projects in Africa.

On a larger plane, the financing mechanism should also be linked with the developmental goals of job creation, poverty alleviation, human capital development, inclusive growth process, among others.

Scale of projects is an equally important factor that attracts private sector financing. In this regard, it was cited that intra-regional projects in Africa that offer a higher scale of operation would be of interest to the private sector, such as, the opportunity to finance roads and railways projects connecting different countries in the PPP mode. Likewise, transit infrastructure projects that link the land-locked countries to ports, and projects that help smooth transportation of raw materials to the processing plants would be attractive for innovative financing.

Referring to the estimated \$100 billion annual financing deficit in Africa's infrastructure sector, it was pointed out the need of the hour is to partner African countries in enhancing their own revenues to bridge the financing deficit. Currently, the private sector accounts for only 8%-10% share of infrastructure financing in Africa, which needs to go up significantly.

As such, global institutional investors are managing some US\$120 trillion funds globally. Just 0.1% of those funds could help Africa bridge its infrastructure financing deficit. Toward this, the underlying policy and regulatory issues in the region need to be addressed. At the same time, capacity constraints need to be removed.

There is also the need to develop and strengthen Africa's domestic capital markets. At the same time, the African countries need to strengthen their financial regulatory frameworks, and develop long-term bond market and leverage pension funds for infrastructure financing.

The discussants advocated the approach of "doing more with less", that entails reducing the construction risk in roads and railway projects, basis which pension funds could be leveraged for long-time financing of the projects. Pension funds would thus be directed toward financing long-term projects like railway projects spanning some 30 years.

There is also the need for promoting viability gap funding of projects in Africa.

The discussants also called for (i) ushering in innovative green financing and climate change mitigation financing options; (ii) introducing to the African Diaspora innovative financing products that relate to the developmental projects and channel the funds flowing in from the African Diaspora to investment bonds.

It was cited that there is a \$120 billion gap in Africa's trade financing. Trade financing could be encouraged by enhancing value-added activities in Africa and by insulating the African

economies from external economic shocks. Increasingly DFIs will play a key part in trade financing.

Directing focus on Eastern Africa, the discussants highlighted the region's need for low cost housing, cost-effective agro-processing infrastructure, more healthcare facilities, improved power transmission systems, more waste management and sanitation facilities, etc. The financing of these projects could be undertaken through the PPP route. However, the key questions to be addressed are: (i) how to engage the regional governments in the financing of projects (ii) how to undertake low-cost skills development for capacity building (iii) how to increase the local content in projects, such that more local jobs get created.

Financing the project for the preservation of the Lake Victoria eco-system was also discussed.

ROUND TABLE: STEPPING UP INDIAN INVESTMENTS IN A CHANGING AFRICA

Moderator: Mr Debashish Mallick, Deputy Managing Director, Export-Import Bank of India

Lead Discussants: Dr Okechukwu Enelamah Okey, Minister of Industry Trade and Investment, Nigeria

Mr Goe Makuao Mayol, Deputy Minister of Finance and Planning, South Sudan

Mr K Rajaraman, Additional Secretary (Investments), Department of Economic Affairs, Ministry of Finance, Government of India

Ms Valerie Dabady, Manager, External Finance and Resource Mobilisation, African Development Bank

Ms R Padmavathy, General Manager, Export Credit Guarantee Corporation of India

Mr Peter Matlare, Deputy Group CEO and CEO Rest of Africa, Absa Group Limited

Mr Paritosh Gupta, CEO Kukuza Project Development Company

Mr Rakesh T, Assistant General Manager, Shapoorji Pallonji
and Company Pvt Ltd

Key Assertions

Historically, India has demonstrated a deep stakeholder interest in Africa's development. However, in today's dynamic economic environment it is imperative for India to re-assess the particular developmental needs of African countries and the aspirations of the people of Africa while Indian investments are directed to the region.

Africa recognises India's demonstrated capability to address its own developmental challenges. The key takeaways from India's development experience could be applied in Africa, in areas like tackling the unemployment issues, bridging infrastructure deficit, etc. Africa is confronted with a huge deficit in financing of infrastructure.

Indian investments in Africa have been growing in recent years, and it could accelerate further if there is a provision for bridging the project funding gaps. Some of the developmental areas where Indian investments could increase are: skill development, education, healthcare, digitalisation and agriculture development (given that Africa has abundant availability of arable land). Skill development in African countries will help the region leapfrog in the technologies domain.

Investments are also needed in Africa in areas like SEZs and industrial parks.

It was cited that Indian investments in Africa are lacking in geographical diversity as most of the investments are going to Mauritius. It was discussed that Indian investors looking for opportunities in different African markets could reach out to Africa Development Bank (AfDB), which has deep country specific knowledge. AfDB could help the investors gain deep insights into the prevalent economic policies pursued by the host African countries as well as provide information on the types of projects to invest in.

At the same time, India's trilateral partnership with Japan to boost investments in Africa was seen as an important initiative to realise Africa's developmental goals.

The discussants pointed out that African countries could learn from India's experience of building a robust institutional structure that is pivotal to the country emerging as one of the fastest growing major economies.

India's experience in developing a financial inclusion model was also cited as relevant to Africa. There is scope for introducing various Indian fintech solutions in Africa.

South Sudan, the “newest country of the world and Africa”, with massive availability of arable land and abundant water resources offers attractive investment opportunities to Indian companies. Given that the country is grappling with food deficit, India could play an instrumental role in ushering in a Green Revolution there.

In the healthcare segment, Indian firms are mainly concentrated in the capital city Juba, whereas there is a need for similar facilities to be created in the real areas where the majority of the country population resides.

ROUND TABLE: BROADBASING PARTNERSHIPS IN AGRICULTURE & FOOD PROCESSING; REINFORCING FOOD SECURITY

Moderator: Mr Pranjali Sharma, Economic Analyst

Lead Discussants: Dr Satyam Shivam Sundaram, Partner Transactions Advisory & Government Services, EY

Mr Ragendra de Sousa, Minister of Industry and Commerce, Mozambique

Mr Ansoumane Camara, Special Advisor to the Prime Minister, Republic of Guinea

Mr Swaroop Mishra, Member of Parliament, Kenya

Mr Jaco Beyer, Director-Marketing, John Deere

Mr Rajiv Wahi, Chief Executive-International Business, Escorts Ltd

Mr Arvind Mathew, International Operations, Mahindra & Mahindra

Mr Atul Mehra, Chairman and Whole-time Director, Tasty Dairy Specialities

Key Assertions

How to scale up agriculture in Africa to a level where it can not only feed the population – 1.2 billion people – and make it sustainable, but also make it a viable business proposition, was the subject of discussion in this session. The need for partnership between India and Africa in pre-farming, farming and post-farming stages, in terms of infrastructure, skill development, mechanisation, investments and food processing were discussed. While India has technical prowess in agriculture, as demonstrated by the success of its Green Revolution, Africa has large tracts of cultivable land that can be developed for using in a Green Revolution.

The fact that India, which is nine times smaller than Africa but which has the same numbers to feed – 1.2 billion-- implies that India also needs new sources for food, and Africa has been welcoming Indians to actually participate in agriculture in Africa.

The discussants pointed to the facts that currently in Africa calorie consumption levels are among the lowest in the world and malnutrition is a major health concern. Much of agriculture in Africa is subsistence agriculture on small farms, and there is limited use of modern technology. There is much loss of food produce between production location to market and much of the produce doesn't reach the markets due to lack of infrastructure and transportation.

At the same time, agriculture also presents a big opportunity. The continent's population is growing and much of what Africa's population consumes is changing, and that creates new opportunities for farmers. The farm sector has the potential to transform economies.

The Agenda 2030 of Africa includes the goal of ending hunger and achieving food security, achieving improved nutrition and promoting sustainable agriculture. And Agenda 2063 includes modern agriculture and increased productivity.

In regard to the scope of Indian expertise and technology areas of cooperation, the discussants highlighted:

- a) *Seeds and fertilisers on the input side:* Because soil quality is depleting in Africa.
- b) *Scientific inputs:* Agriculture now requires scientific knowhow and better techniques like crop rotation, hybrid breeding, crop cluster, genetic modification, fortification, crop tracking and advanced irrigation techniques.
- c) *Post-harvest stage:* Global packaged food market will become a \$ 3.03 trillion industry by 2020. Also, “digital agriculture” and “e-agrimarketing” are the future, as this will reach \$240 billion by 2050, providing larger market to farmers of Africa too. In all

respects, therefore, there is a lot of scope for new entrants and startups, especially in better post-harvest management and better access to market.

- d) *Skill-development in agriculture*: Skill development at all levels—from creating appropriate infrastructure to scientific farming techniques and operating farm equipment to post-harvest technology (including food processing) and agri-marketing techniques.

On the scope of collaborations, the speakers from Africa gave suggestions as to how Indian firms could partner and collaborate in Africa’s agriculture sector:

- a) *Contract farming or land on lease*: Some African delegates shared that their country has ample land and their governments welcome other nationals to cultivate land.
- i. In Mozambique, there is sufficient land available but the problem is that the population is very dispersed, so the country is unable to achieve economies of scale. The solution suggested was contract farming, wherein private players organise the population and assist them in farming. Similarly, use of tractors and other equipment need manpower to operate which in turn generates employment.
- ii. Several African governments give out land on lease on attractive terms. Kenyan government is ready to lease land of 5,000 to 10,000 acres from 49 to 99 years to any nationals. The country has a stable democracy and helpful bureaucracy. And the Kenyan delegate welcomed Indian partners to assist his country in all three stages of agriculture: pre- and post-farming and farming stage.
- b) *Farm to fork—handholding throughout*: Indian speakers in the panel who have worked in Africa suggested that just giving equipment doesn’t suffice. Handholding and skilling is required. Skill development programmes and innovative solutions to make equipment affordable to farmers are needed.

To tackle the problem of affordability, one solution suggested was the model of sharing, wherein a company loans out equipment to farmers. This is an area where Indian companies can operate.

COUNTRY SESSION: REPUBLIC OF GHANA: A DYNAMIC ECONOMY UNFOLDING IN ALL ITS RESPLENDENCE

Moderator: Amb A R Ghanashyam, Former Ambassador of India to Nigeria and Angola

Speakers: Dr Mahamudu Bawumia, Vice President, Republic of Ghana

Mr Michael Ann Oquaye Esq, High Commissioner of Ghana

Prof Alex Dodo, CEO, Ghana Standard Authority

Mr Yofi Grant, CEO, Ghana Investment Promotion Centre

Mr Ahenkorah Kingsley, Deputy Minister of Trade and Industry, Republic of Ghana

Mr Rajesh Nair, Regional Head – West Africa, Shapoorji Pallonji and Company Pvt Ltd

Mr Surinder Kumar Negi, President and CEO, SkipperSeil Ltd

Key Assertions

Ghana is today one of the most attractive investment destinations in Africa with an average 8.0% GDP growth, single digit inflation rate, and a population of about 30 million. The country is strategically located on the African continent, and has a growing middle class population. More recently, the Ghanaian government has undertaken a slew of economic reforms resulting in macro-economic stability. The government's the "One District, One Factory" Programme has opened up new investment avenues in Ghana.

To improve the ease of doing business in the country, the Ghanaian government has also simplified the tax provisions. More reforms are on the anvil to further enhance the Ease of Doing Business in Ghana.

The grant of permission for starting business in the country has also been simplified, and the number of agencies involved in clearing goods at the ports has been reduced from 17 to three.

Further, the Ghanaian government plans to make \$2 billion worth of investments in the infrastructure sector alone, the largest component being in the roads sector. Plans are afoot to open the deepest port on the country's West Coast.

The Ghanaian government has also directed sharp focus on building the digital economy, supported by e-governance. These steps are bringing about higher standards of efficiency and transparency in public dealings.

As a member of the African Continental Free Trade Area, Ghana has broadened its horizons for external trade.

Ghana seeks greater investments from Indian industry. The two countries having signed an MoU in 2000 for the alignment of standards set by Ghana Standard Authority and Bureau of Indian Standards have laid the foundation for greater bilateral investments. The Ghanaian speakers invited Indian companies to set up production facilities in Ghana and export to other African markets. FDI from India was sought in areas like value addition in the minerals sectors.

Also, goods made in Ghana adhering to the Eco Mark Standards (endorsed by the African Standard Organisation and African Union Commission) find larger markets across Africa. Goods produced in Ghana also enjoy tariff free exports to the EU, US, Caribbean and other markets.

It was cited that Indian company usually come into Ghana as service providers but it would be also be prudent for them to foray into the manufacturing space.

On the energy front, Ghana with 4,000MW of installed power capacity could learn from India's experience in this areas. India has 370 GW of installed power capacity. It was pointed out that Ghana needs to focus on distributed generation rather than grid development.

REGIONAL SESSION: EAST & SOUTHERN AFRICA: BUILDING NEW PARTNERSHIPS ON THE PLINTH OF TIME-TESTED TIES

Moderator: Amb. Rajiv Bhatia, Former High Commissioner of India to Kenya and South Africa

Lead Discussants: Mr Chalane Letus Phori, Minister of Small Business Development, Cooperatives and Marketing of Lesotho

Mr Francis Lazalo Kasaila, Minister of Industry, Trade and Tourism, Malawi

Mr Nqobizitha Mangaliso Ndlovu, Minister of Industry and Commerce, Zimbabwe

Mr Obeth Kandjoze, Minister of Economic Planning and
Director General of the National Planning, Namibia

Mr Aggreu Baguire Henry, Minister of Works and Transport,
Uganda

Mr Pritpal Singh, Senior General Manager, John Deere

Mr Saahil Patel, Regional Head-Southern Africa, Shapoorji
Pallonji & Co Pvt Ltd

Key Assertions

The session brought forth the emerging investment opportunities in the eastern and southern African countries.

Lesotho was showcased as an attractive investment destination in areas like agriculture and tourism. Although Lesotho enjoys favourable climatic conditions for agriculture, there is a strong felt need in the country to promote value-added farm sector activities like processing maize to make cornflakes, even while addressing the domestic food security issues.

Lesotho is promoting commercial farming of maize and wheat. Organic farming was cited as another promising area for investment. However, to augment the sector's growth prospects, farm mechanisation like use of tractors will have to be promoted. Investment opportunities are also there in dairy farming, and chicken meat processing.

Malawi has been pro-actively improving the country's investment climate, with steps like the setting up of the Malawi Investment and Trade Centre, a one-stop centre for business startups and investors. The country enjoys a stable political environment, and is retracing its growth path, having seen a period of economic slump for a few years. The government is taking strong steps to rein in inflation which is expected to come down to single digit by the year-end.

Malawi has also laid down the guidelines for private investments in the power sector and invites investments from India in the power sector keeping in view the anticipated doubling of domestic demand for power in the immediate years.

In the agriculture sector, the country is seeking investments in production of pigeon peas, legumes, soyabean, cotton, tobacco, maize, sugarcane, tea, and coffee. Some of the other promising areas for investments are: information communication & technology (ICT), pharma, tourism, and special economic zones (SEZs).

Zimbabwe sees India as a strong partner in the technology spectrum. The Zimbabwean government is ushering in an investment friendly regime; the Zimbabwe Investment and Development Agency, a one-stop investment centre, is a case in point.

Zimbabwe has positioned itself as a land-linked country and “not land-locked”. The country invites investments in agriculture, mining, pharma (setting up manufacturing units in the country), ICT, and tourism.

In a similar vein, Namibia by virtue of its geographical location helps neighbouring countries with logistics for their produce, be it Botswana’s coal or Congo’s fish. The country has well developed air connectivity. The Namibian government seeks investments in mining, agriculture, and tourism sectors.

Uganda is looking for investments in extensive training and skills development to support the investments coming into the country. Today, 80% of the population in Uganda is employed in the agriculture sector. Key investment opportunities in the country are in: agriculture and animal husbandry, leather production, vocational and post-graduate education, and pharma manufacturing.

Referring to the overall scenario in Africa for agriculture, the discussants highlighted the low rate of tractorisation. While 8,00,000 tractors are sold in India every year, only some 16,000 tractors are sold in Africa. Farm mechanization is a focus area for Africa, going forward. It was cited that the company John Deere has created a demo farm in Ghana where with mechanization farm yield increased from 1.7 tonnes to 7 tonnes.

ROUND TABLE: BRIDGING AFRICA’S CONNECTIVITY & INFRASTRUCTURE GAPS

- Moderator: Mr S Paramasivan, MD, Afcons Infrastructure
- Lead Discussants: Mr Yonov Frederick Agah, Deputy Director General, World Trade Organisation
- Mr Samuel Atta Akyea, Minister for Works and Housing, Ghana
- Madam Traore Seynabou Diop, Minister of Equipments, Mali
- Mr Lamin Ousman Jobe, Minister of Works and Transport, Gambia

Mr Tadashi Yokoyama, Head of the Asia External
Representation Office, African Development Bank

Admiral Mohamed Abdelaziz Brai, Vice Chairman, Suez Canal

Mr Bhavtik Vallabhjee, Head of Power, Utilities and
Infrastructure, ABSA Bank

Mr D K Hota, CMD, Bharat Earth Movers Ltd

Ms Sharmila Chavaly, Principal Financial Adviser, Northern
Railway, Govt of India

Mr Rajeev Mehrotra, CMD, Rites Ltd

Mr Arijit Dutta Chowdhury, Head Business Global Sales-
Projects and Defence, Ashok Leyland

Key Assertions

The huge infrastructure deficit in Africa has undermined the region's economic progress. The discussants touched upon various aspects of Africa's infrastructure sector and connectivity issues, covering roads, railways, ports, water supply, sanitation, electricity and housing.

Paved road density is the lowest in Africa. As a result, the cost of goods exported from Africa increases by 30%-40% -- owing to poor connectivity and delays in delivery. Similarly, only 39% of the population in Africa has access to sanitation, 69% has access to clean drinking water and only 46% has access to electricity was highlighted.

To bridge the yawning infrastructure deficit, Africa needs annual investments of the order of \$170 billion. The current shortfall is about \$100 billion per annum. This deficit has stymied the growth of a large number of African countries. The discussants pointed to the following:

- Republic of Guinea is faced with lack of adequate water supply, electricity supply and telecom services.
- Madagascar has storage facilities and transport infrastructure.
- Central African Republic has limited access to electricity for its people.
- Chad being landlocked is now trying to build its ICT infrastructure and road and rail network.

- Mali, also landlocked, is now building (i) a robust inland road network to connect its production centres, (ii) connectivity to neighbouring countries and (iii) airports.
- Lack of digital connectivity is another challenge facing most African countries.

On how India has helped Africa overcome its infrastructure deficit, the discussants pointed to the following:

- India has a \$100-billion e-commerce industry, it will have a 3.6 trillion consumer market by 2025 – which can be tapped by African companies.
- As part of the Focus Africa Programme, the Indian Government has supported African infrastructure projects to the tune of US\$7.6 billion, including in transportation and power sector.
- Indian companies have matched this initiative by being proactive in developing housing, hotels, solar power and railway networks in Africa – with most projects being delivered ahead of schedule.

Attracting investments

The African Development Bank (AfDB) has started the Africa Investment Forum, an investment marketplace whose first meeting was held in Johannesburg in November 2018. This platform is central to the ‘High-Fives’ plan chalked out by the Bank. These are Light Up and Power Africa, Feed Africa, Industrialise Africa, Integrate Africa and Improve the Quality of Life for the People of Africa.

The PPP model with equity participation from government was suggested by the discussants. Indian speakers spoke of this model’s effectiveness in Indian infrastructure projects.

Project feasibility

For any project / project partnership to succeed, the following aspects are to be looked into:

- Ease of Doing Business, transparency and clear regulations
- Robust feasibility reports keeping in view the ground realities and requirements
- A collaborative approach between various components of projects rather than working in silos
- Streamlining of processes and timely funding to avoid cost escalation
- Emphasis on contract enforcement

- Capacity building of local youth and emphasis on science and technology education and research and development.

As regards, equipment supply, it was pointed out that the approach should be one of creating a conducive eco-system for an industry to prosper. It should not be confined to supply of equipment. The eco-system will need skill development for people operating the equipment, supply of spare parts, etc.

If a company is supplying vehicles for mass transportation, it could also look at developing associated infrastructure like depots, parking, BRT corridor training centres.

Government bodies and private companies in India could offer assistance in health, education, low-cost housing and even in developing home-grown consultancies -- India doesn't look at this as competition.

The discussants laid emphasis on digitisation of processes and fulfilment of procedures via online channels.

SESSION ON ENHANCING INDIA'S STAKEHOLDER INTEREST IN AFRICA'S PROSPERITY THROUGH TRILATERAL PARTNERSHIPS

Moderator: Amb. Gurjit Singh, Chair, CII Taskforce on Trilateral Cooperation for Africa

Lead Discussants: Ms Jhanvi Tripathi, Associate Researcher – International Trade Policy, CII

Mr Tibou Camara, Ministry of Industry, Small and Medium Enterprises, Republic of Guinea

Mr Kazuya Nakajo, Chief Director General, Japan External Trade Organisation (JETRO)

Mr Jean-Marc Fenet, Minister-Counsellor, Head of the Regional Economic Service for India and South Asia at French Embassy in India

Ms Valerie Dabady, Manager, External Finance and Resource Mobilisation, African Development Bank

Mr Ahmad Alfalahi, Commercial Attache (Minister – Plenipotentiary), Embassy of UAE

Mr Olivier-John Keetch, Head, Strategy, Corporate and Global Partnerships, DFID India

Mr Sakti Mukherjee, Coverage Director, Africa, CDC East Africa Advisers

Mr Santosh Singh, Associate Partner, Intellect Advisory Services Pvt Ltd

Mr K K Kapila, CMD, International Consultants and Technocrats Pvt Ltd

Key Assertions

The panel cited at the outset that Indian industry sees a lot of potential in investing in Africa. A growing share of India's outward FDI is going to Africa. To mitigate the risks in investments, it would be prudent to create a dedicated fund for conducting feasibility studies on projects. There is also the opportunity for leveraging innovations in India for Africa's development.

The discussants pointed out that the greater goal of the trilateral partnerships would be on B2B partnerships instead of B2G engagements. That is, the investments would have to be private-led and not debt driven. As such, Indian investments in Africa facilitate transfer of appropriate technologies, creation of local jobs, and promotion of intra-regional trade.

In the case of Japanese companies operating in India, the trilateral partnership could yield three key results – (i) Increase exports of Japanese companies operating in India, to Africa. India has greater geographical proximity to Africa which can be leveraged by the Japanese companies invested in India (ii) Launch India-Japan joint participation in projects in Africa (iii) Undertake joint investments in new projects in Africa. These initiatives may be supported with export credit guarantee where applicable.

It was cited that there is an opportunity for the French companies operating in India to re-export to Africa. Automobile company Renault is already exporting the Kwid car model from India to eastern Africa. The French companies in India will not only target the French-speaking African countries for exports, but also the English-speaking countries. Likewise, Indian companies manufacturing railway equipment could connect with French railway equipment companies to tap into the African markets. It is also imperative to engage Africa in a major way in the International Solar Alliance where India and France have played a key role.

The discussants asserted that the private sector financing of projects must benefit the host countries. Risk mitigation products of multilateral agencies that can be used in this regard. The Africa Investment Forum held in November 2018 in Johannesburg had highlighted demand for financing to the tune of US\$47 billion.

It was pointed out that the UAE could serve as a hub for Indian companies investing in Africa keeping in view the geographical proximity of and air connectivity between UAE and Africa. The IT Centre of excellence set up in Ethiopia with Indian expertise and UAE finance illustrates the scope for trilateral partnerships. The panel called for greater coordination between CII and Dubai Chamber of Commerce in furthering the trilateral partnership opportunities.

Importantly, the dividends of investments must reach the poor in Africa. With Africa getting united through the continental FTA, the partnership opportunities will increase. At the same time, efforts may be directed toward creating local capacity for driving entrepreneurship.

ROUND TABLE: HARNESSING THE DIGITAL POTENTIAL OF AFRICAN COUNTRIES – INVESTING IN INFRASTRUCTURE & SKILLS

Moderator: Mr Shishir Priyadarshi, Director, World Trade Organisation (WTO)

Lead Discussants: Mr Ratnakar Adhikari, Executive Director, Enhanced Integrated Framework (EIF)

Mr Esono MBA, Domingo, Vice-Minister of Commerce and SME Promotion, Equatorial Guinea

Dr Makatleho Julia Mataboee, CEO, Basotho Enterprises Development Corporation (BEDCO), Lesotho

Mr Manoj Chugh, President, Group Public and Corporate Affairs, Mahindra Group

Mr Kamendra Kumar, Director Technical, Telecommunications Consultants India Ltd (TCIL)

Mr Barun Pal Chowdhury, Director, Shapoorji Pallonji & Co

Mr Abhijit Das, Head, Centre for WTO Studies

Key Assertions

Digital infrastructure development is integral to the concerted efforts of the African economies to move up the global value chains, and become a part of the fourth industrial revolution, which has digital technologies as the backbone, powered by artificial intelligence (AI), Block Chain technologies, Internet of Things (IoT), and Augmented Reality (AR).

Currently, only 10% of the least developed countries (LDCs) in Africa have internet access, whereas the global average of digital penetration in countries is 53%. To bridge the digital divide in the region, the Internet access has to be made available to a larger section of the population, the youth need to be trained in ICT applications, and the digital services have to be made more affordable. Various NGOs are already engaged in training the youth in the IT domain.

It is vital that the SMEs gain seamless access to affordable digital infrastructure, as that will spur entrepreneurship and self-employment opportunities. Also, a digital platform enabling the SMEs to showcase their products to potential investors and consumer would be a big boon to the sector.

It was pointed out that widespread digital connectivity will help Africa reap the demographic dividends in the coming years. Africa's population is set to double every 30 years, and will have the world's largest working population.

The discussants pointed out that the digital infrastructure access should be inclusive, and yet due care is needed to ensure that the ICT applications are not leading to any negative outcomes. In this regard, data privacy and cyber security assume critical importance.

Digital infrastructure development will also help the African countries to execute massive financial inclusivity programmes. Aadhar, the world's largest biometric ID system established in India, could be a benchmark for launching similar programmes in Africa.

Digital connectivity provides a big boost to the education and healthcare sectors. In this regard, Telecommunications Consultants India Ltd (TCIL) has played a catalytic role in promoting tele-education and tele-medicine in Africa by executing the Pan Africa eNetwork project. Phase 1 of the project involved the use of IPLC and MPLS technologies, as well as satellite technologies. Phase 2 was initiated in 2018 and included internet technology. Now, thousands of students in Africa are able to enrol remotely in India universities via TCIL's tech platform.

In many cases, digitisation has transformed healthcare delivery. Today, smaller healthcare infrastructure can be utilised using digital technologies to deliver affordable services. Earlier, the physical infrastructure was far bigger, and hospital stays were longer, and medical procedures were not known. Thanks to AI, IoT and good data connectivity, healthcare services can be delivered at the right time, at the right cost.

The bilateral cooperation in digital infrastructure development will gain further momentum if it is based on a win-win situation. The discussants asserted that no entity will invest in the digital economies for only altruistic reasons.

The discussants highlighted the importance of data in the digital economy. It was cited that:

- i) Those who have data will have consumers
- ii) Those who are big in the digital economy will become bigger and those that are small will shrink and eventually disappear
- iii) Data should not be given away for free.

The deliberations in the session also touched upon the current ICT scenario in Equatorial Guinea. This country is making significant investments in territorial, terrestrial and submarine optics. The government is encouraging electronic banking, e-commerce and other digital-driven business sectors.

COUNTRY SESSION: REPUBLIC OF GUINEA: UNLOCKING THE ECONOMIC POTENTIALS, CREATING NEW GROWTH CENTRES

Moderator: Mr S Kuppuswamy, Co-Chair, CII Africa Committee

Lead Discussants: Dr Ibrahima Kassory Fofana, Prime Minister of the Republic of Guinea

Mr Namory Camara, Director General, APIP

Mr Manikantan Rajendran, Vice President –Business Development, KEC International

Mr Parag Bhargava, Deputy General Manager, AFCON Infrastructure Ltd

Key Assertions

The Republic of Guinea is endowed with rich natural resources that include diamonds and bauxite reserves, fertile lands, larger riverine systems ideal for good port infrastructure, among others. The Guinea economy has maintained a high GDP growth trajectory, at 10.5% in 2016, 9.9% in 2017 and an estimated 10% in 2018. At the same time, the government has managed to keep inflation under check at less than 10%. Guinea has land area close to the size of UK with a population of 12.5 million which is young and growing fast.

The government has brought an investor friendly regulatory and legal regime, supported by the Strategic Social Development Plan -- reflective of the country's Vision 2040 -- based on four important pillars: good governance, sustainable economic transformation, human capital development and natural resource management.

Guinea's economy is moving from extraction to value added activities and private sector participation in this transformation is central to the overall plan.

The government has identified five priority sectors for investment: agriculture, energy, infrastructure, mining and ICT.

Also, since Guinea is geographically well located with six neighbouring countries and a 300 km coastal line open to the Atlantic Ocean, the country can act as the gateway to the West Africa markets.

Guinea is establishing two agri processing zones and a 20 sq. km SEZ to help the country emerge as a major agri commercial hub in West Africa.

In the session, the speakers discussed the opportunities for Indian companies to participate in Guinea's healthcare, ports, agriculture, energy and social housing sectors. The country has 1,100 rivers with hydroelectric potential of 600 MW, but only 32% of the population has access to electricity. This is another area where Indian power companies could explore investment opportunities.

Guinea received foreign investments totalling US\$1.6 billion in 2017 which was expected to double in 2018. Companies making investments in Guinea can hold up to 100% share in their ventures. Various incentives are also available to the investors including a tax holiday for 10 years.

ROUND TABLE: DEVELOPMENT COOPERATION – CORNERSTONE OF INDIA’S ENGAGEMENT WITH AFRICA

Moderator: Amb. Virendra Gupta, Former Indian Ambassador of India to Tanzania and South Africa

Lead Discussants: Mr A Ajay Kumar, Joint Secretary (DPA-I), Ministry of External Affairs, Government of India

Mr Halebonoe Setsabi, Deputy Minister of Foreign Affairs & International Relations, Lesotho

Mr Tijani Habibu Mohammad, Deputy Minister of Foreign Affairs & Regional Integration, Ghana

Amb. Amar Sinha, Distinguished Fellow, Research and Information System for Developing Countries (RIS)

Dr Nivedita Ray, Director Research, Indian Council of World Affairs

Ms Ameer Misra, Economic Adviser, DFID

Mr Ashok Bajpai, MD, Apollo Hospitals

Mr Albert Ankrah, Business Development Manager, Jospong Group of Companies

Key Assertions

India enjoys strong fraternal ties with Africa and the country has no obsession over any competition in Africa. Citing this, the speakers asserted that India is firmly focused on supporting the overall development of Africa without any “outside interference”.

Among the various initiatives taken to augment the bilateral development cooperation, it was pointed out that the overhaul of the India Development & Assistance Scheme (IDEAS) in 2015, bringing in the need for preparation of a DPR for any LoC, has enhanced the quality of projects taken up, as also the quality of companies engaged in the projects. The stringent norms have perhaps increased the project execution duration, but the net outcome is far more positive. The IDEAS guidelines will once again be reviewed in year 2020.

However, while the concessional LoCs extended by India to African countries were meant to be a stepping stone for Indian investments in the region, that had not happened at a scale envisaged. Therefore, the slow delivery mechanism apart, the impact of the LoCs on the recipient African countries needs to be assessed.

The discussants identified (i) trade and investments (ii) capacity building (iii) transfer of technology (iv) grants and concessional finance, and (v) lines of credit as the key elements of development cooperation between India and Africa. The leaders from Africa underlined the need to increase African exports to India, which would come about more easily if the two regions were to enter into a PTA, as had been suggested by Mr Suresh Prabhu, Minister of Commerce & Industry, Government of India.

To further the bilateral development cooperation, Government of India has taken major steps to connect with a larger number of African countries. In 2016 it was found that 28 countries in Africa had never received an Indian Head of State or Government. Now, only 1 country – Central African Republic – remains on that list. Besides, with the Government deciding to set up 18 new missions in Africa, the bilateral cooperation will further deepen.

At the same time, India is called upon to be cognizant of the changing priorities of Africa, as Africa itself is changing quite rapidly. With 49 countries joining the ACFTA and 25 countries having ratified the trade agreement, the moot question is – is India prepared for these changes.

On the trade front, it was stated that adequate supplier credit facility would help boost the bilateral trade flows. Also, India's DFQF scheme could prove to be more effective if due initiatives are taken to help African countries address their supply constraints.

In this light, there is ample scope for Indian agriculture machinery exports and technology transfer to Lesotho.

The discussants called for steps to smoothen the visa regime, such that more people from India and Africa are able to travel between the two regions. Urgent steps are also need to improve air connectivity between Indian and African cities.

It was pointed out that as digital connectivity increases in Africa, the Pan Africa eNetwork programme too need to be refocused. Also, the different skills development initiatives undertaken by India in Africa need to be in tune with the job market situation in the region.

In the realm of urban administration, it was cited that India could gain from the experience of African countries like Rwanda that have established strong local municipal administration models.

DAY 3: MARCH 19, 2019

ROUND TABLE: SECURING LONG-TERM ENERGY SECURITY, CREATING A GREEN TOMORROW

- Moderator:** Mr Pranjal Sharma, an economist, advisor and writer
- Lead Discussants:**
- Mr Mustapha Baba Shehuri, Minister of State, Power, Works, and Housing, Nigeria
 - Mr Bachir Ismaël Quédraogo, Minister of Energy, Burkina Faso
 - Mr Cesar Augusto Hinestrosa Gomes, Secretary of State at the Ministry for Industry and Energy, Equatorial Guinea
 - Mr Tibou Kamara, Senior Minister, Advisor to the President, Minister of Industry and SME, Guinea
 - Mr Rahul Samsi, Head of Business Development of Wind Energy Business, Sterling & Wilson
 - Mr Yogesh Kripalani, Chief Operating Officer, Transrail Lighting Ltd
 - Ms Poonam Sachdeva, Joint Group President, SkipperSeil Ltd
 - Mr Nilesh Vaishnav, President-SBD and Corporate Affairs, Suzlon Energy Ltd
 - Mr Ujjwal Bhattacharya, General Manager, International Business, NTPC

Key Assertions

Clean energy development is an essential component of long-term energy security. In recent years, India and the African countries have embarked on an enduring journey to develop and promote the use of clean energy. What is particularly noteworthy is that an oil-rich country like Nigeria has also embarked on clean energy development, with particular focus on solar energy and hydropower. These areas offer growing investment opportunities.

Likewise, Burkina Faso which has a high dependence on fossil fuels for energy has directed focus on solar power. The government has carried out a feasibility study for putting up a 300MW solar plant.

Besides, Burkina Faso is part of West African Power Pool that offers investment avenues. Providing affordable electricity access to the rural areas is essential to check large-scale migration of rural population to the urban areas.

In a similar vein, Equatorial Guinea is committed to meeting 55% of its energy needs from renewable sources. A geothermal project has been planned, apart from promoting solar energy in the rural areas. The country seeks international cooperation to make the renewable energy development efficient and affordable to the end-users.

Guinea, with more than 1,100 rivers, has huge potential for hydro projects – which is attractive to prospective investors.

To attract significant investment in the aforementioned areas, the African countries will be called upon to create an investor-friendly environment in the power and energy sectors by offering single-window clearances within a defined timeline, and transparent taxation laws.

It was cited that the International Solar Alliance would be a strong platform for the countries to learn from each other's experience in developing clean energy.

The discussants asserted that while the objective is to develop green energy that is affordable to the end-users, it is equally important to set the tariff at levels that are viable to the investing companies.

REGIONAL SESSION: WEST AFRICA – EXPLORING NEW FRONTIERS FOR MULTI-PRONGED PARTNERSHIPS

Moderator: Amb. Anil Trigunayat, former Ambassador of India to Jordan and Libya

Lead Discussants: Mr Kwaku Ofori Asiamah, Minister of Transport, Ghana

Mr Felix Mbayu, Minister Delegate in charge of Cooperation with the Commonwealth, Ministry of External Affairs, Cameroon

Representative of Dr John Olukayode Fayemi, Executive
Governor of Ekiti State of Nigeria

Mr R Ravindra, Joint Secretary, West Africa Division, Ministry
of External Affairs, Govt of India

Mr Sanjay Jadhav, Vice President, Mahindra & Mahindra

Key Assertions

Trade ties between India and the Western and Central African countries are on the upswing, with the total bilateral trade flows reaching US\$25 billion in 2017-18 and expected to touch US\$30 billion by March 2019. The trade volume has increased by over 15 times compared to the volume in 2003, but the discussants categorically stated that there is still ample scope for increasing the bilateral trade flows several fold.

Energy and other commodities make the bulk of exports from the region to India, but the panel underlined the need for increasing the volume of value-added exports from the Western and Central Africa to India. While the main export items from the region to India, other than crude oil from Nigeria, comprise cashew (800,000 metric tonnes), timber, etc., Indian exports to the region are much more diversified now, with engineering goods among the top items.

Indian companies are seeing more attractive investment avenues in the Western and Central African countries, in sectors like agriculture, manufacturing and infrastructure. The Indian Diaspora in Africa is playing a key role in boosting the Indian investments in the region. In Nigeria, the Indian Diaspora has made cumulative investments worth US\$ 1 billion, creating employment opportunities for over 50,000 persons. Likewise, in Guinea companies owned by Indians are the second largest employers after the government. In Liberia, Indians have set up a large number of scrap metal recycling plants. In Chad, arable land has been leased to Indian farmers who in turn have created local employment opportunities.

The limited transport connectivity between the two regions has not limited the scope of India-West and Central Africa partnerships. In a country like Cameroon, which has both English- and French-speaking population, having a common fiscal policy, currency, taxation policy and commercial litigation law with its neighbouring countries, Indian firms are seen to be keen to do business there, to gain wider access to the regional markets.

More specifically, in Ghana which has huge lakes, there are opportunities for Indian companies to establish ferry facilities. Oil and gas is another sector where private Indian investments are sought. Indian technology companies also have the opportunity of establishing their business footprints in Ghana.

Similarly, the south western Ekiti State of Nigeria, which is rich in cashew, oil palm and cocoa, is looking for investments in food processing plants. Indian farmers are also invited to grow these crops in this state. Tourism is another sector that beckons Indian investments. Some of the other promising areas for investment are: education, digital skills development, large BPO operations for which teachers are required, and healthcare, including diagnostic centres.

Government of India is taking strident steps to deepen the ties with the Western and Central African countries. India has also decided to open 13 missions in Central and West Africa. To boost Indian investments in the region, it was suggested that:

- Sector-focused industry bodies from India should plan for at least one visit a year to the region, to build partnerships and understand the local work culture and business ethics.
- The MEA could assist the Indian investors with a) a common platform to bring prospective partners from both sides for talks; b) organising business events; and c) market analysis.

The opportunity lies in Indian providing affordable and appropriate equipment and technologies to the region. As a case in point, Indian tractors (a 60-80 HP costing US\$15,000) are much more affordable to farmers in Africa than those from the west (a 120-140 HP tractor costs US\$ 30,000-35,000 which is beyond reach of most farmers).

The discussants underlined the critical importance of building capacity in the countries that are preparing to receive more investments from India. With capacity building, the investments are expected to deliver better returns and outcomes.

VALEDICTORY SESSION: MEETING GREAT EXPECTATIONS FROM A GREAT PARTNERSHIP

Opening Remarks:	Mr S Kuppuswamy, Co-Chair, CII Africa Committee
Address:	Mr T S Tirumurti, Secretary (External Relations), Ministry of External Affairs, Government of India
Address:	Mr Anup Wadhawan, Secretary, Ministry of Commerce & Industry, Government of India
Address by Guest of Honour:	Mr Monyane Moleleki, Deputy Prime Minister of Kingdom of Lesotho
Vote of Thanks:	Mr David Rasquinha, MD, EXIM Bank of India

Key Assertions

India's approach to Africa is continental and determined by the objective of helping the region realise its true potential. Even as the two region deepen the bilateral economic and business partnerships, cooperation in the areas of defence, cyber-security have assumed critical importance.

Bilateral cooperation in the areas of affordable housing, affordable healthcare, agriculture and infrastructure could make a qualitative difference to the India-Africa partnership and give India an instrumental role in Africa's integrated development. In regard to affordable housing, there is a strong felt need to develop a robust mortgage market in Africa.

The pioneering tele-course on Big Data analytics being offered by India to the people of Ghana and Tanzania, will soon be extended to many more African countries.

The speakers also pointed out that India could extend its expertise to build strong logistics linkages in Africa.

On the energy front, they expressed hope that a large number of African countries will join the International Solar Alliance.

On a broader plane, the India Africa bilateral partnership is defined by the spirit of "developing together as equals".

KEY RECOMMENDATIONS

The Key recommendations made in the course of the deliberations in the knowledge sessions of the Conclave are as follows:

I. Bilateral Trade

- **Free Trade Agreement (FTA) or a Preferential Trade Agreement (PTA):** India and Africa may consider entering into a Free Trade Agreement (FTA) or a Preferential Trade Agreement (PTA) that will greatly augment the prospects of the bilateral trade volumes reaching the target US\$150 billion in the next few years.
- **Geographical diversification:** Historically, India's trade ties with Africa have been concentrated on a few countries. It is now imperative for India to broadbase its trade relations with Africa by deepening the trade exchanges with a greater number of countries in the region.
- **Diversify the trade basket:** India should also look to diversify the export – import items, which lend more depth to the overall bilateral trade flows.
- **Reinforce the DFQF scheme:** The DFQF scheme offered to the LDCs in Africa could become more effective if India were to partner the African countries in addressing the local supply constraints.

II. Trade Financing

- **Bridging Africa's trade financing deficit:** There is a \$120 billion gap in Africa's trade financing. Trade financing could be encouraged by promoting more value-added economic activities in Africa and insulating the African economies from the global economic shocks.
 - DFIs are expected to play a key part in Africa's trade financing.

III. Investment Opportunities in Africa

- **Key areas for investment:** Indian investments in Africa also facilitate transfer of appropriate technologies, creation of local jobs, and promotion of intra-regional trade. Significant investment opportunities are seen in areas like physical infrastructure, IT/ITeS, FMCG, e-commerce, agriculture & food processing, education, healthcare, and media and entertainment, power projects, new and renewal energy development, skills development.

- **Diversify investment destinations:** Indian investments in Africa are not geographically diversified, with the bulk of investments going to Mauritius. In keeping with the new dynamism of African economies, Indian companies would do well to tap into the emerging investment opportunities across Africa.
- **Fund for project feasibility studies:** A dedicated fund may be created for conducting project feasibility studies in Africa to mitigate the risks in investments.
 - Also, the teams working on the project feasibility, financing and delivery need to work in tandem. Currently, they are seen to be operating in silos.

IV. Trilateral Partnerships

- **Thrust on B2B partnerships:** The trilateral partnerships in Africa should be focused on promoting B2B partnerships instead of B2G engagements. The investments should be private-led and not debt driven.
- **Opportunities for Japanese companies operating in India:** (i) Increased exports to African markets. India's geographical proximity to Africa can be leveraged by the Japanese companies to tap the African markets; (ii) Joint India-Japan participation in projects in Africa; (iii) Joint investments in new projects in Africa.
 - These initiatives may be supported with export credit guarantee where applicable.
- **Opportunities for French companies operating in India:** French companies operating in India could re-export their goods to Africa, not just to Francophone countries but also to the English-speaking African countries.
- **Leverage the French connection in Africa in railway equipment supply:** Indian companies manufacturing railway equipment could connect with French railway equipment companies to tap into the African markets.
- **India-UAE partnership:** CII and Dubai Chamber of Commerce to coordinate more closely on India-UAE trilateral partnerships in Africa.

V. Agriculture

- **Technical expertise:** India could extend further support to Africa in areas like crop rotation, hybrid breeding, crop clustering, genetic modification, fortification, crop tracking and advanced irrigation techniques.

- **Promotion of startups:** The ushering in of “digital agriculture” and “e-agrimarketing” have opened up new avenues for startups in agriculture, paving the way for new bilateral partnerships in agriculture.
- **Promote farm equipment leasing:** Set up facilities for leasing of farm equipment to farmers with small land holdings in Africa.

VI. ICT & Digital Connectivity

- **Digital connectivity to bridge physical infrastructure shortfall:** While physical connectivity between India and Africa is being strengthened, improved digital connectivity between the two regions could obviate the need for widespread and capital-intensive physical infrastructure connectivity.
- **Financial inclusion in Africa:** India’s ICT capabilities may be leveraged by Africa for launching financial inclusion programs, data privacy protection, etc.

VII. Logistics

- **Logistics linkages in Africa:** Keeping in view Africa’s central location on the global map, India could help establish strong logistics linkages in the region.

VIII. Infrastructure Development

- **Increase private sector investments:** Currently, the private sector accounts for only 8%-10% share of infrastructure financing in Africa, which needs to go up significantly.
 - Just 0.1% of global institutional investments of the order of US\$120 trillion funds is sufficient to bridge Africa’s infrastructure financing deficit. To attract the global funds, the policy and regulatory environment in Africa needs to be made more investor-friendly.
- **Develop and deepen capital markets:** Concerted efforts may be directed to develop and strengthen Africa’s domestic capital markets, which in turn will ease the issue of financing of infrastructure projects.
- **Debt markets:** India could help Africa develop long-term bond markets and also facilitate the share its experiences in the use of pension funds for infrastructure financing.
 - By reducing the construction risk (such as, roads and railway projects), pension funds can be more easily leveraged for long-time financing of the projects.

- **Viability gap funding:** Promote viability gap funding of projects in Africa.

IX. Innovative Financing

- **Development goals:** The financing mechanisms for Africa should also be linked to the larger goals of job creation, poverty alleviation, human capital development, inclusive growth process, among others.
- **The PPP route:** The private sector has an instrumental role in bridging the development financing needs in Africa.
 - The public-private partnership (PPP) mode assumes key significance in this regard.
- **Channeling funds from Africa Diaspora:** The funds flowing into Africa from the African Diaspora may be channeled into investment bonds.
- **Green financing:** Introduce innovative green financing and climate change mitigation financing options in Africa.
- **Eastern Africa:** Eastern African countries need low cost housing, cost-effective agro-processing infrastructure, more healthcare facilities, improved power transmission systems, more waste management and sanitation facilities, etc.
 - The financing of these projects may be undertaken through the PPP route. The key questions to be addressed are, how to: (i) engage the regional governments in the financing of projects (ii) undertake low-cost skills development for capacity building (iii) increase the local content in projects, such that more local jobs get created.

X. Development Cooperation

- **In tune with a changing Africa:** The development cooperation extended by India needs to be in tune with the changing priorities of Africa, as the African economies are also changing rapidly.
- **Impact assessment of LoC:** The concessional LoCs extended by India to African countries were meant to be a stepping stone for Indian investments in the region, but that had not happened at a scale as envisaged.
 - The issue of slow delivery mechanism apart, the impact of the LoCs also needs to be assessed jointly.

XI. Healthcare

- **Investments in semi-urban areas:** Encourage Indian investments in healthcare infrastructure in the semi-urban areas of Africa.

XII. Affordable Housing

- **Develop mortgage market:** India should look to partner Africa in developing a robust mortgage market in the region that supports the promotion of affordable housing.