



## CwA Peer Learning Workshops Summary: “Making it work on the ground”

### Background

On 13<sup>th</sup> February 2019, two peer learning workshop for the G20 Compact with Africa (CwA) were organised in Accra, Ghana by the African Center for Economic Transformation (ACET) and the German Federal Ministry of Finance (BMF) representing the AAG co-chairs. The workshops follow from the CwA Monitoring Reports and CwA Peer Reviews which have indicated the potential for greater efficiency and impact of CwA Compact Teams. The Compact Teams are generally led by the CwA Government and include development partners and other stakeholders. Compact Teams are at the heart of the implementation process and the workshops provided an opportunity to address the effectiveness of the CwA initiative, particularly Compact Teams work on the ground.

### Workshop on Compact Teams

The first workshop had nearly 70 participations, including representatives from CwA countries such as Ghana, Tunisia, Côte D’Ivoire, Benin and Egypt. G20 representation included for example Spain, the USA, the United Kingdom, Japan, France, Germany, Brazil, EU, as well as Norway. International organisations including the African Development Bank (AfDB); the IMF; and the World Bank.

The governments of Ghana and Tunisia presented their experiences. Ghana stressed the need to move towards investment by incorporating the strength of the private sector in development strategies. In this context, Germany emphasised the need for Compact Teams to play a crucial role in ensuring the initiative is effective by using the policy matrices to identify and address key reform issues. Ghana’s Compact Team includes the Ministry of Finance, Ministry of Trade and Industry, Ministry of Business Development, Ghana Investment Promotion Center (GIPC), the IFIs and bilateral partners. They have recently agreed to include private sector partners, which has been one of the weakest links. Monitoring of progress against targets is also a concern of the Ghana Compact Team as well as difficulties in measuring impact of the CwA. For Tunisia, the CwA is a government-wide initiative and they use it as a mechanism to consolidate objectives of various governmental departments. Through a multi-donor trust fund with the World Bank, the Tunisia Compact Team has allocated specific funding to boost its capacity. The discussion period focused on additional country and other stakeholder experiences and focused on a few key themes.

1. **Alignment between the CwA policy matrix and other reform strategies:** Some countries indicated that the national reform strategies do not necessarily align exactly with the CwA, hence there can be competing priorities. This lack of alignment has led to less impactful Compact Teams in some cases. That said, in almost all cases it was noted that CwA policy priorities have influenced national reform strategies.
2. **Greater involvement of the private sector:** Numerous stakeholders noted the need for more robust engagement of the private sector. This may include inviting the private sector to Compact Team meetings, supporting public-private dialogue, and leveraging investment promotion events.

3. **Measuring impact:** Numerous participants emphasized the need for better impact measurement tools. At the same time, participants agreed that measuring impact of the CwA is very difficult given the complexities of reform programs.
4. **More streamlined processes for Compact Teams:** There were suggestions to develop more streamlined processes that will help stakeholders better understand policy matrices and the CwA initiative.
5. **Engagement of all Compact parties:** Even where the Compact Teams are operating well, there is generally not full participation of all Compact parties, particularly G20 representatives.
6. **Visibility and communications:** While some countries noted that the CwA gives their reform programs greater visibility, overall the CwA is not well communicated.

### **Workshop on Compact Teams and the Private Sector**

The second workshop focused on how Compact Teams can more effectively engage with the private sector. The workshop included the same participants from the first workshop, plus more than 20 GABS attendees, including private sector participants. AfDB indicated that investment interest in Compact countries is growing but long-term efforts are needed to strengthen investor confidence. An example of interest was the Africa Investment Forum (AIF) in November 2018 where \$18.5bn in investment commitment was secured for 16 projects in Compact countries. This session also included presentations on the experiences of Ghana and Tunisia. Ghana noted challenges such as a lack follow up with investors and outcomes after investment promotion events. This is an area the Compact Teams can assist with in the future to ensure pipeline investments are converted to investment on the ground. Tunisia indicated that the Compact Team uses networking events to involve the private sector; however, they need to make the Compact relevant beyond these events. The discussion highlighted numerous areas for further work to ensure the CwA is fully engaging the private sector.

1. **Most appropriate outreach to the private sector:** Some Compact Teams indicated that it is difficult to know who among the private sector to engage. For example, they could engage the local private sector or the international private sector. Likewise, they could engage through business councils, chambers of commerce, industry associations, etc.
2. **Follow up with investors:** It was noted that even when there is investor outreach, countries do not have the capacity to follow up, track and support specific investors. This “after-care” is critical to keep investor interest, but Compact countries need support to develop this capacity.
3. **Support needed to identify the best incentives and policies:** Some Compact Teams noted the need to design and implement appropriate incentives and reforms that will encourage investors, but they need the technical assistance to ensure appropriate and effective measures.
4. **Additional areas of focus for the CwA:** The discussions identified numerous recommendations for new areas of focus under the CwA. These included support for e-government; public-private dialogue; investment promotion; after-care systems for investors, and regional integration.

### **Conclusion**

Initial feedback indicated the workshops were highly useful and there was a call for additional events. During the workshops the CwA Advisory Panel established by ACET was introduced. Panel members will be visiting numerous CwA capitals to further engage stakeholders to address CwA efficiency and impact. The representative from Japan noted its strong commitment to the CwA under the current G20 presidency. The two workshops on February 13, as well as feedback from the CwA Advisory Panel will provide inputs to the next G20 Africa Advisory Group meeting which will be held concurrent with the World Bank and IMF Spring Meetings in Washington, D.C.

## ANNEX I: Workshop Agendas

### G20 COMPACT WITH AFRICA INITIATIVE – Making it work on the ground –

Two-fold workshop jointly organized by African Center for Economic Transformation (ACET) and AAG Co-Chairs  
February 13, 2019, 3<sup>rd</sup> German-African Business Summit (GABS),  
Kempinski Hotel Gold Coast City Accra/Ghana

#### AGENDA

##### Session 1: Peer-Learning Workshop (Meeting Room Stafford)

- 09:30 a.m. Welcome and overview of the workshop  
*Rob Floyd, Director and Senior Advisor, ACET*
- 09:35 a.m. Introductory Remarks  
*Hon. Kwaku Kwarteng, Deputy Minister for Finance, Ministry of Finance, Ghana*
- 09:45 a.m. Review of G20 CwA Compact Team Guidelines  
*Franz Henne, Senior Policy Officer, Ministry of Finance, Germany*
- 09:50 a.m. Compact Team Experience
- Ghana  
*Dr Millicent Degraft-Johnson, Coordinator of the Compact with Africa, Ministry of Finance*
- Tunisia  
*Olfa Chamari, Head of Management Unit, Ministry of Finance*  
*Piet Hein van Heesewijk, Senior Program Officer, World Bank*
- Insights to how the Compact Team is operating: What is working well? Where are improvements needed? What are the main obstacles?*
- 10:20 a.m. Peer to Peer learning: Reactions and Discussion
- How is the experience of other Compact Teams? Is it similar or different? What are the bottlenecks? What can be improved? What support can be provided? How to reap synergies?*
- 11:10 a.m. Wrap up and take-aways

Moderation: Ed Brown, Senior Director for Research and Advisory Services, ACET

Session 2: G20-Compact with Africa Initiative - Making it work for the private sector (Workshop III)

12:00 p.m. Welcome and overview of the workshop

*Rob Floyd, Director and Senior Advisor, ACET*

12:10 p.m. Overview of the G20 Compact with Africa and opportunities for the private sector

*Laura Sennett, Senior Multilateral Affairs Coordination Officer, AfDB*

12:30 p.m. CwA Country Experience

*Special Remarks from Hon Mamady Camara, Minister of Economy and Finance, Republic of Guinea (tbc)*

Ghana

*Asantewa Donkar, Office of the CEO, Ghana Investment Promotion Centre (GIPC)*

Tunisia

*Olfa Chamari, Head of Management Unit, Ministry of Finance*

*Yacine Fal, Deputy Director General, AfDB*

*How has investment promotion been implemented in the context of CwA (role of Compact Teams, outreach, events)? What has worked well and what could be improved?*

13:00 p.m. Reactions from private sector participants

*What do they know of CwA and how do they perceive it? Examples of how they have worked with governments and development partners in a Compact country to pursue investment? Do they feel the policy environment has improved? Do they see greater investment promotion? What could work better? What do they need?*

13:15 p.m. Wrap up and close

Moderation: Ed Brown, Senior Director for Research and Advisory Services, ACET

## **ANNEX II: G20 Compact Teams Guidelines**

### **Composition**

- Relevant senior government officials from compact countries -typically drawn from Ministries of Economy and Finance/Trade/Investment/Commerce/Central Banks.
- Representatives from the three “International Organizations” - African Development Bank, the International Monetary Fund and the World Bank Group.
- Other in-country bilateral partners involved in the Compact implementation and private sector issues.
- Private sector representatives:
  - If a separate private sector working group pre-existed the formation of the CWA Compact team, Compact teams shall explore possibilities of the two bodies coming together.
  - If there is no pre-existing private sector working group, then representatives from the private sector (chief executives, chambers of commerce, bankers, key partners from leading accounting and legal practices etc.) should be invited to join the Compact team.

### **Tasks**

- Obtain a thorough understanding of key constraints to increased levels of private investment.
- Define the specific reforms needed to address those constraints; record these in a compact reforms matrix; define indicators for measuring progress.
- Support the government in implementing the reforms in the Compact matrix including through technical and/or financial assistance. Ensure coordinated action by all development partners.
- Twice a year, assess progress in implementing these reforms in line with the agreed G20 process.
- Annually, consider the need to update the reforms matrix.
- Develop and maintain relationships with the private sector (foreign and domestic) on CWA issues as part of a collective effort to mobilize investment.
- Act as the entry points for possible new investors attracted by the compact and consider their comments/concerns.
- In the compact team:
  - The government representatives are accountable for implementing the government actions outlined in the policy matrices.
  - The representatives from the IOs (AfDB, IMF, WBG) are accountable for providing support to the CwA initiative and maintaining enhanced cohesion across the IOs.
  - The representatives from the IOs and bilateral partners are accountable for providing the support as outlined in the policy matrix.
  - All parties are accountable for liaising with the private sector.

### **Organization**

- Ideally Compact teams are co-chaired by on the one hand a senior government official and, on the other hand, one of the IOs. The IO co-chair may rotate.
- Meetings of the Compact Team should take place regularly, at least quarterly, convened by the co-chairs. Schedules and agenda should be widely circulated ahead of the meeting.