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AFRICA INVESTMENTS RISK & COMPLIANCE SUMMIT 2020

Executive Summary

Published 26th August, 2020

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On 21st August, 2020, the EBII Annual Africa Investment Risk and Compliance Summit hosted by Emerging Business Intelligence and Innovations (EBII) Group held its first annual Investment Risk and Compliance Summit in association with Zenith Bank (Ghana) limited. The theme of the conference was '**Attracting and Sustaining Investments in Africa Post covid19 - Staying ahead of the compliance curve.**' The summit was a day-long virtual event which brought together representatives from financial sector standard-setting bodies, multilateral organisations, policymakers, financial institutions, governments, the investing community, and thought leaders.

The meeting was structured into keynote speeches and panel discussions. Discussions during the sessions centered on combating stereotypes and agreeing on best practices around compliance, accountability standards, standardization of trade laws, investment and financial crime policies; the implementation of which would help attract and sustain the right investments post covid19.

The meeting kicked off with a welcome address by the CEO of EBII Group, Ms. Adjoa Adjei-Twum. Her message set the tone for the day by underscoring the idea that the summit was created as a common platform for the investing community to address pain points and areas of ambiguity while investing in Africa. Tying her address back to the theme of the conference, she urged participants to consider the potential opportunities that had emerged in the wake of the Covid-19 global pandemic and the need for investors to gain a good understanding of the risks and the compliance procedures in the newly introduced African Continental Free Trade Area.

Thereafter, there were addresses by H.E. Wamkele Mene (First Secretary General of the AfCFTA) and H.E. Dr. Amani Abou-Zeid (AU Commissioner in charge of Infrastructure, Energy,

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ICT and Tourism). Their addresses summarised their views on Africa's economic outlook and emphasised the potential inherent benefits if Africa could get its basics in intra regional trade, infrastructural investment and technological advances right. Ebenezer Onyeagwu (Group Managing Director/ CEO of Zenith Bank Plc) who then joined the duo for a panel discussion, called attention to the emerging market trends and opportunities for Africa that are being evidenced with the creation of AfCTFA. In particular he laid emphasis on the importance the banking sector and investments in infrastructure play in ensuring the success of the new agreement.

The second panel had Mr. Ebenezer Essoka (Executive Chairman of IBURU) and Dr. Hippolyte Fofack (Chief Economist and Director, Research and International Cooperation- AfreximBank). The deliberations of the panel centred on the African Continental Free Trade Agreement (AfCFTA) and the impact of the COVID-19 pandemic on its implementation and rollout. The speakers highlighted some of the challenges that could potentially derail the success of the AfCFTA and outlined the areas of focus for various stakeholders in ensuring that the vision for the AfCFTA was realised.

The second round of keynote speeches were given by the Right Honorable. Lord Paul Boateng (formerly U.K. Cabinet Minister and High Commissioner to South Africa.) and His Excellency Papa Owusu Ankomah (Ghana's High Commissioner to the UK and Ireland).

Lord Boateng focused his speech on Africa-UK relations, specifically honing in on what Brexit means for the AfCFTA and trade opportunities with the UK. He highlighted that "Brexit provides a great opportunity to improve trade relations between the UK and Africa.

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H.E. Papa Owusu Ankomah opined that the private sector is still relatively apprehensive about investing in Africa despite its reputation for high returns. He acknowledged the role that African leadership has to play in mitigating that apprehension. He shared that Africa is gaining self-confidence and is producing a breed of leadership that is prepared to surge ahead and ensure that its citizens gain the dividends of democracy.

Focusing on the role of the diaspora, H.E. Owusu-Ankomah acknowledged the Ghanaian government has done a lot to facilitate the involvement of the private sector and the diaspora by holding investment summits both at home and abroad.

The third panel of the day felt strongly about the role the African diaspora should play in boosting investment in Africa. The panel which was made up of a cross selection of speakers, Ms. Pumela Salela (Brand South Africa Country head, UK), Ms. Dentaa Amoateng (President of Guba Enterprise), Mr. Augustine Agyemang-Duah (Co, Founder and President of African Professionals Network, Switzerland), and Mr. Ayo Sontirin (CEO of SAO Group), agreed on the fact that Africa's most important resource is its people both home and abroad. Africa's ability to effectively manage its most effective resource is critical to its ability to realise its full potential.

The fourth panel had Mr. Emmanuel Nambware (ED Matha Capital) and Ms. Anne Ranasinghe (Senior Director of Risk, Africa50) who debated on some of the most common issues plaguing investors when conducting investment due diligence in Africa. The takeaways from their revelations underlined the idea that there are certain inherent risks, such as FX, liquidity, and operational risks that need to be carefully considered and addressed when investing in Africa. The panel also emphasised the importance of

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developing relationships with local partners who can assist during the due diligence process particularly in light of the restrictions to movement as a result of Covid-19.

The last panel which was on “Changing investor perception of risk in Africa” highlighted the current opportunities for African banks and governments to reposition themselves strongly as vanguards of the policy environment and in so doing, purposefully change the narrative around investment risk in Africa. The panelists, Mr. Hisham Ezz Al-Arab (Chairman and Managing Director at Commercial International Bank.) and Mr. Patrice L.O. Lumumba (A Professor of Law, an Advocate of the High Courts of Kenya and Tanganyika and Founder of the PLO Lumumba Foundation) were emphatic that the collaboration and harmonisation of policies among African central banks will be critical going forward. They highlighted the role of institutions in challenging perceptions of risk and mitigating the occurrences of corruption and irregularities in doing business across Africa.

The panel also enumerated some of the regional efforts across the SADC, COMESA, ECOWAS, and Maghreb regions to strengthen regional trade, but stressed the mitigating circumstances that combat its realisation such as the multiplicity of legal regimes that do not allow for streamlining regulations and legal processes.

To end the summit, Adjoa Adjei-Twum in her closing remarks reiterated the key messages from the summit. There are opportunities in the current challenges and Africa will have to leverage its most important resource; its people to take advantage of the opportunities. Having an appropriate due diligence framework and the harmonisation of trade and compliance laws and regulations are preconditions for Africa to attract and sustain investments post Covid19. As an investor it is important to work with local partners in the chosen African countries when navigating due diligence on investment targets.

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Governments and private sector investors that want to make a difference should ensure that they are investing in the right infrastructure projects. Adjoa and Ebenezer Onyeagwu rounded up the day's discussions with a call to action for everyone to keep working together to put the African continent in the best position to stay ahead of the compliance curve.

A due diligence best practice compliance paper will be published in October aimed at helping the investing community navigate potential investing pitfalls on the African continent.

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