



**BOLD
THINKERS
DRIVING
REAL-WORLD
IMPACT**

DEAL ME IN

**Rethinking U.S. Trade and Investment in
Post-COVID Africa**

Presented by:

**Pamela Bates
Wilson Kutegeka
Ezekiel Odiogo
Paloma Schackert**

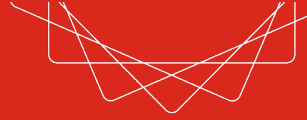
Moderated by:

Eric Reading and Robert Skidmore

February 17, 2021



Eric Reading
Abt Associates



Abt's role in trade and investment

- Abt works at the intersection of public and private sectors
- We leverage public sector support to broker private sector trade and investment deals that wouldn't otherwise happen
- Our prism: inclusion and lasting impact



Introducing our panel



Robert Skidmore, Chief

Sector and Enterprise Competitiveness Section, International Trade Centre

Ezekiel Odiogo, Head, Private Sector Operations

Africa Investment Forum, African Development Bank

Paloma Schackert, Co-Founder and CEO

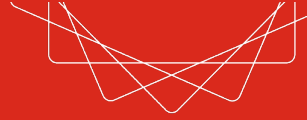
Ethical Apparel Africa

Wilson Kutegeka, CEO and Founder

ClinicMaster International

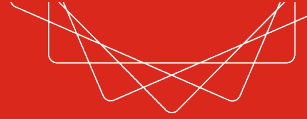
Pamela Bates, Partner

Securitas Global Risk Solutions



Robert Skidmore
International Trade Centre (ITC)

A word on ITC



Joint WTO and UN agency focused on good trade

Promote \$1B in trade and investment per year

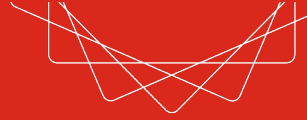
Interventions yield results of 11:1

Partner with 26,000 SMEs and 400+ institutions



International
Trade
Centre

Preparing for the New Normal



Strengthen the **resilience** of firms and value chains to withstand future shocks

Step up efforts to help businesses go **digital**

Make supply chains more **open and inclusive**

Use the crisis to ensure that business across the world become more **sustainable and climate-friendly**

Some reasons to be optimistic



First African WTO DG changes the narrative

AfCFTA: slow start building to major impact



New US focus on Africa through Prosper Africa



Investors are hungry for returns – Buyers are looking for new options

Supporting U.S.-Africa trade and investment

Keeping trade and investment open and efficient

Better coordinating assistance

Building alliances for resilient supply chains

Combining trade and investment

Focusing on services, value added & knowledge sectors



Ezekiel Odiogo
African Development Bank



COVID-19 impact on Africa's investment landscape

- Africa has fared better—so far—on COVID-19 infections and fatalities
 - **BUT** huge costs: 28-40 million fall to extreme poverty, 30 million jobs lost
- Africa suffered worst recession in 25 years
 - GDP shrinks 3%, modest growth projected: 3.4% in 2021
- Risk asset prices dropped sharply, FDI declines but set to rebound
- Increased infrastructure deficits: \$154B in 2021, tightening fiscal space



Market challenges



- Information and risk asymmetry on Africa's investment opportunities
- COVID-induced risk, particularly for countries exporting high volumes of commodities to China
- Dearth of curated pipeline of bankable deals
- Broadening investor base – crowding-in institutional investors
- Underdeveloped capital markets
- Limited fiscal space for public investment

Africa's investment & trade opportunities

- Infrastructure investment fundamentals remain strong
 - \$90+B annual investment opportunity
- Game-changer: AfCFTA opens \$3.4T market
- Vibrant entrepreneurship ecosystem
 - 77% under age 35
 - Consumer spending: 4%+/-year to \$2.1T in 2025
- Financing SMEs to drive economic recovery
 - 17% of GDP is financing gap for SMEs
- COVID-19 crisis → need for rapid digitalization



Roadmap for investors



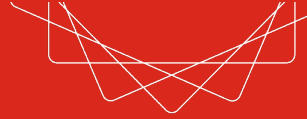
- Leverage right partnerships in investment curation, facilitation and closure
- Need for more co-investment and de-risking platforms
- Deepening Africa's financial markets.
- Early mover advantages
- Taking a long-term view to capture promising investment gains



Paloma Schackert

Ethical Apparel Africa

Garment industry overview



- Garment manufacturing = \$500B+ market employs 60 million globally
 - on average 70% women
- Potential for staggeringly rapid growth
 - e.g. Bangladesh, more recently Myanmar
- Still dominated by China, but increasing interest in sub-Saharan Africa
- West Africa's unique value proposition for US buyers – duty-free, competitive labor cost, vertical integration potential, *and* proximity to market

*“Garment manufacturing is the **developing world’s path out of poverty**. It’s how Bangladesh slashed poverty, Vietnam began its manufacturing dream, and Myanmar set to grow after years of crippling sanctions” – WSJ*

Ethical Apparel Africa

- Founded 2015 as a sourcing business, partnering with local factories in Ghana and Benin
- Sourcing orders + technical capacity building to deliver to export standards
- Primarily US clients focused on core volume product categories: uniforms, medical scrubs, accessories, pet accessories
- Focused on going “beyond compliance” to empower workers and on gender equity



Investing to accelerate scale

- Strategically investing in owned manufacturing
- Developing a “model factory” leveraging digital technology/ERP, lean management
- US investor base + co-investment from USAID Trade Hub of \$1.3M (de-risking)
- Will export \$8M in 2021, create 1,000 jobs in this facility (500 created already)
- EAA roadmap to export \$50M+ by 2025 = 5,000 jobs created

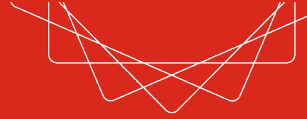


June 2019 (pre EAA control)



September 2020

Partnership + Ecosystem



- **Client partnerships:** resilient through COVID due to product focus and trust levels (business grew 2X during pandemic)
- **Innovation:** Support from development partners to de-risk launch of Ghana's first international standard surgical production unit
- **Ecosystem:** Working with USAID, FCDO, GIZ, Ghana government to advance the industry:
 - Addressing the middle management gap
 - Catalyzing vertical integration (cotton)
 - Supporting growth of local woman-owned SMEs



Impact



- Average employee making 4X+ previous income
- Performance bonuses, daily lunch, transport support, health education, nursing care
- Empowering women: majority-female management, training in male-dominated areas, career development



Wilson Kutegeka

ClinicMaster International

About ClinicMaster International



- Health information management and medical billing system
 - automates patient records in healthcare facilities for visits and daily procedures
- Incorporated in Uganda in 2013
- 18 full-time software engineers, computer scientists, and other professionals
- ClinicMaster used by 120+ hospitals and clinics in Uganda, Kenya, South Sudan, Rwanda and Zambia
- Won MTN-Uganda Best Innovation In Health Applications Award in 2015

Partners

The Netherlands Trust Fund, implemented by ITC, provided assistance to grow export market for ClinicMaster

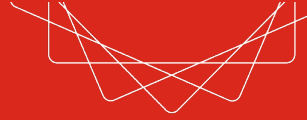


MINISTRY OF ICT & NATIONAL GUIDANCE

A Knowledge and Productive Society driven by ICT & National Ideology



COVID-19 impact



- Scaled-down ability to reach potential clients
- Limited provision of client visits to offer support
- Transitioned into more use of online support tools and demo
- Need to develop additional modules, such as COVID-19 symptoms checker and remote treatment functionalities

Experience & exporting challenges

- External customers reached us through our website
- External market hasn't grown as expected since no physical presence of ClinicMaster
- NTFIV helped us complete export marketing plan for working with agents
- Difficulty in support provision due to limited physical visits
- Plans to migrate ClinicMaster to the cloud and reach more clients



Kampala Independent Hospital

Collaboration with Mt. Sinai Hospital



- Michael Marin of New York-based Mt. Sinai Icahn School of Medicine opening surgery centers in Africa
- Through technology partner Tellistic, Dr. Marin adopted ClinicMaster to manage medical records
- Kyabirwa surgical center, affiliated with Mt. Sinai Hospital, uses ClinicMaster
- ClinicMaster added web-based module for key reports to team in New York



Pamela Bates

Securitas Global Risk Solutions

Building trade relationships

- Policy priority: Enhance trade relationships
- New opportunities for companies to join global value chains



Reduce the risk – trade credit insurance

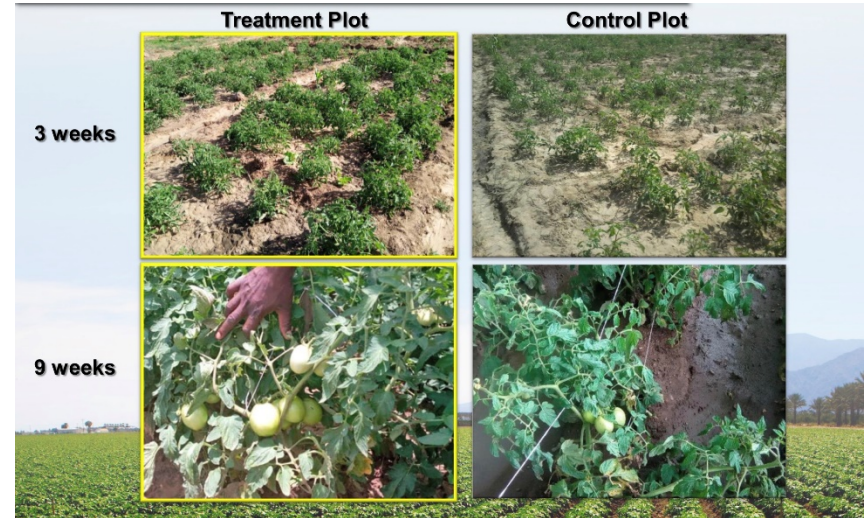


- Protects against commercial non-payment
- Credit payment terms for buyers
- Learn about your buyer
- Manage working capital

Benefits to buyers and sellers



- Sellers: Access to Markets
- Buyers: Access to Advanced Materials



Reduce the risk – political risk insurance

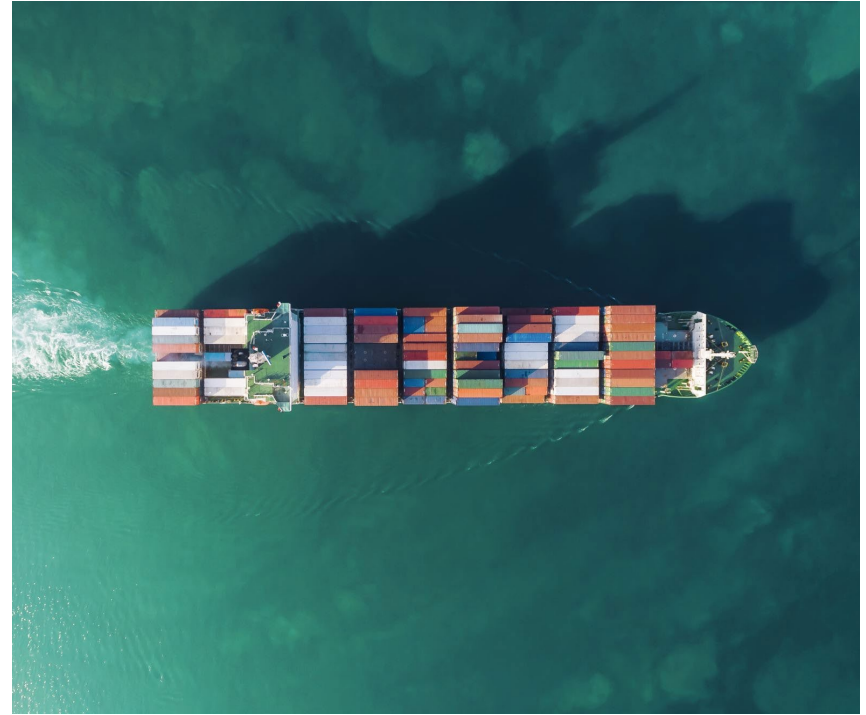


Protect your investment

- Government confiscation, expropriation or nationalization
- Currency inconvertibility
- Political violence

A rising tide lifts all ships

- Build trust
- Build markets
- Build value chains
- Foster economic growth



Panel discussion



Robert Skidmore, International Trade Centre

Ezekiel Odiogo, African Development Bank

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Eric Reading
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