

*Side event organized by the Economic Commission for Africa, the African Securities Exchanges Association, and the Sovereign Fund for Strategic Investments of Senegal*

## Innovation in capital markets for Africa's recovery

### Background

Since the outbreak of the coronavirus disease (COVID-19) pandemic in early 2020, African Governments have announced fiscal stimulus packages ranging in cost from 0.02 per cent of gross domestic product (GDP) in South Sudan to 10.4 per cent of GDP in South Africa.<sup>1</sup> Those fiscal stimulus measures have had an immediate and direct impact on budgetary balances, borrowing needs and debt levels. At the same time, the continent is still racing to achieve the goals of the 2030 Agenda for Sustainable Development and Agenda 2063: The Africa We Want, of the African Union. Innovative financing and capital markets are playing an ever-greater role as an essential component of sustainable economic growth. A well-developed capital market facilitates the efficient allocation of capital in an economy, which is necessary for sustainable economic growth and development. In addition to capital-market development, leveraging other innovative means and actors to finance recovery from the crisis will be equally important. Sovereign wealth funds, and strategic development funds in particular, are intended to transform national economies through the mobilization of domestic and international private capital to finance infrastructure and other transformative projects. Such funding sources can provide Governments with powerful leverage in accelerating recovery in Africa.

### Objective

The side event will provide a high-level platform for dialogue between the public and private sectors, including investors, on new developments and

technological advancements in capital markets, as well as showcase how sovereign and strategic development funds can help to drive African development.

### Expected outcomes

Participants will:

- Discuss capital-market products/initiatives and complementary solutions that would facilitate continental development
- Exchange information on new market developments, technological advancements and digital technologies in capital markets
- Outline lessons learned and concrete policy actions to foster the development and growth of capital markets and the private sector

### Target audience

- Officials from the ministries of finance and economic planning, and other policymakers
- Participants in African capital markets (e.g. regulators, brokers, member exchanges)
- Investors and the private sector
- Civil society and academia

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<sup>1</sup> African Development Bank, African Economic Outlook: from Debt Resolution to Growth—the Road Ahead for Africa (Abidjan, 2021).