



CONCEPT NOTE

PRIVATE SECTOR FORUM ON THE THEME **AFRICA'S INDUSTRIAL DRIVE: THE PRIVATE SECTOR AND CORPORATE** **CITIZENSHIP** **ADDIS ABABA, ETHIOPIA, 22-23 JANUARY, 2008**

The Commission of the African Union has the pleasure to announce that, as part of its Summit private sector activities, a Forum on the theme *Africa's Industrial Drive: The Private Sector and Corporate Citizenship* will be organised in collaboration with the UN Global Compact. This is scheduled for 22-23 January, 2008 at the Plenary Hall of the African Union Commission in Addis Ababa, Ethiopia.

Context

As a means of fast-tracking Africa's economic integration, growth and development, the African Union has made private sector development a priority area. This is in line with strategies adopted in most parts of the continent, recognising the private sector as *the engine of growth*, while the public sector takes on the role of greasing the engine and ensuring an enabling environment for the engine to effectively run..

One concrete action taken to demonstrate the will of AU policy organs to develop the private sector is the decision by the Heads of State and Government of the African Union at the 2005 Abuja Summit to institutionalise the African Private Sector Forum. This has now become an annual event which serves as a platform for dialogue between the private sector and policy makers as well as an opportunity for private sector actors to network and exchange views on ways of eliminating bottlenecks to doing business in Africa. Giving voice to the private sector is an effective means of taking on board their concerns in policy formulation and subsequent implementation, monitoring and evaluation.

In line with these same objectives, the Commission of the African Union organises similar fora jointly with other institutions as a means of complementing its efforts in this direction. All these fora, rather than competing, are coordinated and designed to reinforce each other and create synergies in terms of their impact on the private sector development and policy recommendations.

This particular Forum is being organised in conjunction with the **UN Global Compact**. Launched in 2000, the UN Global Compact is the world's largest voluntary corporate citizenship initiative with more than 4500 organizations. Its participants commit to advance ten universal principles in the areas of human rights, labour standards, the environment and anti-corruption, all of which enjoy political and social legitimacy virtually everywhere in the world.

The UN Global Compact as a practical tool with multi-stakeholder orientation was initiated on the conviction that business practices, if they are rooted in universal principles, can help achieve social and economic inclusion in the global marketplace, ultimately advancing collective goals of international cooperation, peace and development. Responsible business is the best hope for delivering broad-based development and creating sustainable markets. It includes all relevant stakeholders, such as companies, governments, labour, civil society organizations, academia as well as the United Nations.

The Theme

The theme of the Forum is ***Africa's Industrial Drive: The Private Sector and Corporate Citizenship***. This theme has been carefully selected and aligned with the theme of the AU Summit itself which is on the *Industrialization of Africa*.

The focus on Africa's industrial development is very much relevant in light of the recognition that Africa cannot continue its over-dependence on the export of primary products in unprocessed form. The export of raw materials at very low value and subsequent import of these same products after value addition by companies in other continents continues to be one of the greatest challenges the African continent faces. Deteriorating terms of trade and instability of prices of primary exports continue to cause trade deficits, foreign exchange shortages and

other negative economic impacts, all of which result in unstable macroeconomic fundamentals. Addressing these issues will go a long way in contributing to ongoing efforts to alleviating poverty through the creation of jobs and reducing the vulnerability of African countries' economies. The private sector has a key role to play in addressing this phenomenon.

In examining the role that the private sector can play in this process, particular emphasis will be put on corporate governance and corporate citizenship initiatives such as the UN Global Compact and NEPAD. Good practices in the field of corporate citizenship will contribute to a conducive and enabling environment for foreign private investment, more sustainable value and benefits for workers and communities, safeguard our climate and planet as well as create immense benefits to business by helping attract and retain skilled workers, save costs, enhance productivity, create trust and build reputation. It is therefore a win-win situation.

Objectives

The objectives of the Forum are as follows:

- *Assess the case for Africa's industrial development and consider lessons from other regional experiences;*
- *Examine the options for industrialization – which sector could serve as spring board?*
- *Highlight the significance of good corporate governance and corporate citizenship as promoted by the UN Global Compact and NEPAD for business development*
- *Examine the potential role of the private sector in accelerating Africa's industrialization process & showcase private sector good practices that contribute to sustainable development;*
- *Promote partnership between the public and the private sector (PPP)*

Discussion topics

In addition to speeches by selected personalities on the theme under discussion, the following will be addressed:

1. Accelerating Africa's industrial development with corporate governance and corporate citizenship instruments such as UN Global Compact
2. Assessing the optimal industrial policies for Africa – What way to go?
3. Can agro-food processing serve as spring board for Africa's industrialization?
4. The role of multinationals in Africa's industrialization process
5. Linking Industrialization to Regional Integration: The role of stakeholders

Following the presentation of the above topics by keynote presenters in plenary format, participants will break out into three different groups, each discussing one of the above three topics. In the end, each group will present its findings and recommendations at plenary. These will then be consolidated into a Forum report.

Who will attend?

It is expected that the Forum will be attended by African and international business leaders representing multi-nationals, large corporations, small and medium-scale enterprises and business confederations, multilateral and regional institutions such as the International Finance Corporation/World Bank, Economic Commission for Africa, NEPAD Secretariat, African Development Bank, European Investment Bank, African Development Finance Institutions, African Business Roundtable, NEPAD Business Foundation, Investment Climate Facility and the African Regional Economic Communities.

Expected outcome

The key outcome will be a better appreciation of the potential for Africa to industrialise, better understanding of the challenges and their potential solutions, including the role of good corporate citizenship and the Global Compact in enhancing sustainable development. This outcome will be presented to the appropriate organs of the Summit.

Venue and other information

The venue of the Forum is the AU Commission Conference Hall, Addis Ababa, Ethiopia.

Interpretation services will be provided in two languages: English and French.

Cost of participation

Participation at the Forum is at own cost.

Contacts:

Information on logistical arrangements for the Forum can be found on the AU and UN Global Compact websites: www.africa-union.org and www.unglobalcompact.org.

Further information on the Forum can be obtained from the following contacts:

1. **Mr. Baboucarr Koma** of the Private Sector Development, Investment and Resource Mobilization Division of the African Union Commission by **Email:** KomaB@africa-union.org, **Telephone +251 11 551 6106, Fax: +251 11 551 0249.**
2. **Kola Badejo**, Senior Adviser, United Nations Global Compact Office, New York
E-mail: badejo@un.org, **Tel: 19173679112. Fax 1212 9631207**