

THE AFRICAN PRIVATE SECTOR FORUM DECLARATION

SIGNED ON THIS 23RD DAY OF JULY 2010

ON BEHALF OF PRIVATE SECTOR REPRESENTATIVES OF THE AFRICAN CONTINENT ATTENDING THE AFRICAN PRIVATE SECTOR FORUM ON THE THEME “CREATING NEW BUSINESS OPPORTUNITIES IN THE AFTERMATH OF THE GLOBAL ECONOMIC AND FINANCIAL CRISIS”

IN THE MARGINS OF THE 15TH ORDINARY SESSION OF THE ASSEMBLY OF THE AFRICAN UNION HEADS OF STATE AND GOVERNMENT

IN KAMPALA, UGANDA

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CHAIRMAN

Preamble

We, the private sector representatives, guided by the spirit of cooperation and business development partnership and desirous to contribute meaningfully to the socio-economic development of the African continent, have gathered in Kampala, Uganda, alongside the AU Summit to discuss the ways for “Creating new business opportunities in the aftermath of the global economic and financial crisis”.

RECOGNIZING THAT:

- i. The recent financial and economic crisis has had severe impact on the economies across the globe, including those in Africa;
- ii. Africa is in search of a game-changer that will enhance the competitiveness of its industries and improve the continent’s share of global trade and investment flows;
- iii. Inclusive and sustainable participation and role of the private sector is critical in seeking effective solutions to these challenges
- iv. Strong public-private sector partnerships at all levels are required in order for Africa to be part of the global discussions on the framework of future growth

We, representatives of the private sector, hereby recommend the following as priority actions for implementation by the private sector, governments, the Regional Economic Communities (RECs) and the African Union:

1. Emphasize development of transport, energy, railway and ICT infrastructure at national and regional levels along the AU programme for infrastructure development in Africa (**PIDA**) to support future economic growth of Africa’s industries and sectors. We believe this is a critical step in fostering regional and continental integration. Increase the role of local and international financial intermediaries in support of infrastructure development in key industries such as energy, roads, ICT and transport.
 - How to implement: who should do what? When? With what resources? For what results?
2. Develop commercial agriculture and business support schemes in the framework of the Comprehensive Africa Agricultural Development Programme (**CAADP**) and Agri-business and Agro-industry Development Initiative that will enable vibrant and competitive agro-businesses to emerge. This will

- contribute significantly to Africa's capacity to increase export trade, poverty alleviation, food security and the attainment of MDGs.
- Focus on agri-business sector value chain approach at country and regional levels; establishing a country/product matrix; connecting with relevant business support services.
3. Facilitate national and regional level private sector leadership to design programmes and initiatives for making Aid for Trade an effective instrument for economic growth in Africa. The private sector will drive economic growth if they are party to the decisions on where and how Aid for Trade resources can be used to create competitive supply/value chains.
 - From (2) above, design well structured programmes to mobilize resources through enhanced integrated framework for African LDCs and/or Aid for Trade window; Identify key players per country per product and allocate responsibilities and timing through a national committees involving policy makers, local institutions and local sectoral associations (MDGs).
 4. Private sector to increase its role and leadership in the formulation of policy frameworks that enable the business community to deliver economic growth.
 - Engage the private sector in international trade negotiations (WTO agriculture discussions), identifying impact of liberalization on relevant sectors (non tariff barriers, etc.).
 5. Africa's private sector must be supported by government to engage with local and foreign business leaders in shaping trade and investment platforms including PPPs that will serve Africa's economic growth. Create an enabling business environment in which relevant government Ministries and their agencies will implement trade facilitation programmes that will ease cross-border trade within Africa and enhance trade expansion.
 - Create in each country competitiveness committees to follow up and report to RECs.
 6. Government and private sector to increase investment in research and development, promotion of skills training and create an environment for encouraging innovative businesses in Africa, especially among the SMEs;
 - Create agri-business R&D centres.

7. This proposal will succeed only with the restoration of traceability that will allow local players to gain visibility and for the government to provide the enabling environment which allows all actors to develop and benefit from the sector. The following are the benefits:
 - a) Introduced fair degree of market competition
 - b) Promoted value addition along the supply chain
 - c) Transparency in market operations
 - d) Pressured MNCs to change their business strategies
 - e) Deepening the supply chain by direct control over the production system
 - f) Exercise corporate social responsibility
8. Provide trade finance support mechanisms targeting SMEs and value/supply chains connecting Africa to global markets.
 - Mobilize resources from African Development Bank and other regional development banks to facilitate SMEs' access to long term credit and guarantee lines from local commercial banks.
 - Provide business development services to relevant exporting SMEs so as to enhance their capacities to develop agri-business bankable projects.
9. RECs and their business support institutions, including Regional Business Councils, must be fully participating in the promotion of trade and investment across Africa, through programmed initiatives for investment promotion.
10. Government and business leaders in Africa should encourage local and international media to promote better business opportunities in Africa.
11. Promote Corporate sustainability embedded in universally accepted principles encompassing human rights, labour, environmental protection and anti-corruption guidelines to enhance best practices and business's contribution towards building sustainable economies in Africa.
12. Strengthen the private sector contribution to development goals, particularly the MDGs, through core business, social investment and advocacy.
13. Encourage governments to cultivate an enabling environment for entrepreneurship and innovation, and encourage private sector engagement in voluntary initiatives, such as Global Compact.
14. Ensure good governance at macro, meso and micro level, harmonizing procurement rules throughout Africa.

15. Operationalise a private sector driven follow-up mechanism along the following principles: Pan-African AU platform, including relevant networks.
- a. Reflecting and respecting a distinct African model defined by its assets including its diversity, natural resources, culture and identity and linked to global opportunities
 - b. A sustainable platform for joint action including public private partnerships
 - c. Mechanisms to link national, regional and continental structures, including the establishment of an inclusive Africa Business Council based on Public - Private Partnership (PPP) .
 - d. Results-oriented with measurable outcomes and impact

Agreed on a roadmap to address the modalities for the establishment of the African Private Sector Forum and to design the next Forum, to be held in 2011, based on **lessons learned** and **follow up consultations**.

Conclusion

The private sector expresses deep appreciation to the Heads of State and government of the African Union for the opportunity to make a contribution to the Investment Roundtable scheduled for 25 July 2010 and we trust that the recommendations proposed will be helpful in guiding the deliberations at that level.

The private sector thanks the African Union Commission, the International Trade Centre, UN Global Compact, African Export-Import Bank, the Uganda National Chamber of Commerce and Industry and the Uganda Investment Authority for co-organizing this Forum. This Forum is a first step in seeking to find how best Africa can begin to implement these major decisions.