

“Bending the Arc”

**Statement by:
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Excellencies,
Ladies and gentlemen,

It is a great pleasure for me to welcome you to this important high-level event.

In the past few years, Africa has been accorded high priority on the global development agenda. I am happy to note that the years 2005 and 2006 have witnessed many positive developments in Africa, as well as strong support by the international community. The increased international support has resulted in notable commitments in support of Africa’s development in a number of areas, especially in increased development aid and debt relief.

Building on the progress of the past two years, the most important thing now is to use the window of opportunity created by the growing momentum of international support to turn these commitments into concrete results, and to set the African countries firmly on the path to sustainable growth and development. While 2006 has been called “The Year of Action” by the UN Millennium Development Project, it is my sincere hope that we will manage to turn 2007 into the “Year of Results”.

Meeting the Millennium Development Goals in Africa will require sustained efforts by all stakeholders, and the private sector has a key role to play in this task. The Millennium Development Goals and the development of the private sector are inextricably linked. The existence of a vibrant private sector is one of the most important preconditions to growth, poverty reduction and development in Africa. The Millennium Development Goals cannot be achieved without the active involvement of the private sector, through job generation, investment and promotion of trade. Equally, the Millennium Development Goals are of great relevance to the success of the private sector, to the extent that the need to achieve the goals is spurring countries to create favourable institutional environment, adequate infrastructure, and access to financing.

There is evidence of growth and improvement in economic and political governance in many African countries. The World Bank's recently published "Doing Business 2007" report has found that two thirds of African countries implemented at least one pro-business reform over the past year. Sub-Saharan Africa as a region ranked third in the pace of reform. The report also acknowledged progress in improving business regulation and cutting red tape in Africa. However, there are many other factors which influence the success of business in African countries, including the existence of a sound and stable macroeconomic and political environment. In particular, lack of infrastructure and access to short - and long-term capital, have been identified by the African businesses as major constraints.

The achievement of the Millennium Development Goals in Africa requires increased investments by both domestic and foreign private sector. African countries and their development partners need to work in partnership to create the conditions required to facilitate foreign direct investment flows into Africa. While there are many investors potentially interested in investing in African countries, and many profitable investment opportunities in Africa, the challenge is to create a mechanism for linking up the two sides. At meetings held this year between the Secretary-General's Advisory Panel on International Support for NEPAD and the representatives of the African private sector, the private sector representatives placed considerable emphasis on the need to develop special programmes to promote investment opportunities in Africa, in a collaborative effort between private sector groups, governments and international financial institutions.

Thus, African countries in partnership with their development partners need to develop initiatives specifically targeting the needs of the private sector. As a matter of high priority, African countries need to commit themselves firmly to improving the enabling environment for the private sector.

At the same time, it is important for the private sector also to play a proactive role in the partnership by focusing on improving their productivity and competitiveness, and building linkages with foreign investors and businesses both within and outside Africa. I am happy to see so many representatives of the private sector here today, which shows that the private sector is taking active interest and is committed to contribute to the development of Africa. In this era of globalisation, the ability of a country to

benefit from global commerce is critically dependent on the extent to which its private sector enterprises participate in the global production and supply chains, including outsourcing opportunities. Helping African enterprises to benefit from globalization will help to promote sustained growth and poverty reduction.

Today's event gives us an opportunity to further explore the steps that businesses can take to help Africa achieve the Millennium Development Goals, and the measures that need to be undertaken by the African countries and their development partners to help the private sector to successfully fulfil its role as the engine of growth in Africa.

I wish you a fruitful discussion and thank you for your kind attention.