



Attracting investment for Africa's development

PRESS RELEASE

Issued jointly by UNCTAD and ICC

TAD/INF/PR56
1 September 2002

GOVERNMENTS AND BUSINESS LEADERS MEET TO DISCUSS INVESTMENT AND PRIVATE SECTOR DEVELOPMENT IN AFRICA

Johannesburg, 1 September 2002--Government and business leaders met yesterday under the auspices of the UNCTAD/ICC Investment Advisory Council (IAC) for the Least Developed Countries (LDCs) to discuss the role of government and private sector in the development of LDCs. The IAC is a framework for high-level consultations between business and government leaders and is a joint undertaking by the United Nations Conference on Trade and Development (UNCTAD) and the International Chamber of Commerce (ICC).

The discussions -- which were held as part of the World Summit on Sustainable Development (WSSD) -- centred on how to bring about economic, social and human development and in particular on how business can contribute through local and foreign investment to tackling the fundamental causes of underdevelopment, poverty and inequality. Since its creation at the Third UN Conference on the Least Developed Countries (Brussels, May 2001), the IAC has met twice, bringing government and business leaders together to address this important aspect of Africa's development. At yesterday's meeting, business leaders agreed to facilitate and champion bankable projects in Africa that will contribute to sustainable economic development. These projects include an energy fund for Africa, and a banking capacity-building programme for building financial trust in Africa. Also discussed were plans to establish training academies.

UNCTAD and ICC will draw on these and other concrete proposals for the Investment Initiative for Africa, a new public/private sector undertaking to encourage investment in Africa and increase its benefits for the continent.

"This public-private partnership at the international level is precisely what Africa needs", said Kofi Annan, Secretary-General of the United Nations at the second meeting of the Council, which was held in Monterrey, Mexico, last March during the International Conference on Financing for Development. "Foreign direct investment can play an important role in advancing Africa's development."

The IAC meeting was preceded in Johannesburg by the 5+5 Process, a forum of African business leaders and their counterparts from other countries which discussed strategic solutions enabling African countries, in particular the continent's LDCs, to develop their private sector and attract investment. The objective was to identify best practices and explore

measures for promoting sustainable development. The group discussed business topics and looked at how African governments could strengthen the business environment by addressing the most prevalent challenges facing African managers. The potential role for business leaders and the private sector in fostering regional cooperation and influencing the pace of the globalization process was also considered. The group's recommendations, which were presented at yesterday's meeting of the Investment Advisory Council, included undertaking a peer review of the business and investment environment; removing administrative barriers to productive investment in national and regional markets; introducing mechanisms for private-sector consultations; publicizing success stories on African business; and targeting private-sector development, especially small and medium-sized enterprises (SME).

Business leaders also urged governments to commit to providing a predictable environment in which private capital flows can flourish, and urged business to commit to enabling investment in LDCs to support balanced and stable partnerships. The challenge ahead is to mobilize the political will and implement projects and policies in a way that meets the needs of each country. It must also be feasible for the business community to undertake such projects and policies in the short and medium term.

The meeting was organized by the United Nations Conference on Trade and Development (UNCTAD) and the International Chamber of Commerce (ICC), in cooperation with the United Nations Global Compact and the Steering Committee of the New Partnership for Africa's Development (NEPAD).

Participants included business leaders from Africa and other regions, representing such firms as SEAT, Audi & Skoda; Rio Tinto; and SUEZ, along with a number of African ministers.

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