



High Level Meeting on Africa's Development Needs

African Private Sector Initiative: Strengthening Competitiveness in a Global Context

Lead Agency: International Trade Centre
Co-Sponsors: World Bank, UN Global Compact

Date and Time: 22 September 2008 from 2:00 pm to 4:30 pm

Introduction

The acceleration of globalization during the last 20 years¹, driven by technological innovation, falling transport and telecommunication costs and market access liberalization, has resulted in the geographic segmentation of production processes and the rise of global value chains. This profound global restructuring of production has increased pressure on goods and service providers to constantly innovate and adapt to changes in consumer preferences as well as comply with increasingly rigorous standards.

Producers in Sub-Saharan Africa have demonstrated their ability to take advantage of market-opening opportunities such as provided by the African Growth & Opportunity Act (AGOA), under which the garment industry was able to expand its exports to the US market four-fold from \$350 million in 2001 to \$1.3 billion by 2007, and non-oil producers in general from \$1.4 billion to \$3.4 billion. The main challenge for goods and service providers is currently to maintain the sustainability of this growth, for which progress in achieving stronger integration into regional and global value chains becomes a prerequisite. In the context of Africa, this presents both challenges and opportunities to achieve development objectives through strengthening the private sector, in particular small and medium sized enterprises.

Key challenges facing Africa's private enterprise sector:

The agenda for developing the private sector in Africa can be viewed from the perspective of two key dimensions: building entrepreneurship and achieving competitiveness. Developing the private sector involves, on the one hand, building the necessary pillars of entrepreneurship: which include, principally, a level playing field, access to financing and access to skills and knowledge. These, in turn, rest on a foundation of additional prerequisites, such as the rule of law, physical and social infrastructure and a sound macro environment. Translating entrepreneurship into growth depends on private sector productivity and competitiveness, but calls additionally for improvements in access and development of linkages with global and regional markets. In international trade, "export impact for good" should constitute a key focus in the future role of the private sector aiming at increasing exports,

¹ The Trade Index - Volume of exports and imports as a percentage of global GDP – was 24 in 1960 compared with 51 in 2007.

generating wealth necessary to achieve sustainable development and contributing to poverty reduction. Aligned to the Millennium Development Goals, additional gains can be achieved by linking private sector competitiveness to safeguard the environment, as well as in making businesses deliver economic empowerment to women in Africa.

Corporate governance is another important dimension, providing the necessary basis for foreign and domestic investment to take place and to facilitate access to capital. Increasingly, good corporate governance also implies a commitment to the concept of corporate citizenship and the adoption of universal principles, such as those embodied in the UN Global Compact".

Against this background, key challenges that need to be addressed include:

1. Strengthening business environments through simplification of regulations
2. Strengthening institutions and creating competitive markets
3. Reforming finance and access to capital
4. Developing human skills and knowledge
5. Building networks and linkages
6. Improving corporate governance
7. Improving market access through regional and multilateral trade agreements
8. Integrating with global value chains

Meeting these challenges calls for actions in both public and private spheres. For Governments, these would include: (a) introducing reforms on the regulatory front, (b) engaging the private sector through consultative mechanisms, and (c) negotiating with developed government counterparts to achieve a conducive international trade regime. For the private sector, this would involve (a) trying to develop linkages with multinational and large domestic firms, so as to nurture smaller enterprises, (b) setting standards to achieve sustainability, with a sharp focus on corporate governance, and (c) engaging in skill-building activities, especially to assist smaller and micro enterprises improve vocational knowledge and skill levels.

Objectives of the Round-table

- To underline the important role the private sector plays in linking the poor to global markets and show case examples of how private sector development fosters both economic and human development.
- To bring together private sector investors, representatives of African governments, development partners and stakeholders to discuss the key challenges facing Africa in competing successfully in the global economy
- To share experiences of what has worked well and what has not in TRTA
- To showcase how business is advancing corporate citizenship and contributing to sustainable development, the MDGs, the goals of the African Union Private Sector Forum and NEPAD.

Expected Outcomes

- Recommendations on how the donor community and international organisations (including trade related technical assistance agencies) can collaborate better with each other and with governments to more effectively assist African private sector enterprises to enhance competitiveness and growth.
- Recommendations on how to encourage the promotion of partnerships between the public and the private sector (ie, PPPs).

Structure of the Event

The event will be organized around two principal themes:

(a) Supporting Domestic Competitiveness, covering the following sub-themes: business environment and skills development, corporate governance and large firm/small firm linkages and

(b) Promoting Market Integration, covering global value chain integration, building regional linkages, outreach support and compliance with international standards

Format of the Event

The event will be a panel discussion in the afternoon of Monday 22nd September 2008, comprising up to two Heads of State from Africa and five senior executives of the business sector and from Africa. We expect that between 100 and 150 persons will participate in the event.

INVITED PARTICIPANTS

Hon Mr. John Kufour, President of Republic of Ghana

Hon. Mr. Paul Kagame, President of Rwanda

Hon. Mrs. E. Sirleaf Johnson, President of Liberia

Dr. Navinchandra Ramgoolam, Prime Minister of Mauritius

Mr. Richard Tolbert, Chairman, National Commission, Liberia

Dr. M. Mkwezalamba, Commissioner, Commission of the African Union

Dr. Ms. Cecilia Ibru, - CEO/MD, Oceanic Bank International

Ms. Florizelle Liser, Assistant US Trade Representative for Africa

Mr. Sindiso Ngwenya, Secretary General, COMESA

Ms Karen Tramontano, President, Global Fairness

Representations from the Regional Economic Communities (ECOWAS, ECCAS, COMESA)

Mr. Rory Stear, Executive Chairman, Freeplay, South Africa

Dr. James Mwangi, CEO of Equity Bank Kenya

Mrs Shirley Franklin, Mayor of Atlanta, USA

Mr. Alessandro Teixeira, President, ApexBrasil, Brazil

Dr. Carole Tyson, President, Hendersen, Global Voices, USA

Mr. Joe Burgess, CEO Veolia Water NA, Houston, USA

Mr. Wilbur O. Colom, Esq. President, International Housing Finance Corporation,
Columbus Mississippi, USA

Mr. Matthew Butler Vice President Shaw Environmental & Infrastructure Inc, USA

Mrs Carin Taylor, Senior Manager, CISCO Systems, USA

Ms. Maggi Kigozi, Uganda Investment Authority

Ms. Rosalind Kainyah, Director De Beers USA

Michael Landrau, MAP International

Mr. Jim Thaller, Talier Trading Group

Mr. Christian P. Frutiger, Public Affairs Manager, Nestlé S.A

Ms. Estelle Akofio-Sowah, Managing Director, Busy Internet, Accra, Ghana