



## Africa has far to go to diminish poverty. But as Nepad Business Eye argues, boosting private sector involvement is the way to do it

By Alhaji Dr Bamanga Tukur (pictured), Chairman of the Nepad Business Group and President of the African Business Roundtable

### Three's not a crowd

On current trends, Africa will not meet the United Nations Millennium Development Goals until 2147. Concerted effort from governments, donors and the private sector is required if we are to remedy this and halve poverty in Africa by 2015.

Nepad is the flagship programme of the African Union (AU) and wants to realise these changes. It engages development stakeholders in a way no other Africa initiative has ever been able to do. This unique asset is the key to African economic renaissance. Nepad must harness the expertise and entrepreneurial spirit of the business community to ensure its bold vision for a new Africa becomes a reality. In my capacity as Chairman of the Nepad Business Group, I will continue to marshal the private sector to support Nepad.

Africa needs to incorporate a tripartite structure into development programmes. Ensuring the co-operation of the public sector with development agencies as well as the private sector is vital. Nepad is striving to make this a reality.

### Unite to speed development

The World Bank says fewer than 10 per cent of urban and rural populations have access to electricity. It also estimates that sub-Saharan Africa requires in excess of \$26 billion in the period 2005-10 to maintain and expand its infrastructure to meet growing population demand.

Public-private partnerships often provide the best means for developing the basic infrastructure which creates wealth, jobs and prospects for a better future.

As Chairman of the Nepad Business Group and President of the African Business Roundtable (ABR), I spend a lot of time representing private sector views to governments and multilateral institutions.

Much of this time is spent advocating for the establishment of sensible business and regulatory environments. Too much red tape stifles business development and constrains economic growth, wealth creation and poverty reduction. My colleague Maria Livanos Cattai, Secretary-General of the ICC, the world business organisation, looks keenly at policy areas which promote a more hospitable business environment. At the ICC's 35th World Business Congress in Marrakech in June, Jean-René Fourtou, ICC Chairman said: "To reap all the benefits of globalisation, good governance is vital. Every country, from the rich to the least developed, is competing to attract international investment and to strengthen its private sector. For this, what matters above all is legislation regulating trade and investment which is effective, fair, competitive and respected. Certainly, other factors matter a great deal – security, human resources, infrastructure – but it is with governance and commercial law that we must start."

Nepad Business Group will support the ICC's next big gathering in Africa. The 4th World Chambers Congress will be staged in Durban, South Africa in 2005.

### An international voice

I am pleased to announce that Nepad Business Group now has a permanent presence on the internet. Our portal ([www.nepadbusinessgroup.net](http://www.nepadbusinessgroup.net)) provides resources to keep policy-makers and the private sector informed of economic and policy developments both inside and outside Africa. The Southern Africa chapter of the Nepad Business Group, chaired by my colleague Reuel Khoza, was well represented at the recent Africa Economic Summit in South Africa. An array of distinguished delegates, including Presidents Mbeki and Mwanawasa, met to consider how best to support organised business.

The Eastern Africa Private Sector Nepad conference will for the first time bring together key players from East Africa's private sector to discuss the Nepad agenda. Peter Ondeng, CEO of the newly-constituted Nepad Kenya Secretariat and I will address the conference together with Kenya's Minister for Planning and Economic Affairs,

Hon Anyang Nyong'o MP. The primary aim is to promote understanding and participation from the Eastern region private sector in the Nepad process.

### From talk to action

While the Nepad programme warmly embraces public-private partnerships, regrettably, in many African countries, the debate about Private Sector Participation (PSP) in Africa's infrastructure is still immature. Several countries' governments pay only lip-service to the importance of a thriving indigenous private sector. African governments must begin to match their pronouncements with policy implementation.

In the international context, I welcome Prime Minister Blair's initiative to establish a Commission charged with making positive recommendations for fast-tracking Africa's development and our integration into the global economy. My own recommendation to the Commission's secretariat is to consult closely with small and medium size enterprises in Africa. These businesses hold the key to wealth creation. Unshackle them and Africa can then start in earnest to trade its way out of poverty.

No assessment would be complete without addressing ways to eliminate agricultural price distortions. The level of damage to African nations caused by agricultural price distortions is devastating. The US and EU provide more than \$300 billion a year to support their own farmers. As much as 31 cents in each dollar received by the average farmer in the EU and US comes from government (OECD estimate). African farmers cannot compete on these terms. The World Bank estimates that phasing out agricultural subsidies worldwide would lead to increases in annual income in developing countries of \$150-\$200 billion, and would immediately lift more than 144 million people out of poverty.

Prime Minister Blair now has a unique opportunity to use Britain's twin presidencies of the G8 and European Union next year to galvanise the support of the world's most industrialised nations and establish a new international development paradigm. While there has been cynicism in some quarters, most notably because of the absence of Commissioners from the African Union and Nepad, the initiative is by and large warmly welcomed. But it must produce more than just another report on Africa with yet more targets, plans or strategies that fail to deliver.

## Nepad Business Group

The Nepad Business Group is a coalition of international business organisations committed to helping Africa realise its full economic potential. The group acts as a medium between Nepad and private companies who support its aims. It shares information on trade and investment opportunities in Africa and encourages private sector involvement in sustainable-development projects.

The group includes: African Business Round Table (ABR); International Chamber of Commerce (ICC); Commonwealth Business Council (CBC); Forum Francophone des Affaires; Business Humanitarian Forum (BHF); Conseil Français des Investisseurs en Afrique (CIAN); Corporate Council on Africa (CCA); International Business Leaders Forum (IBLF); Business Council Europe Africa Mediterranean (BCEAM); Pan-African Employers Federation (PEC); Canadian Council on Africa.