



## **AFRICA BUSINESS FORUM 2007**

**The G8, Africa and Business:  
Partnerships for Jobs,  
Growth and Sustainable Development**

**1 Whitehall Place,  
London**

**5th June 2007**

**Concluding Statement  
Delivered on behalf of BAA and CBC**

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and  
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Ministers, Members of the Diplomatic Corps, Distinguished Delegates:

Some 250 representatives of business and government have attended the Forum – a demonstration of the strong interest in business' role in contributing to Africa's development. We are grateful for the message of welcome to participants sent by Prime Minister, Tony Blair, and his interest in receiving our report. We were privileged to be addressed by their Excellencies Levy Mwanawasa, President of the Republic of Zambia, and Yoweri Museveni, President of the Republic of Uganda; and to receive a statement on behalf of the Arab Republic of Egypt and from HE Ephraim Inoni, Prime Minister of the Republic of Cameroon. Ministers from Namibia, Uganda and the U.K. have addressed us as well as over 20 business leaders from Africa and Europe.

Our purpose in convening this Forum was to review the progress made in addressing the agenda for reform set out by the Commission for Africa and taken forward by the Gleneagles Summit; to review what business' contribution has been over the period; and to set out a framework for continuing business partnerships with governments and other societal actors on economic reform. Our fundamental belief is that **Africa's poverty and its relative marginalisation within the global economy can only be effectively redressed through measures which stimulate enterprise, trade and investment** (including investment from the diaspora). The fundamental theme of this event has been the central importance of partnership.

We welcome the fact that the German G8 Presidency has put Africa at the top of their agenda. There is **growing optimism in business about the prospects for the majority of African countries**, provided the policy framework of democratic governance and market-based economic policies is further entrenched. Positive growth figures – including recent estimates of 5.9 per cent for 2007 – reflect in large part increased stability and significant improvements in governance, investment climates and economic policies amongst the leading African countries.

For our part, we are active, individually and collectively, in initiatives to support growth and poverty reduction in Africa, building on our primary contribution which is to run successful and responsible businesses.

While we welcome the aid commitments that have been made by the G8, and are disappointed by the failure of some countries to meet them, **strategies for reducing poverty will fail unless there is a more concerted effort to facilitate private enterprise and trade**. Further actions to promote better investment climates, enterprise and employment should sit at the heart of any long-term strategy for a prosperous Africa. Within this framework we believe that there are four critical areas for the G8 to take action:

Firstly, on trade – the **G8 leaders must use their influence to secure an early and equitable conclusion to the Doha Round**. A failure to secure such a deal – in the face of a narrow set of vested interests – will be damaging for the global economy, for Africa and its people, and for business. Within Africa, and largely within the gift of its leaders, there is also scope for real progress in facilitating intra-African trade, and in building Africa's capacity to trade.

Secondly, we welcome the fact, that **climate change** has been put high on the G8 agenda. Due to the particular fragility of Africa's agriculture and environment, climate change carries many specific risks for the continent including from desertification, water shortages and increased risk of malaria. Funding is required for adaptation, for technology transfer and to enable Africa to take maximum advantage of the opportunities created by carbon trading and clean development mechanism projects under the Kyoto Protocol. G8 governments should also resist climate change arguments being used for protectionist purposes against African exports.

Thirdly, in regard to development assistance we believe that **aid strategies need to focus even more strongly on long term growth** objectives including capacity building, health and education and particularly aid for trade and infrastructure development. We join NGOs in urging G8 countries to end their backsliding on the Gleneagles commitments, and fulfil them in short order. In addition we are concerned that aid should not crowd out the private sector by inflating interest and exchange rates affecting sustainability of markets, or by displacing potential productive investments by the private sector; and

Fourthly, we **welcome support for G8 efforts to improve the investment climate** in Africa especially through the Investment Climate Facility and the Africa Enterprise Challenge Fund. It is encouraging that in 2006 two of the top ten ranked countries making investment climate reforms were African. Small and medium sized businesses in Africa typically need to see administrative, regulatory and legal reforms around business registration; moves to reduce discretionary application of laws, which can generate rent-seeking opportunities; the streamlining of judicial processes and the strengthening of property rights, which often lie at the heart of obtaining access to capital.

Turning to business own activities, in the two years since Gleneagles, **we have significantly intensified our involvement in partnerships with African governments to assist economic reform and modernisation**. This role, which is distinct from our normal corporate social responsibility activities, represents a new dimension in Africa. It provides business experience and capacity-building in collaboration with African governments. Examples of this include the Investment Climate Facility, the Extractive Industries Transparency Initiative; the work of Business Action Against Corruption; of Business Action for Improving Customs Administration in Africa (BAFICAA) which aims to facilitate intra-African trade; the funds set up by the Shell Foundation; and of the Global Fund and the Global Business Coalition on HIV/AIDS. We also welcome the agreement between the UN Office on Partnerships and CBC to work together on public-private cooperation, including examining proposals to develop potential new data bases for economic and business information on African economies, such as Linking Africa.

We welcome too the World Business Council on Sustainable Development's initiative around improving the developmental impacts of foreign direct investment, the Four Pillars Network initiative on improving corporate governance, and the International Council on Mining and Metals' Resource Endowment Project on maximising the developmental opportunities offered by the mining and metals business. Business recognises its responsibilities in these issues and commit to build on these initiatives and redouble our efforts.

We recognise the significance of the currently buoyant natural resource revenues on in the improved growth performance of some African economies. The EITI is important to helping ensure that these revenues are used transparently and sustainably, and we hope to see accelerated implementation of it in more resource rich countries. We also recommend that similar arrangements be extended to other relevant sectors.

] We invite G8 countries and African governments, in advance of the next G8 Summit, to enter into a more structured and intensive dialogue with business. **We propose that a joint private-public working group on development** be formed to review how to scale up the business and public-private initiatives already referred to, and suggest how aid can become a better catalyst for long term growth. The brief of this group should be to make recommendations - based on case studies – on how aid programmes and business investments can be targeted to expand productive capacity, sustainable growth, and jobs. It should recommend how business experience and capacity can be better mainstreamed into development approaches. The group would examine how to use the knowledge and skills of the private sector better in planning development assistance; and enable business to seek advice from aid agencies on its capacity-building and development work.

In conclusion, I should like on behalf BAA to thank CBC for organising the event, and on our joint behalf thank the speakers, you the participants, and the Forum sponsors: Shell, Anglo American, the De Beers Group, the Department for International Development (DFID), and the Shell Foundation for their support. I hope that as many of you as possible will join BAA and participate in our programme of work.

Thank you, and for those of you visiting from abroad, we wish you a safe journey home

London  
5<sup>th</sup> June 2007