



## Statement of the EU-Africa Business Forum on the occasion of the Second EU-Africa Summit

On the occasion of the second EU-Africa Summit of Heads of State and Government and in view of the EU-Africa Business Summit, organised by the Portuguese Industrial Association-Business Confederation (AIP-CE) and the Confederation of Portuguese Industry (CIP) in association with BUSINESSEUROPE and the Pan-African Employers Confederation, the EU-Africa Business Forum has prepared a statement containing specific recommendations building on the EU-Africa Forum meeting of 23 June 2007 in Accra, Ghana.

The EU-Africa Business Forum brings together business federations, chambers of commerce and major companies from the EU and Africa to meet annually to discuss issues of relevance for the private sector on both continents with the objective of promoting private sector development and closer contacts between EU and African business leaders. The EU-Africa Business Forum was invited by the Associations of Portuguese Industries to present these Accra recommendations in Lisbon to strengthen the voice of business at the EU-Africa Political Summit.

The participants of the business summit also acknowledged the intention of AIP-CE and CIP to create an association for business cooperation between the EU and the Portuguese speaking African Countries (PALOP) – open to participation from all national federations of those countries. The participants will follow, with interest, the results of this project.

### Statement

Achieving the UN Millennium Development Goals and a gradual integration of African economies into the global economy are the enormous challenges which African countries cannot meet alone. The Second EU-Africa Summit and the Joint Africa-EU Strategy are essential steps towards establishing a partnership of equals not only between African and European governments but also between state and non-state actors, to be able to face these challenges together.

We, the companies and associations of the EU-Africa Business Forum, representing the private sector on both continents,

1. Emphasise the importance of an enhanced and diversified private sector for a sustainable development and the alleviation of poverty on the African continent and reaffirm our determination to further contribute to the development of Africa's private sector.

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2. Are pleased that “trade and regional integration” is one of the four policy priorities defined in the Joint EU-Africa Strategy.
3. Support the people-centred approach of the new Joint Strategy which will facilitate people-to-people contacts between the two continents at all levels and in all areas and thus a focused exchange of ideas and knowledge.
4. Welcome the recent launch of the “EU-Africa Partnership for Infrastructure” which reflects the urgent need for the improvement of all types of infrastructure connections (transport, energy, water and ICT) to facilitate sustainable development.
5. Support the recently launched EU-Africa Partnership on Science, Information Society and Space.
6. Welcome the fact that the Joint Africa-EU Strategy is accompanied by an Action Plan illustrating how to implement the commitments made in the strategy. As the private sector is explicitly mentioned as a partner for the Africa-EU Partnerships of the Action Plan we will take on the responsibility and regularly monitor the implementation of the actions described in the Action Plan and provide advice on how to improve the Action Plan.
7. Reiterate our commitment to take forward the EU-Africa Business Forum as one example for a successful joint initiative that addresses specific problems of one group of society, in this case the private sector. The Forum offers an excellent environment to discuss the private sector view on business related topics raised in the Action Plan, especially trade, interconnectivity and private sector development.
8. Call upon the governments on both continents to deepen the involvement of civil society and non state actors in their policy making processes. Apart from the topics mentioned above, private sector representatives can deliver valuable input for subjects like sustainable agriculture, energy, governance and employment.

Proceeding from the recommendations jointly developed during the last EU-Africa Business Forum we recommend the following measures to promote trade, interconnectivity and entrepreneurship and thus to contribute to the aims set out in the trade chapter of the Joint Africa-EU Strategy:

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## Trade

- Join African and European forces in the current round of multilateral trade negotiations to conclude an ambitious Doha Development Agenda that will comprise the following elements in addition to the existing texts:
  - On agriculture, a clarification on the reduction and/ or elimination of subsidies and substantial tariff reductions.
  - On industrial goods, a real market opening in developed and emerging countries for companies while providing adequate flexibilities for small and vulnerable economies and least developed countries (LDCs) to stage tariff reductions in line with development strategies.
  
- Commit necessary resources and efforts to conclude the EPA negotiations as soon as possible to avoid tariff uncertainty and any loss of preferences, bearing in mind that:
  - A balanced outcome needs to cover tariffs, where we expect the EU to liberalise tariffs more rapidly than its EPA partners, non-tariff barriers (including technical regulations and standards) and trade facilitation based on binding commitments to reduce delays and hence costs. In addition, we underscore the importance of services and investment liberalisation as a tool to encourage investment in the development of more efficient services provision in the EPA regions.
  - Effective aid-for-trade is an essential component of the EPA negotiations to ensure that EPA partners can invest in improved procedures and equipment to take advantage of new business opportunities arising from the EPAs. To make the €1 billion granted by the EU effective, we call on the EU and EPA partners to keep the private sector closely involved in the programmes and where possible to include public-private-partnership opportunities.

## Interconnectivity – Infrastructure

The Africa-EU Strategic Partnership has identified the development of domestic markets and regional integration as a strategic priority which shall be implemented through an Africa-EU Partnership on Trade and Regional Integration. In this context, the First Action Plan (2008-2010) calls for the implementation of the “EU-Africa Infrastructure Partnership” as a priority to provide improved and sustained African infrastructure and services. The private sector considers itself as a vital partner in achieving this goal and we would suggest the following concrete actions:

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- Prioritise infrastructure projects according to their impact on regional integration and development potential for the entire continent ("Trans-African Networks").
- Ensure that foreign contractors use local man power and local private sector in the whole project cycle and ensure project sustainability over the project's life-cycle. Progress could be achieved by
  - Facilitating access to credit facilities for African contractors which would allow them to develop their operation skills;
  - Integrating the operation and maintenance phase into the project (Design-Build-Operate type of contracts) to fight against an early depreciation of the investment done;
  - Fostering joint ventures between European and African infrastructure providers with real and concrete technological transfer;
  - Establishing coherence between global development policy objectives, such as ownership, accountability and environmental, social and ethical standards and the donor-financed procurement process;
  - Implementing an in-depth dialogue between the Forum and the European Commission on procurement policy for infrastructure works.
- Define appropriate financing arrangements depending on the project's commercial viability and its potential to attract private finance. To attract foreign direct investment in connection with Private Public Partnerships (PPPs), African states have to assure adequate legislation for PPPs.

## Interconnectivity – ICT

- Raise awareness among EU and African policy makers that technology development and diffusion is a key tool to ensure economic convergence. The understanding of the profound effect the integration of ICT has on growth, competitiveness and jobs can best be transferred through public private programmes.
- Build institutional ICT capacity with a focus on SMEs through public private partnerships to ensure institutions and policies that facilitate investment, innovation and technology transfer. To measure progress, deploy Africa-wide ICT diffusion indicators.
- To promote ICT infrastructure and development public private partnerships particularly in the areas of connectivity, local content and connected schools.

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## Private Sector Development – Entrepreneurship

- Devise and publish 5 year national programmes of support for clusters in each African state/ region. These programmes should be based on a template developed by the African Union which can be customised as appropriate by the states in cooperation with private sector representatives.
- Develop long term programmes supporting entrepreneurship into educational curricula, covering all levels from primary school to higher education to foster entrepreneurial spirit and knowledge. Private sector representatives should be involved into both the concept and roll-out phases of these programmes.
- Create a network of one-stop-shops that help company start-ups and a concrete timetable for the implementation of State programmes enhancing this.
- Design capacity building programmes for the private sector to enable it to actively participate in the necessary reforms. The access of private sector actors to donor funding for capacity building initiatives has to be improved.

## Resource Development: energy, raw materials, climate change and agricultural growth

In addition to the discussions on trade, private sector development, infrastructure and ICT discussed in Accra, the private sector can contribute to other issues tackled in the Joint Action Plan. The subjects of resource development and agricultural growth could be a subject for regular monitoring. Future discussions and activities could be based on the following suggestions:

- Conclude and implement an effective EU-Africa Energy partnership to improve access to sustainable energy sources for both continents. The partnership should include security of supply, technology transfer in renewable energy, sustainable extraction of resources, transparency of energy markets and good governance. Similar approaches should be taken in relations to the broader spectrum of raw materials.
- Support the EU-Africa climate initiative to help African countries deal with the harmful effects of climate change on their environment and economies.
- Support a post-2012 international climate regime that improves the Clean Development mechanism and establishes sectoral industry approaches to greenhouse gas reduction.

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