

Joining business and Africa's development

African private sector urged to invest in NEPAD priorities

To realize the ambitious goals of the New Partnership for Africa's Development, governments must forge solid partnerships with African businesspeople, says the president of the African Union, Mr. Alpha Oumar Konaré. "We strongly believe in the African private sector," the former president of Mali told a conference on business support for NEPAD held in Johannesburg, South Africa, in December 2003. "Without its help, we cannot achieve great things."

African business leaders have often argued the same thing. "Harnessing the

sized that public-private partnerships between governments and businesses can have practical benefits for everyone. With limited foreign aid and other sources of public financing for infrastructure investments, he said, "public-private partnerships provide the only means for building the roads, the power and the water supplies that not only improve living standards but also provide the basic infrastructure for profitable business that creates wealth, jobs and hope for a better future."

More business engagement can also help prepare African countries to take better

— the document approved by African leaders in 2001 mentions the private sector more than 20 times. However, notes Mr. Peter Ondeng, managing director of the Kenya NEPAD Business Group, the plan was initially developed "without the necessary consultations that would have enabled a broader ownership of the vision."

As a result, many entrepreneurs still do not understand how they can become involved. "Even a cursory survey of the level of knowledge and information about NEPAD among the business community shows that it is very low," observes Mr. Steve Godfrey, director of the Commonwealth Business Council, which represents more than 4,000 businesses, more than half of them African or operating in Africa.

In 2004, PricewaterhouseCoopers, an international investment-services company, interviewed nearly 250 business heads in Kenya, Tanzania and Uganda. It found that only 38 per cent of the chief executives believed that NEPAD will succeed and that 32 per cent thought it is unlikely to succeed (the remainder were undecided). Most thought the biggest obstacles facing NEPAD were poor and corrupt political leadership, war and trade barriers. "The private sector," commented the survey, "recognizes the potential benefits of NEPAD. However, NEPAD must make a greater effort to build awareness of its goal."

A start is already being made. The African Business Roundtable, which was established more than a decade ago as a forum for dialogue between private businesses and national and international financial institutions, in 2002 set up the NEPAD Business Group (NBG), a coalition of international business organizations and groups of African businesses. The ABR has named a liaison person to work directly with the NEPAD Secretariat in South Africa. Both the ABR and the NBG have been organizing numerous conferences and forums across Africa to

Businessmen in Mozambique: African entrepreneurs welcome NEPAD's promotion of the private sector.



Africa Photos / Eric Miller

expertise and entrepreneurial spirit of the business community is crucial for mobilizing the capital, technology and human skills we need to ensure that NEPAD's bold vision for a new Africa becomes a reality," said Mr. Alhaji Bamanga Tukur, head of a Nigerian shipping company and executive president of the African Business Roundtable (ABR), at a conference in Tunisia on 25 June 2004.

Speaking just a few days later at the first African Union private sector forum in Addis Ababa, Ethiopia, Mr. Tukur empha-

advantage of opportunities in the global marketplace, says the UN's Special Adviser on Africa, Under-Secretary-General Ibrahim Gambari. "A true and growing private sector would enhance competitive forces and promote competitiveness," he told the Johannesburg conference.

From ignorance to opportunity

Like other sectors of the African public, business leaders have had mixed reactions to NEPAD. They have been encouraged by the plan's emphasis on private investment

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publicize NEPAD and highlight the potential avenues for private investment in sectors that are high NEPAD priorities.

Long-term perspective

These meetings also provide opportunities for African business leaders to air their complaints and urge governments to adopt policies to encourage the private sector. At the Johannesburg event, for example, speakers pointed to problems of red tape, corruption and inequitable practices in world trade.

Some African governments are still uncertain about working with the private sector, Mr. Tukur noted in Tunisia, and "only pay lip service to the important role that a thriving indigenous private sector plays." He urged them to adopt policies that match their pronouncements. Similarly, Mr. Samuel Dossou-Aworet, president of Petrolin, an African oil company, insists that governments give more

responsibility to African businesspeople, "who, by their active engagement, deserve to be partners of choice of the African Union and NEPAD."

At some meetings, participants have also pointed to the shortcomings and weaknesses of the African private sector, including limited capital, diverse interests and weak management capacity. Others, noting that NEPAD's basic focus is on long-term development, advised their colleagues to look beyond the possibility of quick profits.

Ms. Joan Guriras, director of a Namibian advertising company, told other executives at the Johannesburg conference that they should think not just about their shareholders' returns, but also about how they can plough back more into Africa's development. "We need a greater relationship and partnership in assisting governments to achieve some of their objectives," she said. "Businesspeople need to think of development as more of a long-term plan than they do." ■