

# AFRICAN UNION BUSINESS SUMMIT RESOLUTION

**Durban, 3 July 2002**

This summit of African entrepreneurs and business people, cognizant of the fact that the continent is on the threshold of a new and exciting future; and aware that this future requires the full and committed participation of all Africans, on the continent and diaspora; do hereby pledge our full support and commitment to make the African dream a reality.

We also complement the continent's political leadership in making the unfolding of this dream a reality by entering into a partnership with the nations of the developed world and pledge our loyalty to our continent and all efforts to make Africa a better place.

We are aware that the leadership of the continent is putting into place political and economic governance structures and processes that will take Africa away from the past. We hereby present the following key business, economical and empowerment issues to the first AU Summit for urgent consideration. The list is by no means exhaustive and more issues may be added in the course of implementation of Africa's programmes of renewal:

The critical wealth creation objectives of NEPAD should be driven through the Public Private Partnership with African Business playing a leading role.

An African Union Business Council should be formed, taking into account existing institutions and structures, whose function it shall be:

- to articulate African business aspirations and issues,
- to liaise with the AU in creating an enabling environment for African Business, and
- to participate fully in the implementation of NEPAD and other continental economic development programmes.

An AU development information service containing information on African countries should be established, or if one exists, should be improved.

Trade and investment facilitation by governments and the AU should be done in close collaboration with the business community and investors, potential and existing.

Current economic and demographic market information should be made easily accessible for potential and existing investors.

Promoting and enabling inter and intra African trade will require urgent attention by the AU as well as Governments to the high relative financial costs of transportation in the region, tariff and non-tariff barriers, capacity gaps and poor access to finance.

Registers of competencies at national, regional and continental levels should be created to facilitate the broad-based development of an African resource base, towards attracting direct foreign investment and promoting trade.

AU and governments should devise programmes by which African businesses are informed in simple and understandable terms of the implication of regional and global trade agreements. There should be a focus on ways and means to capitalize on international/preferential market opportunities and special facilities.

The AU should establish a mechanism through which donor aid packages are designed and evaluated to minimize and eliminate the associated crowding out effects on local business. This summit calls on the AU and African governments to require donors to ensure that at least 25% of donor funds be spent on local goods and services and at least an additional 25% on regional goods and services. Local and regional business participation has been ignored in the past, yet this is critical to ensure maximum and balanced effectiveness of international donor assistance.

This summit calls for the establishment of a NEPAD Investment and Empowerment Fund to demonstrate commitment to the development objectives of the AU. Key sources of financing for this fund should at least include privatization proceeds, African and international savings.

Governments and financial institutions should undertake creative measures to substantially expand access by African entrepreneurs, especially SMMEs, to affordable capital. A study should be commissioned to survey and identify best practices toward this end.

The AU should establish an African Trade Regime which recognizes existing bilateral agreements between African countries and some Western Countries and create a legal framework that actively promote economic activity within Africa within the framework of trade agreements such as the EU and WTO.

Governments should create a Quality Assurance Framework for use through out the continent. Furthermore more funds should be available for research and development within the continent.

In prioritizing the solutions to Africa's problem, Government should ensure that education and skills development is given the utmost priority in accordance with real need.

The AU should in its implementation of NEPAD co-opt business institutions and support the establishment of an African Business Research Institute/Network.

This summit challenges the AU to undertake to submit itself to a transparent and systematic public performance monitoring system.

The AU should facilitate the establishment of a Private Sector Infrastructure Forum, made up of African companies involved in the sector.

Governments in Africa should undertake initiatives to encourage and assure Africans who possess capital banked outside Africa to invest such capital in infrastructure and industrial development in Africa - by way of meaningful and credible guarantees.

Economic and corporate governance reforms should be accelerated to enable local business to attract capital. In this regard the AU must establish and follow-up the establishment and implementation of a continent wide anti-corruption campaign, including compliance measures and related code of conduct.