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CLUB DU SAHEL

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Private Sector Support Programme

STEERING COMMITTEE MEETING

Paris, 14th April 2000

Summary Record

Declassified

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The Steering Committee of the Private Sector Support Programme (PASP) handles the programme's financial and technical side while the Club du Sahel Secretariat handles administration and management. The Committee met in Paris on 14 April 2000 with Henri-Philippe CART as the chair.

Present at the meeting were: (1) The Swiss, Belgian and French development cooperation authorities, USAID, the World Bank and European Commission and (2) representatives of WAEN, EAEN and SAEN and the project leader at the Club du Sahel.

The following items were on the agenda:

1. Recapitulation of decisions taken at the last Steering Committee meeting

a) Agreement in principle to launch a third and last phase of PASP

In October 1999, the PASP Steering Committee – consisting of the development cooperation agencies that supported the launch of the project and also, for the first time, the Enterprise Networks the project supports in West, East and Southern Africa – met in Paris to reorient the project's activities according to the wishes of the three Networks, which are now interlinked.

A new FF 15 million three-year programme for 2000 to 2002 was planned, to support Network initiatives aimed at creating the conditions that would give the concept genuine financial and programme autonomy within three years. It was decided to put a three-year limit on the outside support provided through PASP, after which time the management and implementation procedures will be African and will be shifted to Africa.

The proposed budget will reduce year by year, while the Networks' own revenues will increase. Resources are being focused on the new regional Networks, while the allocation for the longer-established WAEN will decrease more rapidly. The budget breaks down as follows:

(million French francs)

	2000	2001	2002	<i>Cumul.</i>
1. PASP costs (personnel, operating costs)	1.2	1.2	1.2	3.6
2. WAEN work programme	1.3	0.9	0.7	2.9
3. EAEN work programme	1.4	1.0	0.8	3.2
4. SAEN work programme	1.8	1.4	1.1	4.3
5. Interlinking	0.3	0.3	0.4	1
Total	6	4.8	4.2	15

Most of the agencies agreed in principle to the project presented and its budget, but they thought that although this programme reflects an overall view of the Networks' wishes, it needed more detailed examination. The Committee asked for detailed action plans from the three Networks for the year 2000, showing (1) the agencies' respective contributions via PASP and the Networks' contributions, and (2) benchmarks for measuring results.

It was decided that once these plans were formulated, the Steering Committee would meet in the spring of 2000 to examine them and on that basis assess the agencies' commitments for the first year of this new phase of the programme.

b) Selection of a new PASP management team

The Steering Committee also wanted the PASP management structure to be reduced to two people at most: the programme head and one full-time administrative and financial assistant. A recruitment process was to be launched within the OECD and the agencies that finance the programme, and the Club du Sahel Secretariat was to set up a selection panel.

2. Network and PASP activities since the last Steering Committee meeting

While awaiting confirmation of the funding announced, the Networks and PASP had concentrated their activities since the last meeting on priority actions. Mainly,

- the three Networks worked out and formalised their detailed action plans for 2000. This joint work proved longer and more complicated than expected, owing to logistical constraints and changes in some Network Executive Committees and secretariats (which was the case in the SAEN).
- the Networks kept up the pace of activities already under way: organising their statutory meetings (EAEN in Kigali and Dar Es Salaam, SAEN in Swaziland and Madagascar, WAEN in Abidjan and Nigeria); continuing to build links between the three Networks; taking part in discussions and research on regional integration (e.g. WAEN's activities in the West Africa Forum and with ECOWAS on improving trade with Nigeria) and participating in OECD initiatives on the principles of good governance, untying aid etc.

Meanwhile the project leader recruitment panel met late January 2000; having examined the short-listed applications and interviewed the applicants, it appointed Patrick Sevaistre, who had been interim project leader since the departure of the PSSU head in June 1999. In accordance with the Committee's decisions, there is now a small team with precise responsibilities and clear objectives for launching the third and last phase of the project (2000-2002).

3. Presentation of the three Networks' action plans

The detailed action plans presented by WAEN, EAEN and SAEN show their respective financial contributions alongside the agency contributions channelled through PASP, and propose benchmarks for judging results. The plans differ from one regional Network to another, but all hinge on five common themes:

1. Ensure the long-term sustainability and visibility of the Networks and move towards financial autonomy while strengthening their representation and enabling structures;
2. Acquire the capacities needed to take charge of organisational tasks and provide useful, professionally-run services to members; strengthen the Networks' competencies for analysis and making proposals that will improve the business environment, especially regional integration;
3. Diversify revenues to become independent of external aid and improve business financing conditions in the three regions by reducing constraints on the use of financial instruments that are available or could be set up;
4. Develop trade and investment flows within and between the regions and with the outside world, and facilitate businesses' access to markets by establishing reliable information systems on market trends, obstacles to free trade and business opportunities both within the region and internationally;
5. Develop links between the Networks by developing compatible communication systems and identify issues of common interest on which experiences could be shared and a joint work programme could be gradually developed.

4. Comments and discussion

When the Networks had presented the activities they have begun this year, it was recognised that there had been a leap forward in that the Networks were increasingly taking over ownership and leadership and were moving towards autonomy. Discussion then turned to the question of benchmarks for measuring the usefulness and efficiency of the Networks' activities and the value added at both country and regional levels.

- USAID and the French cooperation authority thought impact should be measured in terms of quantified indicators and statistics (number of jobs created, increase in members' turnover, number of business opportunities etc.); for others (EC) the value-added of the Networks lies in expressing the viewpoint of the private sector and getting its analyses and proposals taken more into account when economic development policy is being formulated and implemented, especially by the regional integration organisations (COMESA, EAC, WAEMU, ECOWAS etc.); from this standpoint, the Networks' action plans were considered to fill the requirements perfectly.
- For the World Bank, the important point was to see that these plans reflect not what the donors want but the real situation in each Network's country, what comparative advantage the Networks have in the public sector-private sector dialogue, and what practical impact they have on government decisions regarding economic policy.

After the three Networks had spoken on this question, the Committee approved the action plans proposed and confirmed its agreement with the PASP work programme for 2000. The work programme involves supporting the Networks' implementation of their action plans and ensuring that these actions are translated into practical results with a measurable impact. In this connection it was decided that each Network should prepare a list of benchmarks for the next meeting: rather than statistics, these should give examples of meaningful results obtained from concrete actions included in the plans.

5. Other specific agency programmes or actions to assist the Networks

- *The European Commission* presented the new private sector support arrangements under the Lomé Convention (EBAS, DIAGNOS, etc.) and spotlighted the creation of the ACP Business Forum, a structure for dialogue between ACP private sector institutions. The Commission strongly encouraged the Networks to cooperate with this body, so that the ACP private sector can prepare joint positions and proposals for ACP-EU co-operation and find points of convergence with private sector organisations in the countries of the North that are trying to get their voices heard in the same context.
- *The World Bank* gave an exposé about a business Network that has just been set up in Europe, the Mediterranean Enterprise Business Network (MEBIN). It urged the Enterprise Networks to link up with the small business Networks the Bank is supporting in Europe; a permanent liaison will be established between the Head of MEBIN at the Bank's offices in Paris and the PASP Head.
- *USAID* pointed out that at the last meeting, a three-year financial contribution to the Networks under ATRIP had been envisaged (ATRIP, the African Trade and Investment Program, mainly develops business links between the United States and Africa). A substantial amount had been announced but not yet specified.

The USAID representative explained that the existence of this programme did not exclude the principle of a USAID contribution to PASP financing. USAID had contributed from the beginning until 1998, but at the present time would prefer to help the newer Networks, SAEN and EAEN,

through an American consultancy firm, MSI, with which USAID has a contract until the beginning of 2001. USAID explained this decision in terms of its concern to keep up the momentum of the new Networks despite the problems the programme had been going through since last June.

The two Networks' response to this viewpoint can be summarised as follows:

- EAEN first pointed out the circumstances in which USAID had suggested to the three Networks' representatives (when they were in Washington for a World Bank conference) that they work directly with them, going through MSI rather than PASP.

EAEN then took a clear position, explaining that it while it did want to work with USAID to develop a mechanism to help expand business between its members and US businesses, it did not want to do so under the conditions proposed (90% of USAID funds earmarked for the Networks being spent on outside technical assistance) and that it therefore rejected the USAID proposal.

- SAEN explained that for its part, it has accepted the proposal, considering that given the weakness of the Network and the changes in its Executive Committee and Secretariat etc., the most important thing was to maintain the ground support. It therefore thought temporary help from MSI would be a good idea, but asked the Americans not to duplicate the work of PASP in Paris.
- WAEN reiterated its keen interest in setting up a programme to develop business relations between its members and US firms and help WAEN's public relations in the USA. However, it expressed the same reservations as EAEN regarding resource allocation and stressed that consultancies should be recruited in a transparent way, by competitive bidding, on the basis of its own terms of reference. WAEN also stated it would prefer to develop a joint programme for all three Networks, since the problem of relations with the USA was the same for all of them.

6. The agencies' commitments

Belgium: Mr Frix confirmed the agreement in principle given at the first meeting in October: BEF 7 million for 2000 (reminder of the position stated in October 1999: commitment of BEF 7 million a year for the duration of the programme, to be confirmed yearly); the letter of confirmation should reach the OECD soon.

Switzerland: Mr Ramseyer committed CHF 300,000 a year for 2000; the money had already been paid to the OECD (reminder of the position stated in October 1999: commitment of CHF 300,000 a year for three years, to be confirmed yearly).

World Bank: Mr. Ba confirmed the World Bank's agreement to contribute US\$ 260,000 for fiscal year 1999, i.e. for the period 1 July 1999 to 30 June 2000 (the OECD has received the letter, dated 20 March 2000); arrangements are being made for tacit renewal for fiscal year 2000).

France: agreement for three years, but for a reduced sum: FF 300,000 in the first quarter of 2000 and FF 1.5 million at the end of the year for the rest of the programme.

European Union: will not contribute to PASP financing, but will continue direct support for the Networks' action plans in collaboration with PASP (the example cited was the WAEN/EU agreement for improving information systems, which PASP had greatly facilitated); NB. contacts with other agencies are under way within the same framework.

7. Memorandum of understanding between the Networks and PASP

In 1999 WAEN and PASP signed a memorandum of understanding to formalise working relations between the two. As this agreement is still in application to the satisfaction of both parties, the Committee decided to extend the agreement's field of application to SAEN and EAEN, though they would not have to sign separate memoranda. The agreement includes four important provisions which, under Steering Committee supervision, will henceforward govern working relations between the Networks and PASP:

1. The regional Networks' Executive Committees (EXCOs) are PASP's sole discussion partners; to strengthen their management structures, PASP will avoid dealing directly with the national Networks unless the relevant regional structure has given its agreement. PASP's actions are conducted under the regional Networks' action plans, which will have been worked out by common agreement with PASP then approved first by the Co-ordinators' General Assembly and then the Steering Committee. Should the need arise, it may be amended in the course of its life if both parties agree.
2. The funds PASP receives from the development agencies are paid on the basis of the Networks' annual action plans; they will be paid at the start of each year under the common work programme, which will receive a budget allocation to be validated by the Networks' Executive Committees and confirmed by the project Steering Committee.
3. The regional Networks and PASP undertake to exchange reports on a quarterly basis. These reports must include an assessment of activities under the common action programme and the information needed for a precise assessment of each structure's financial situation.
4. The regional Networks will bring the Support Unit into its co-ordinators' meetings, Annual General Meetings and any other meetings where their presence is deemed necessary. PASP will involve the Networks in meetings with the development co-operation agencies.

8. Next Steering Committee meeting and conclusion

The Committee Chairman, who announced that his current mandate will be his last, proposed that the next meeting of the Committee be held at the end of the year. It would examine the following points:

- A preliminary assessment of work done by the Networks under their action plans for 2000.
- Presentation of action plans for 2001 with outlook for 2002 and beyond (when the PASP will have ceased to be), given that this planning must remain flexible, merely providing a way to report on action taken, the important thing being to plan for action and have a clear view of the results.
- A new chairperson for the Steering Committee: steps are being taken in liaison with the new Dutch presidency of the Club du Sahel.

The date of 8 December 2000 was proposed if the Committee meeting is to be held in Paris; however, the three Networks suggested the meeting be held in Africa; in this case the best time would be between 15 and 30 November 2000.

Before closing the meeting, the Chairman concluded with two points, (1) reiterating the Committee's agreement to the action plans put forward, this agreement being the condition for confirmation of the financial commitments announced by the agencies at the October meeting, and (2) asking USAID to reconsider its position on PASP and rejoin the group of agencies supporting the project rather than playing it alone.

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PRIVE (PASP)
STEERING COMMITTEE OF THE PRIVATE SECTOR SUPPORT PROGRAM (PSSP)
Paris, 14 April 2000**

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