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Private Sector Support Programme

**SUMMARY RECORD
PSSP ACTIVITIES SINCE THE LAST PRIVATE SECTOR COMMITTEE MEETING**

May-September 2000

Declassified

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1. At its last meeting on 14 April 2000 in Paris, the PSSP Steering Committee approved the action plans put forward by the WAEN, EAEN and SAEN Networks for 2000, along with their respective proposals for financial contributions and results indicators.

2. On that basis, the Committee validated the content of the PSSP work programme and confirmed the agencies' financial commitments for implementing the programme. The programme consists of direct support for the Networks in implementing their action plans, while making sure these are translated into concrete results whose impact can be measured -- in particular, at the next Steering Committee meeting.

3. There are also other aspects to the PSSP work programme: actions to help promote the Networks outside the new generation of African entrepreneurs now organising in Africa, and others to facilitate the work they do to make regional and national authorities and development aid agencies listen to their views about current Club du Sahel work that concerns them very directly, such as aid reform and regional integration.

4. Since April, some of these actions have been completed and others are under way, although the Networks have not been able to execute their action plans as fast as they had intended. Special effort has been made to keep to the planned dates of 14, 15 and 16 October in Addis Ababa for the very first joint meeting of the three Networks, of which one purpose is the effective launch of their future pan-African umbrella organisation, the African Enterprise Network (AEN).

A. DIRECT SUPPORT FOR NETWORK WORK PROGRAMMES

1) *WAEN: organising new region-wide sectoral sub-networks*

5. In line with the Steering Committee's recommendations, WAEN has done a great deal of work to redirect its activities and concentrate on establishing new sectoral sub-networks of WAEN members operating in the same business sector, which would work to reinvigorate business relationships.

6. This new strategy was formally adopted at the WAEN General Assembly in Abuja, Nigeria, in early June. At that meeting the Network took the decision to launch, with the help of the PSSP, at least three new regional sub-networks by the end of the year.

7. One sub-network already exists: NETFORCE, whose members are in auditing and accountancy. Its activities are to be reinforced. NETFORCE is working on a new project to bring the French- and English-speaking accountancy professions together with a view to developing a pan-African accountancy profession in the future. Although this initiative is not in the WAEN's action plan for 2000, the WAEN Executive Committee and the PSSP have jointly decided to launch the first, research phase without further ado.

8. The other sub-networks currently being launched are:

- a. NET.TRANSLOG, set up in early 2000, which brings together entrepreneurs in regional road, air and maritime transport and logistics around a number of practical projects. These include setting up a regional training centre for the road transport trades, a round table of independent regional air freight operators, managing the Monitoring Unit on abnormal border practices, etc. To further these projects, preliminary contacts in Europe have been organised for Net.Translog leaders.

- b. LAWNET, whose purpose is to bring together solicitors, jurists and other people in the legal professions in both French- and English-speaking Africa.

9. Other initiatives are being studied, particularly a project for an industrial sub-network that could develop close synergy with the Regional Sub-contracting Exchange and the regional Confederation of Artisans, and a food industry sub-network that could work both upstream with bodies in direct touch with farming communities (farmers' organisations, micro-financing organisations etc.) and downstream, e.g. with the transport operators' and industrial sub-networks.

10. The sector sub-network moderators are gradually going to form a regional private sector Task Force. The purpose of this smaller group will be to hold regular meetings with the ECOWAS Executive Secretariat, to convey to that body the concrete experience of business operators in matters of regional integration. The group will also have the job of developing a West African private sector strategy for regional integration, so as to propose practical lobbying actions towards greater fluidity in trade within the ECOWAS zone, especially with Nigeria.

2) *EAEN: preparing for the Addis Ababa Conference and launching a pan-African finance sub-network*

11. Alongside preparations for the Millennium Conference, the EAEN organised a round table on venture capital with the Kenya Network. as well as members of the three regional Networks, the round table was attended by executive officers of the main public and private venture capital funds operating in Africa, and managers of African stock exchanges (e.g. Nairobi and Lagos) and micro-finance funds (the EU facility in Kenya).

12. The round table revealed that African SMEs in all three regions covered by the Networks share the same problems in obtaining financing. As a result, the meeting decided to set up the finance sub-network with members from the three Networks, with a view to improving financing conditions for private enterprise in Africa by reducing constraints on the application of existing or future financing arrangements.

13. To achieve this, the finance sub-network means first of all to examine the problem of business financing in general (financial instruments, guarantees etc.), then to lay the groundwork for consultations towards improving existing instruments and lastly to identify new financing methods, drawing on experience in other regions to develop new possibilities in practical ways.

3) *SAEN: Working out a medium- and long-term development strategy*

14. The regional SAEN conference held in July in Gaborone proved to be an important step in the life of the Network in that, after a particularly lively debate, members decided to (a) revise the decision making process and strengthen the Network's facilitation structures, and (b) redirect Network action in line with a medium- and long-term development plan focused on capacity building, "Cluster approach" business and access to financing. In particular, an investment fund is to be created, linked to and supported by the Network.

B. OTHER ACTIONS IN FAVOUR OF THE NETWORKS

1) *Co-operation between the Networks and the Club du Sahel Secretariat*

15. The Club du Sahel Secretariat launched a joint study with the specialist institute LARES in Cotonou. This very practical study will provide WAEN members with analyses and factual summaries directly related to their concerns and particularly focusing on economic relations between Nigeria and the other countries of the region. The purpose of this action is to help prepare and inform the work on regional integration in West Africa which the WAEN Task Force will be starting once the various sub-networks are formed and operational (follow-up to the General Assembly in Abuja).

16. WAEN is currently discussing the contribution the Network could make to initiatives to be taken now on the issue of "tied aid and the advantages for African business development of untying it". We are currently working on draft terms of reference for a study designed to answer the following questions:

- Real, known and measurable effects of tied aid, and supposed effects: in what ways does tied aid contribute to uncompetitiveness?
- Why does tied aid encumber the development of the African private sector?
- How to convince the supporters of tied aid of the advantages of untying it? Detailed, well-founded arguments in favour of untying aid, for use in the various lobbying channels: the press, feature articles, interviews etc.

2) *External contacts and communication drives*

- Contact mission to the Netherlands (17 and 18 April) in company with the Netherlands Administrator seconded to the Club du Sahel: presenting the Networks to Dutch development co-operation and business circles likely to be interested in the work the Networks are doing.
- Mission to Washington (18-20 July): continuation of working relations with USAID, which has confirmed its return to the donors' group directly financing the PSSP, and with the World Bank.
- Communication: articles about the Networks in French-language media (l'Express and Le Monde, with a special focus on the links we have helped to establish between the Networks and African students in the French grandes écoles) and in the English-language media (West Africa, USA Today, BBC). These contacts will be kept up, they are not just one-off promotion exercises. The aim is to gradually build up in the countries of the North a network of media people supportive of efforts to integrate Africa into the world economy.

C. OUTLOOK

- Participation in the Addis Ababa Millennium Conference (14-16 October 2000), follow-up of contacts and recommendations.

- Participation in the 4th Euro-African Convention to be held in Bordeaux on 24 and 25 October. The PSSP and the Networks have been involved in preparing for this event and this year two Network representatives have been invited to speak. Among those present will be African Presidents Wade and Konare, and representatives of the World Bank, IMF, EU, WTO, WAEMU, COMESA, other African IGOs, and European business circles.
- Launch of a detailed survey to update information on the precise needs and potential of the three Networks' member firms as regards business relations, in four or five priority countries in each region. This will be conducted in compliance with OECD rules and procedures, using African consultants. Aims: (1) facilitate setting up sub-networks to increase regional business activity and (2) make it easier for the Networks to set up appropriate mechanisms for generating sustainable funds to replace donors' contributions in the long term.