



***Mobilising Private Investment in Africa in Support of Development:
Laying the Foundations for Sustained Progress
Regional Roundtable***

Brazzaville, Congo
12-13 December 2006

Hosted by the Government of the Republic of Congo

**Jointly organised by the New Partnership for African Development (NEPAD)
and
the Investment Committee
of the Organisation for Economic Co-operation and Development (OECD)**

The Roundtable will take place at
Le Palais du Parlement
Brazzaville, Congo

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I. Background

There is no region in the world where private investment is needed more than in Africa. Domestic capital formation and international investment are drivers of development and crucial for sustaining higher living standards. There have been encouraging economic developments in many African economies since the beginning of the decade. Domestic investment has expanded robustly and high output growth maintained. In terms of international investment, inflows remain predominantly in the resources sector, concentrated in a small number of African countries and overall inflows still represent a small fraction of global international investment. In a nutshell, the challenges of achieving sustainable development in Africa and creating an enabling environment for investment in the continent's countries go hand in hand.

Learning from the experience of African countries where progress has been made in reforming the investment environment can serve as a basis for inspiring reform efforts in other African countries, thereby contributing to regional development goals. How to make the most of such peer learning methods within the context of the African Peer Review Mechanism (APRM) process is the main thrust of this Roundtable and is one of the central elements of the joint action plan by NEPAD and OECD for implementing the Africa Investment Initiative. (Information on the NEPAD-OECD Africa Investment Initiative is available from the partner institution websites at: <http://www.nepad.org> and <http://www.oecd.org/daf/investment/africa>.)

The NEPAD-OECD Roundtable in Brazzaville on 12-13 December, 2006 will address these issues, using the Policy Framework for Investment (PFI), a new tool to assist governments to mobilise private investment, and to the development of which African countries contributed. (The PFI is available at: www.oecd.org/daf/investment.) It will include an introductory session on the PFI, including a presentation on the role of official development assistance (ODA) in promoting private investment for development (see: www.oecd.org/dac/investment), and chapters 1 and 2 of the PFI will provide the basis for a stocktaking of regulatory environment obstacles to international investment in selected African countries. The third and fourth sessions will then explore how the PFI could be used to assist African countries to prepare an Action Plan within the APRM process in support of private sector development.

II. Expected outcomes

The expected outcomes of the Roundtable are i) identification of practical avenues on how the PFI can be used in self-evaluations and African peer dialogue to identify priority areas for policy reforms aimed at mobilising investment for sustainable development, ii) an exchange of African experiences on what constitutes good policies in the range of areas bearing on investment, and iii) developing a road-map for moving the Initiative forward in ways which support institutional capacity building in African countries to prepare and execute an investment policy reform Action Plan.

The Brazzaville roundtable also provides the forum in which to launch the strengthened NEPAD-OECD Africa Investment Initiative.

Agenda

Day 1	Tuesday, 12 December 2006
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- 09.00-09.30 Registration
- 09.30-10.00 Welcoming remarks by the joint organisers
- Prof Firmino Mucavele, Executive Head of NEPAD
 - Mr Kiyotaka Akasaka, Deputy Secretary General of the OECD
- 10.00-10.30 Keynote address from the host country
- Minister Pierre Moussa, Ministre d'État, du Plan, de l'Aménagement du Territoire, de l'Intégration Économique et du NEPAD, Republic of Congo
- 10.30-11.00 Welcome Cocktail / Press Conference

11.00–12.30	Session 1: What is the Policy Framework for Investment?
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The Policy Framework for Investment (PFI) is a tool designed to assist governments to mobilise private investment that supports steady economic growth and sustainable development. The work of a Task Force consisting of officials from all OECD and 26 non-OECD member governments, including six African countries, the PFI was welcomed at the OECD Ministerial Meeting in May 2006. The NEPAD-OECD Roundtable in Entebbe held in May last year provided an opportunity for consultation on the PFI in the African context and suggested adapting the PFI to support the development of NEPAD's own regional tools and using it as a reference point in self evaluations and peer dialogues of investment policy issues. The 2006 OECD Ministerial Meeting also welcomed "Promoting Private Investment for Development: The Role of ODA", which complements the PFI by providing policy guidance to donors.

The purpose of the first session is to brief African participants not familiar with the PFI on why and how it was developed, what it contains and how it can be used, including by donors, as a policy tool in the African context.

Chair: Mr Jean Delphin Mavinga-Bata, Directeur Général chargé de l'Intégration Économique, Ministère du Plan, de l'Aménagement du Territoire et de l'Intégration Économique et du NEPAD, Republic of Congo

- The PFI: the process, its context, content and uses (Mr Pierre Poret, Investment Division, OECD)
 - Promoting private investment for development: the role of ODA (Mr Michael Roeskau, Director, Development Co-operation Directorate, OECD)
 - Open discussion and summary by the Chair
- 12.30-14.00 Lunch.

14.00-16.00	Session 2: Assessing the African policy environments for investment: what the indicators say?
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Diagnostic studies on the regulatory environment and obstacles to mobilising investment in individual African countries are plentiful. How this information is presented and used in a regional context can provide new insights and serve as a powerful catalyst for reforms that promote regional integration. The NEPAD-OECD Africa Investment Initiative Roundtable in Entebbe in May 2005 took stock of the regulatory environment for international investment in a number of African countries and summarised the findings in a series of matrices.

The purpose of this session is to follow up and extend this benchmarking of policies for investment among a wider group of African countries. It also provides an opportunity for countries involved in the Entebbe event to monitor and compare progress made in improving their investment environments.

Co-Chairs: **Prof Firmino Mucavele**, Executive Head of NEPAD and **Mr Kiyotaka Akasaka**, Deputy Secretary General of the OECD

- What progress is being made in improving the investment environment in Africa? (Mr Nigel Twose, Senior Manager, Investment Climate Team for Africa, World Bank Group)
- UNIDO's regional programme for strengthening investment governance (Mr Mithat Kulur, Chief, Investment Promotion Unit, United Nations Industrial Development Organization)
- The challenges faced by businesses connected with changing the perceptions and realities of the investment environment in Africa. (Mr Célestin Tawamba, Vice President Central Africa, African Industrial Association)
- Investment environment in African economies : the role of human resource development (Mr Martin Lofete Nkake, Member of the Executive Board of the Trade Union Confederation of the Democratic Republic of Congo)
- Open discussion and summary by the co-Chairs

16.00–16.30 Tea and Coffee

16.30-18.00	Session 3: The PFI as an economic policy tool in the APRM process
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The African Peer Review Mechanism (APRM) is one of NEPAD's priorities and is an area where OECD peer review methods, based on solid analysis, dialogue and co-operation between decision makers, developed over many decades, can serve as a source of inspiration to advancing the APRM process on economic policy matters and complement the assistance provided by other international organisations backing the APRM process.

The purpose of this session is to raise understanding and awareness with the notion of peer review as a process that promotes convergence of approaches towards good policy practices, fosters dialogue and assists compliance with rules and commitments, and to develop a better idea of the ways in which, and how the OECD investment peer review experiences, are

relevant to NEPAD. It also provides an opportunity for African countries to discuss the early experiences with APRM and how OECD can support NEPAD efforts in this area.

Co-Chairs: **Ambassador Ibrahim Ali Hassan**, Personal representative of the Egyptian Head of states in NEPAD and **Mr Wim Du Plessis**, Chief Executive Officer, Foundation for the Development of Africa.

- The African Peer Review Mechanism: progress so far and lessons (Dr Bernard Kouassi, Executive Director, APRM secretariat and Mr Afeikhena Jerome, Coordinator for Economic Governance and Management, APRM secretariat)
- APRM and the role of tools such as the PFI (Mr Ross Herbert, South African Institute of International Affairs (SAIIA))
- Mobilising investment as a driver of regional integration in Central Africa (Mr Cyril Musila, Technical Coordinator, Initiative for Central Africa (INICA), UN Economic Commission for Africa, East Africa Office, Kigali)
- Open discussion
- Mr Abdoul Kane, Chief of the Integration Group of the UNECA Central Africa to report on the June Brazzaville forum on promoting investment in Central Africa.
- Making self evaluation work in the African context: moving beyond diagnostics (Mr Hugh Scott, Senior Investment Climate Advisor, Investment Climate Facility for Africa)
- Summary by the Co-Chairs

20.00-21.30 Dinner. Speaker: Mr Nobuyuki Watanabe, Principal Deputy Director, OECD Division, Ministry of Foreign Affairs, Japan

Day 2	Wednesday, 13 December 2006
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09.00-13.00	Session 4: How to build a road-map for investment policy reform: drawing lessons from a pilot country self-assessment
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Many countries have no difficulty in identifying where the problems in mobilising investment lie, but have less capacity in pinpointing the areas that require urgent action and working out solutions to remove the obstacles to investment. A peer review process can help in this respect, as it provides an opportunity to transfer knowledge and experience and contributes to institution building.

The purpose of this session is to illustrate and test how using the PFI as a self-diagnostic policy tool can assist countries to prepare for the APRM process. For instance, by more clearly identifying where the priorities for policy reform for investment lie. Two volunteer countries will be invited to undertake a self-evaluation of their investment environment using chapters 1 and 2 of the PFI. An expected outcome from the session is a broader awareness of the issues African countries preparing for APRM are likely to confront, and by sharing the

lessons learnt, improving the capacity to develop the tools, in particular adapting the PFI to NEPAD needs, in order to ensure the full benefits from a peer review process are reaped.

Co-Chairs: **Mr Jean Delphin Mavinga-Bata**, Directeur Général chargé de l'Intégration Économique, Ministère du Plan, de l'Aménagement du Territoire et de l'Intégration Économique et du NEPAD, Republic of Congo and **Mr David Batt**, Head of Support Unit for the Africa Partnership Forum (APF)

- Preliminary inventory of investment environment prepared by 2 volunteer pilot countries, representing countries which have completed, are in the process or will begin the process of APRM:
 - Mr Edward Kasumba, Responsible for Corporate Governance, Economic and Governance Thematic areas, APRM Rwanda.
 - Mr Chola Abel Mwitwa, Director, Zambia Investment Centre.
- Questions and comments from Mr Mbasi Nkouka, Director, Ministère de l'Économie, des Finances et du Budget, Republic of Congo
- An example of investment policy reform through private sector development and good economic and social governance (Mr Norbert Tricaud, International Development Officer, Avenir NEPAD International (ANI) and Mr Etanislav Ngodi, President of ANI Congo)
- UNECA's experience with the APRM process (Mr Kojo Busia, APRM Support Unit, UNECA)
- Egypt's recent experience with a pilot PFI-based self-evaluation (Ms Racha Khalil, Investment and Financial Services Specialist, Office of the Minister of Investment, Egypt)
- Open discussion
- Summary by the co-Chairs

11.30-12.00 Tea and Coffee

12.00-13.00	Session 5: Summary, next steps and closing remarks
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- Prof Firmino Mucavele, Executive Head, NEPAD Secretariat and Mr Kiyotaka Akasaka, Deputy Secretary General, OECD to synthesise the Roundtable discussion, draft conclusions and put forward options for the next stage of the NEPAD-OECD Africa Investment Initiative.
- Closing remarks by Mr Pierre Moussa, Minister for State, the Plan, the Regional Planning, Economic Integration and of NEPAD, Republic of Congo.

13.00-14.00 Lunch