

NEPAD-OECD AFRICA INVESTMENT INITIATIVE

FIFTH MINISTERIAL CONFERENCE

**Accelerating reform in Africa:
investment in infrastructure and
agriculture**

Dakar, Senegal
26-27 April 2011



Hosted by
the Government
of Senegal

Conference Declaration



CONCLUSIONS

The 5th Ministerial Conference of the NEPAD-OECD Africa Investment Initiative, held in Dakar on 26-27 April 2011 and opened by the President of the Republic of Senegal and the Prime Minister;

TAKING NOTE of the African Union, G20, UN and OECD calls for a new development paradigm recognizing the role that investment policy and private capital flows can play to stimulate growth and alleviate poverty;

ACKNOWLEDGING the progress achieved by African governments in reforming their economies and the need to sustain the continent's reform agenda;

CONVINCED that additional structural reforms targeting the improvement of the investment climate are essential to further enhance domestic and foreign investment, particularly in the infrastructure and agricultural sectors as well as in the green economy; and

UNDERLINING the importance of regional cooperation in the design, implementation and evaluation of public policies – particularly for infrastructure development;

1. Accelerating reform to spur investment

- Commends the major efforts being undertaken by African countries towards political and socio-economic reforms, and in particular, encourages further investment policy reform, in line with NEPAD's objective to promote private sector-led growth;
- Encourages all development partners to enhance their efforts aimed at catalysing private capital flows to Africa;
- Welcomes the steps taken by Zambia and Mozambique in using the Policy Framework for Investment (PFI) to improve their business climate within the framework of the NEPAD-OECD programme on "Unlocking Southern Africa's investment potential";
- Stresses the importance of transparent, predictable and periodically reviewed investment policies, laws, regulations and administrative practices affecting foreign and domestic investment;
- Emphasises the critical role of responsible business conduct to foster an enabling environment for economic development, and acknowledges the role that international instruments such as the Global Compact, the AU Convention on Preventing and Combatting Corruption and the OECD Guidelines for Multinational Enterprises play in this regard; and
- Welcomes the official launch of the AfDB/OECD Joint Initiative to Support Business Integrity and Anti-Bribery Efforts and underlines that regional and international cooperation is critical to the effective fight against corruption, which in turn is essential to level the playing field for domestic and international business in Africa.

2. Enhancing investment in Africa's infrastructure

- Welcomes the impetus given to regional infrastructure by the Programme for Infrastructure Development of Africa (PIDA) and the AU-NEPAD Presidential Infrastructure Champion Initiative, and calls on development partners including the G20 to take critical action in support of infrastructure development in Africa;

- Calls on the African Union, NEPAD, OECD, AfDB, the World Bank and other regional and international organisations to work with African governments on a demand driven basis to assess, diagnose and address institutional, regulatory, policy and public sector capacity bottlenecks that hamper infrastructure investment;
- Welcomes the NEPAD-OECD project on “Aid for Investment in Infrastructure,” and encourages development partners to increase aid effectiveness as a leverage for accelerating infrastructure investment, in particular by strengthening institutional capacity;
- Calls on the G20 to promote greater support for upstream project preparation in order to make projects bankable and encourages development partners to harmonise their support to project preparation and build a critical mass of expertise in Africa;
- Welcomes programmes aimed at building African governments’ capacity to design and implement PPPs, such as the joint NEPAD-OECD-AfDB Capacity Building Program (CBP), and urges international organisations to tailor their capacity building programmes to ensure sustained capacity development; and
- Encourages bilateral and multilateral agencies to join forces to expand the scope of risk mitigation instruments, particularly to better address the currency risk.

3. Increasing investment in Africa’s agriculture

- Calls on G8 countries to fulfil their l’Aquila commitments on food security and on African governments to sustain their efforts made under the Comprehensive Africa Agriculture Development Programme (CAADP), and urges them to: (i) implement their Regional Investment Programs for Agriculture (RIPA); and (ii) meet their commitment to increase the share of national public expenditure for the agricultural sector to 10 %;
- Welcomes programmes aimed at modernising Africa’s agriculture, such as the AU-NEPAD post-harvest and rural futures programmes and the Alliance for a Green Revolution in Africa;
- Encourages African governments to take coordinated measures – in major policy areas such as investment, taxation, human resources and financial markets – aimed at enhancing the quantity and quality of both domestic and foreign agricultural investment;
- Welcomes the support provided by NEPAD and OECD instruments, such as the Policy Framework for Investment in Agriculture (PFIA), to improving countries’ policies for agricultural investment – notably in Burkina Faso – and encourages further similar support on a demand driven basis; and
- Stresses the importance to further promote principles for responsible investment in agriculture developed by the World Bank, FAO, UNCTAD and IFAD, and notes the role that the OECD Guidelines for Multinational Enterprises, ILO Tripartite Declaration on Principles Concerning Multilateral Enterprises and Social Policy and the UN Global Compact can play for their implementation.

4. Mobilising green investment for growth and employment

- Calls on development partners to support African Governments in providing incentives for green investment in low carbon and energy efficient technology, and sustainable agriculture, including through building their capacities to take advantage of the Clean Development Mechanism and UNEP’s green economy initiative;

- Encourages African countries to enhance their investment frameworks and put forward a pipeline of viable projects in order to take full advantage of the mechanisms under development to channel climate change finance to developing countries – such as the UNFCCC Green Climate Fund;
- Recommends to ensure that access to and utilisation of climate change financing is based on sound public finance principles and draws on the lessons from development cooperation in terms of targeting need and building ownership and capacity; and
- Encourages the regional and international organisations to monitor institutional investors' asset allocations towards green investments and promote suitable investment vehicles to facilitate these flows.

5. The Way Ahead

- Takes note of the key messages from the recently concluded 16th Africa Partnership Forum (APF), in Paris particularly regarding the necessity to promote labour intensive investments in Africa;
- Calls on the NEPAD and OECD to further support African governments in identifying and implementing additional reforms for growth and employment, particularly in the infrastructure and agriculture sectors;
- Encourages the constructive involvement of business and other civil society representatives in the design and implementation of sound public policies for private sector development and high standards of corporate responsibility;
- Welcomes the partnerships established by the NEPAD-OECD Africa Investment Initiative with UN-OSAA, the AfDB and UNEP, and supports the further development of an active partnership policy by the Initiative;
- Invites the NEPAD-OECD Africa Investment Initiative to explore the possibility of launching a pilot project, with the government of Senegal, and other West African countries, on evaluating and reinforcing the investment framework
- Asks the Co-chairs to convey these recommendations to the next Annual Meeting of the Infrastructure Consortium for Africa (ICA) and the G20 Development Working Group; and
- Agrees that the Conference will be convened again in 2012/2013 at Ministerial level to review progress achieved in implementing these priorities.