

## Joint EU-Africa Strategy

EUROCHAMBRES - the Association of European Chambers of Commerce and Industry - represents 46 members (45 national associations of Chambers of Commerce and Industry and 1 Transnational Chamber Organisation), a European network of 2000 regional and local Chambers with over 19 million member enterprises in Europe.

In response to the growing political and economic focus on the ACP countries, European Chambers of Commerce and Industry are increasingly interested in the region. On their request and in line with the 2007 Chambers' Manifesto, EUROCHAMBRES is starting to develop a more robust role in shaping business policy with ACP countries and seeks to contribute to the development of meaningful programmes of cooperation. Our particular concern is the involvement of non-state actors and especially the private sector into policy making. Therefore we are submitting the following contribution to four of the questions raised in your issue papers.

### What role can non-state actors play in the promotion of governance?

Good governance in both the private and public sector is to be seen as a mayor condition for enterprises to develop business in Africa. While public sector governance is mainly about laws, private sector governance is in each company's sole discretion.

Laws, regulations and enforcement mechanisms underlie economic performance; therefore non-state actors (NGOs as well as enterprises) should promote the organisation and strengthening of civil society and the public-private dialogue to achieve a deep-seated and systemic change to the institutions of African state societies (e.g. the judiciary).

On the private sector side the ideas of Corporate Social Responsibility and codes of conduct should be advanced. Nevertheless, Corporate Social Responsibility has to remain voluntary and business-driven. Awareness should be raised for European companies interested in relations with Africa, on the advantages of accepting at least some of the principles of Corporate Social Responsibility.

EUROCHAMBRES recommends the following:

- Consider co-operation between private sector and NGOs, so as to play a central role in shaping policy. A combined position of all non-state actors might better influence the negotiation process.
- Creation of "clusters" involving networks of SMEs from European and African countries as an effective way of strengthening the local private sector.
- Exchange of experience and good practices on CSR should be further encouraged. EUROCHAMBRES already contributes to this exchange through its CESAR programme which aims at helping Chambers of Commerce to become a "CSR relay point" for SMEs.

How can the EU support African initiatives and strengthen the capacity to export and make initiatives such as Aid for Trade, NEPAD and the rationalisation of RECs effective?

The key to strengthen the effectiveness of all engagement in Africa is to promote local ownership.

On the policy level this means that the mentioned initiatives have to be streamlined with the national Poverty Reduction Strategies. The EU should assist African countries in the process of institution building and policy formulation as well as in the monitoring and adaptation of the implementation of these policies. To endorse local ownership, the EU hereby should only play a consultative role and try to involve local non-state actors.

On the private sector and civil society level, promoting ownership would consist of empowerment of the population and capacity building for institutions, associations etc. Participation of civil society assures that policies correspond to the citizens' needs and actually contribute to poverty reduction. The empowerment and organisation of civil society and the private sector should therefore be promoted. Effective tools for this would be twinnings/ peer-to-peer relations between actors in Europe and Africa (associations, NGOs, private sector, etc.).

What best can AU and EU authorities do to promote sustainable investment in Africa?

- Negotiate EPAs that correspond to the region's standards/ stability/ development to provide a stable regulatory framework for business cooperation and to foster regional integration among African countries to increase regional trade
- Establish specific programmes for Good Governance and thus enhance overall investment stability. In detail this would comprise: supporting a police and judiciary system based on the principle of separation of powers; supporting pluralistic election commissions; reinforcing national parliaments; supporting an independent court of auditors, strengthening public finance management systems; and fighting corruption at all levels
- Support civil society to make sure that her needs are heard and considered
- Increase transparency of taxation/ customs laws and enforce their lawful application
- Reduce the costs, time and number of procedures required for setting up a business
- Apart from fostering regional integration through EPAs, engage in trade facilitation in the wider sense: improve transport infrastructure, reduce customs tariffs, eliminate inverted tariffs, remove non-tariff trade barriers, decrease trade delays at borders and support export marketing and promotion.
- Develop local capacities, notably through decentralisation, to facilitate investment in all regions
- Simplify access to finance: reform collateral and bankruptcy laws, provide micro credits with affordable credit terms for local entrepreneurs, increase transparency of conditions for credits, establish an institution that proves the credit-worthiness of debtors

- Assure investment protection: advance property rights and intellectual property rights, increase transparency of decision-making procedures of managers
- Look for ways to provide training and access to education to facilitate access to high skilled human capital
- Assure energy security and energy efficiency whilst already focussing on sustainability/ renewable energies
- Reward companies ready to share challenges, experiences and opportunities around more competitive and sustainable strategies and practices in Africa
- Engage the governmental institutions together with enterprises and stakeholders in new ways of thinking and partnering
- Secure support for Codes of Ethics in the private sector

How best can African and EU trade policies be organised and coordinated so as to effectively promote sustainable development and contribute to poverty eradication?

The private sector should play an active role in both the formulation and the implementation of trade policies to assure these policies correspond to the necessities of the targeted enterprises and individuals.

Several European Chambers are very experienced practitioners in African countries and have a long history of activity, i.e. capacity-building, SME internationalisation, market research visits, and trade missions to African markets. Establishing a network of reliable local partners for European Chambers seems, however, to be the real challenge. African business organisations remain very weak as they lack the necessary means (money, skilled manpower and expertise) to design/generate value-added services for their members and to foster international competitiveness.

European business organisations should therefore further be involved in technical assistance and co-operation with the ACP counterparts, with a particular focus on capacity-building and institutional strengthening.

The Commission already set up two regional partnership programmes, whose common objective is to promote investments, trade and technology flows in ACP and SADC States: ProInvest (managed by the Centre for the Development of Enterprise-CDE) and ESIPP (EU-SADC Investment Promotion Programme).

A number of European Chambers have experience of the ProInvest or ESIPP initiatives, but believe that the bureaucratic burden, fragmentation and inefficient management inhibit these programmes' worth. In any ACP/SADC cooperation programmes funded by the EC, the control mechanism must focus on real activities performed.