

## **Declaration of PACIP**

**We** representatives of employers' organisations affiliated to the Pan-African Employers' Confederation (PEC) and the International Organisation of Employers (IOE), meeting in Tunis, on 6 and 7 December 2005, at the Launch Conference for the Pan-African Convention on Investment and Partnerships, in the presence of representatives of the International Labour Office (ILO), the African Development Bank (ADB) and the United Nations Industrial Development Organization (UNIDO),

**Taking** into account the strategies adopted by the New Partnership for Africa's Development (NEPAD) and the commitments undertaken at the Extraordinary Summit of the Heads of State and Government of the African Union on Employment and Poverty Alleviation in Africa (Ouagadougou, 3 – 9 September 2004), which aim, in particular, to “develop integrated economic and social policies and effect reforms at national, regional and continental levels to address structural constraints to investment and entrepreneurship, promote private-public partnerships, encourage corporate social responsibility, and create an enabling environment for increased production and decent employment opportunities to achieve socio-economic development”.

**We** believe that enhancing opportunities to secure productive and decent work is the best way to eliminate poverty on a permanent basis within the context of fair globalization. In an era of tough competition, a strong private sector, which is the driving force for investment, growth and wealth creation is required.

**We** have, to this end focused on an analysis of the political, legal and economic barriers to investment and the international competition facing enterprises in Africa. We have agreed to conduct in depth research on these themes by exploring innovative approaches. Taking into account PEC study on investment in Africa and the need for enabling environment for enterprise creation and development, we focused on African's attractiveness and image, the development of productive capacities as promoted by NEPAD and UNIDO in collaboration with sub-regional economic communities, access to finance by enterprises, the issues of guarantees including mutual guarantee funds as well as the development of human resources. We are determined to work towards the emergence of high-performing enterprises that are able to seize the opportunities offered by globalization to encourage investment and create added value and jobs.

**We** have taken cognizance of the implementation of the African Productive Capacity Initiative (APCI) in which the role of the private sector and of employers is of the utmost importance in the implementation of both productive projects as well as public and private structures at both national, regional and continental levels. We will ensure employers participate fully in IRCPA's flexible facility in close collaboration with UNIDO and NEPAD in order to enable PACIP to contribute to the improvement of productive capacities in Africa at sectoral level, with a view to creating stable and decent jobs.

**We** note with keen interest the number and prominent role of small and medium-sized enterprises in the continent's economic fabric. We emphasize the importance of developing their economic interaction with large enterprises, including with multinational firms operating in Africa.

**We** also note the predominance of the informal economy and the poverty and precarious incomes and working conditions that it engenders. We would, however, like to highlight the spirit of creativity and enterprise that characterizes so many actors within the informal economy. Nevertheless, economic history does not provide any examples of countries that have developed and become modernized without productive investment and with an undue dependence on informal activities of a magnitude that is incompatible with the pursuit of a profitable enterprise activity. For this reason, we are working to promote and implement mechanisms and programs that, over time, help to integrate informal economy activities into the formal economy.

**We** are encouraged, at the beginning of the 21<sup>st</sup> century, by Africa's economic performance which has, on the whole, improved thanks to the macroeconomic stabilization policies and structural reform undertaken by numerous countries. Such progress is also the result of improved recognition of the role of the private sector in Africa and the support of the development partners.

**We** strongly believe that one pre-condition to the sustainability of this process lies in the continued consolidation and progress of the reforms achieved on human resources development policy that have been undertaken on the continent with a view to meeting both the enterprise strategic needs and the workers' aspirations.

**We** are convinced of the need to build strong partnerships between all the parties actively involved in the development of the private sector in Africa such as employers' organisations, enterprises, regional economic communities, regional and international economic and/or financial institutions, private sector foundations and think tanks, bilateral donors and government institutions.

**We** have therefore decided to create the Pan-African Convention on Investment and Partnerships – PACIP. As a program of PEC, PACIP takes the form of a network of heads of employers' organisations, enterprise directors and their institutional partners in development. As a platform for dialogue and exchange of ideas between enterprises investing in all sectors of activity, PACIP will work in close cooperation with all the parties actively involved in enterprise development. PACIP's aim is to help enterprises exchange ideas and seize the commercial and financial opportunities offered by the irreversible process of globalization and, to that end, to provide them with access to the information they need to strengthen their innovative and productive capacities.

**We** have agreed that PACIP activities will focus on four strategic areas: (i) thematic studies; (ii) the sharing and dissemination of knowledge and programs with partners (iii) the organization of a showcase event on the world of business thematic studies. (iv) public policy and advocacy. To this end, PACIP will comprise of five main bodies: a Strategic Council, a Scientific Council, a Coordinator, a Treasurer and National Focal Points. The Scientific Council will reflect a broad partnership. It was said that PEC Treasurer will also act as treasurer for the interim period. You may recall that there was some heated debate on this. National Focal Points will be identified later. The Coordinator will be PEC's Secretary General for an interim period until March 2006 when the PEC Executive Council will meet to discuss nominations. During this time, the PEC Secretary General may seek the assistance of other PEC Council members when the need arises. The Strategic Council will need more in depth discussion.. The draft document attached to this Declaration defines the project concept and its modalities.

**We** mandate PEC's Executive Council, in consultation with partners, to monitor the effective implementation of the PACIP draft document and, to this end, (i) to approve the terms of reference of the Coordinator, Treasurer and National Focal Points; (ii) to adopt the official PACIP statutes; (iii) to adopt the internal regulations of the Scientific and Strategic Councils ; and (iv) to confirm the activity and budget program for the 2006-2007 period.

**We** ask the Coordinator to take, in consultation with IOE, ADB, UNIDO, NEPAD and the ILO, the necessary steps to: (i) prepare the abovementioned draft documents for submission to PEC's Executive Council ; (ii) ensure an international communication strategy and a global policy for the affiliation of enterprises to PACIP; (iii) establish the envisaged partnerships with regional and international institutions; and (iv) launch preparations for the first showcase event planned for 2007.

**We** urge the private sector, particularly large African and foreign enterprises, to join and support PACIP in its mission to ensure the development and success of African enterprises of any size and origin, including in terms of their policies and activities promoting corporate social responsibility.

**We** express our wish to develop active and fruitful cooperation with all the government authorities concerned, as well as with the Commission of the African Union, NEPAD, regional economic commissions, development banks, regional and international institutions, development agencies and other institutions involved in promoting enterprise investment and development in Africa.

**We** salute the IOE for its participation in our work and its commitment now and in the future to making PACIP a vital tool for promoting enterprise and partnership between parties actively involved in enterprise development in Africa.

**We** are very grateful to the ILO, the ADB and UNIDO for the quality of their participation and their contribution to the success of PACIP Launch Conference. We count on their support and participation in the future activities.

**We** would like to express our profound gratitude to the host country and the Tunisian Government for their generous hospitality. We also thank the Tunisian Confederation of Industry, Trade and Handicrafts (UTICA) for its warm welcome and for the excellent organization of our work or conference.