



**Commonwealth Business Forum 2007
Kampala
20-22 November**

**The Commonwealth:
The Untapped Potential**

**Dr Mohan Kaul
Director General and CEO
Commonwealth Business Council (CBC)**

Communiqué and Report to Heads of Government (CHOGM)

I am delighted to have this opportunity to deliver the closing address to this Forum summarizing, on your behalf, the results for Heads of Government.

Ten years ago, Heads agreed the Edinburgh Commonwealth Economic Declaration, *Promoting Shared Prosperity*, and the first CBF took place in London attended by some 600 delegates. It is a mark of the vitality of the Commonwealth private sector and its relationship with governments that the 2007 Commonwealth Business Forum held in Uganda drew around 900 leaders from business and government, from forty countries. We were privileged to have extensive discussions with 6 Heads and many Ministers.

The goals of every society are peace, security and prosperity, and it is from the Commonwealth that some of the best lessons about how to achieve this are emerging. The recent scale of the sustained growth in Commonwealth trade and investment has surpassed expectation. The Commonwealth's shared common language and traditions of democracy are a massive competitive advantage in the world of globalization, in which English is the language of commerce and commerce the key to growth.

What are our key policy messages to CHOGM?

Inevitably, each Forum takes place against the backdrop of a new issue, an emerging challenge facing global society. Financial instability, international security, the impasse in trade talks have dominated recent CBC meetings. In Kampala, we discussed one issue which will be with us for very many years to come: climate change.

The Commonwealth should make the health of the planet a major priority. The overwhelming view of the private sector is that greater leadership is required from governments in

tackling climate change issue and agreeing the basic actions to tackle it. Global warming affects every country, society, and generation in different ways. Solutions are varied, complex and some are still elusive. But more urgency is required in tackling this issue, building common approaches with business, and recognizing the differences between rich and poor. New technologies and changes in attitude are fundamental to the strategy - but these will have to be accompanied by measures which ration carbon emissions, and increase their costs to business and consumers alike – especially those who can best afford it. The Commonwealth is already addressing the needs of smaller and vulnerable countries. We would like to see specific measures which accelerate the involvement of business in supporting these strategies, such as a Carbon Trust for the Commonwealth, and which share information and take practical action.

East Africa is on the move We have enjoyed great hospitality in Uganda, and across East Africa. We were delighted that Presidents Museveni and Kagame spent so much time with our meeting. In the region, years of rhetorical commitment to integration have now been matched by practical efforts to integrate the region into a single market of 120m people, with reduced costs of trade and investment. Stronger growth, progress in regional integration, and the prospect of Rwanda joining the Commonwealth create a very good platform for improving living standards. We are pleased that this week several hundred meetings have taken place between investors and companies, from which we confidently expect a boost to investment in the region in the next few years. We plan to strengthen CBC's cooperation with the East Africa Community and regional business leaders to follow up.

The Commonwealth can do more to promote growth and create jobs and development.

If there is one central message from the Kampala CBF for our sister organisations across the Commonwealth, it is that the association as a whole – its private sector, governments and civil society - is capable of doing more to help improve the lives of ordinary women and men. The private sector is ready to play its part in working to unlocking this potential. Much more can be done to build the linkages between the Commonwealth and business.

The Forum this week examined the implications of this.

Since the 2005 Malta CHOGM, CBC has implemented a number of practical initiatives that are leading to increased business and trade, and this week we have made a number of recommendations for consideration by Heads of Government:

1. Trade Reform Given the current challenges to sustainable economic growth and imbalances in the global economy, it is vital that efforts are revitalised to conclude the stalled Doha Development Round of WTO negotiations. The CBC supports the conclusion of the Doha Development Agenda with broad and ambitious results so that the balance of concessions will encourage economic growth and significant opportunities for business in all WTO member countries. We also need to assist developing countries in strengthening their capacity to trade and take advantage of opportunities that will otherwise be wasted.

2. Climate change: we propose the establishment of a Commonwealth Carbon Trust to provide information and assistance to Member Countries and their private sector on measures directed to combat climate change. Financial instruments can also be developed to respond to emerging requirements in this area.

3. Enhancing Intra-African Trade: In order to achieve sustainable growth and poverty reduction, African countries are seeking to increase their share of world trade. We recommend strengthening the border management process for cross border movement of goods.

4. Inclusive Banking: There is increasing recognition of the importance of expanding financial access through inclusive banking to reach lower income segments of the population that are unbanked. Micro-finance and micro-banking have therefore become more important dimensions of the financial sector, but need further support to expand. CBC has launched a pilot project in Uganda that will set up infrastructure for rural areas, focused on access to banking and reducing the cost of remittances. Heads of Government are requested to prioritise access to financial services for all segments of the population – especially women entrepreneurs who face additional obstacles - and establish an effective regulatory environment for the microfinance industry. CBC will be glad to develop an index on financial access to assist work in this area.

5. Strengthening Local Content for Economic Development: In order to help develop national capacity for local business to partner with multinationals to meet procurement needs, the CBC has reviewed international practice on “Local Content” policies and requirements. Governments should develop and implement a clear and comprehensive local content policy in consultation with stakeholders, with measures including identification of qualified smaller contractors, information databases on suppliers, and simple, transparent contract award processes.

6. Counterfeiting: The counterfeiting of medicines and other products is a global phenomenon that requires global solutions. Governments must work together to ensure that their national regulatory authorities implement proper licensing and control systems that legitimate supply chains are kept secure and that penalties and sanctions against counterfeiters are strengthened and enforced. The Forum urges Heads of Government to encourage participation in international multisectoral efforts and to declare their determination to work together to take appropriate measures to eradicate the production and distribution of counterfeit medicines and other products in the Commonwealth.

7. Liberalising Civil Aviation: Air services are increasingly important to help support economic growth and connect countries to markets. In order to respond to evolving needs, governments and the private sector need to address issues including safety and security, market liberalization and respect for the environment. A Commonwealth approach on these issues could help bring clarity and coherence since it is not always possible to achieve consensus in other multilateral fora. The CBC together with the Commonwealth Secretariat proposes an Aviation Summit to be held in Africa in early 2008 with a view to developing Commonwealth policies on these issues.

8. Private Public Partnerships (PPPs) Poor infrastructure increases the cost of doing business and inhibits trade development. To boost infrastructure development governments are looking to innovative partnerships with the private sector. It is clear that most governments have understood the need for effective legislation to enable PPPs and setting up regulatory structures. This is not the case with regard to the operational frameworks that define processes and project structures, where it seems that lack of PPP experience results in under-estimates of the complexity required to manage risk and raise the confidence level of the private sector. CBC is exploring with governments and the private sector ways to build capacity for key sectors. Heads of Government are requested to support fully developed national PPP frameworks in order to underpin enabling legislation and to support collaboration for capacity building in infrastructure development.

9. Governance. Sustainable growth requires a healthy private sector – one free from corruption and mismanagement, and is a part of improving overall business efficiency. The CBC Business Principles provide a good framework for companies, and need to be rolled out and made accessible, especially for the SME sector. Sustained efforts are required to improve governance, and the Forum commends to Heads *Business Action against Corruption (BAAC)* a joint public-private initiative to combat corruption which has been successfully launched in Africa.

On your behalf I would like to thank our more than 100 speakers, and once express sincere thanks to the Government of Uganda, the Uganda Investment Authority, and the Uganda Private Sector Foundation for their support in hosting the meeting. I should also like to express our appreciation to all the companies whose sponsorship made the Forum possible.

Kampala, Uganda

22 November 2007

CBC Board of Directors 2006 - 2008

Mr Rahul Bajaj
(Co-chair to 31.12.05)
Chairman
Bajaj Auto Ltd
India

Mr James Bolger, ONZ
Chair
New Zealand Post
New Zealand

Dr Pascal Dozie
Chief Executive Officer and Chairman
Diamond Bank Ltd
Nigeria

Mr Louis Farrugia
Chairman and Chief Executive
Simonds Farsons Cisk plc
Malta

HE Senator Sir Allan Fields, KCMG
Chairman
Barbados Shipping & Trading Co. Ltd
(BS&T)
Barbados

Dr Mohan Kaul
Director-General
Commonwealth Business Council
United Kingdom

Mr Jaques Lamarre (CBC Chair)

President and Chief Executive Officer
SNC-Lavalin Group Inc
Canada

Tan Sri Dato Sri Mohd Hassan Marican
President and CEO
Petronas (Petroliam Nasional Berhad)
Malaysia

Mr Regi Mengi
Executive Chairman
IPP Limited
Tanzania

Mr Lakshmi Mittal
Chairman and CEO
Mittal Steel Company Limited
United Kingdom

Mr Hugh Morgan, AC

Chief Executive Officer
First Charnock
Australia

Mr Timothy Ong Teck Mong
Co-Chair
Asia Inc
Brunei Darussalam

Mr Cyril Ramaphosa
Chairman
Shanduka Group (Pty) Ltd
South Africa

Mr Naseem Saigol
Chairman
Saigol Group of Companies
Pakistan

Mr Bryan Sanderson, CBE
Chairman
Northern Rock
United Kingdom

CBC Chairman Emeritus
The Rt Hon the Earl Cairns, CVO, CBE
Deputy Chairman, Celtel International, United Kingdom

FORUM SPONSORS

Principal Sponsors

Barclays, East African Breweries Ltd, Celtel

Forum Sponsors

Government of Uganda and Bank of Uganda, BAT Uganda, Coca Cola, East African Development Bank, MTN, Government of Rwanda, Quest Net International, Uganda Telecom

Forum Partners

Madhvani Group, Makerere University, SAB Miller, Standard Chartered, Sameer Group of Companies, Stanbic Bank, Tullow Oil plc, Government of Kenya, Government of Tanzania, Link U Wireless (U) Ltd/21st Century Technologies, Research in Motion

Forum Supporters

De La Rue, Picfare Industries, Shell, SNC Lavalin, Tororo Cement, Unilever, KPMG, Nation Group, PWC Uganda, Citigroup, Eteck/Government of Trinidad and Tobago, Kenya Commercial Bank, IFC