1. The Chairperson of the meeting, Julian R. Hunte (Saint Lucia), President of the fifty-eighth session of the General Assembly, opened the meeting and welcomed all panellists and participants. In his opening remarks, he expressed satisfaction with the level of interest in the follow-up to the International Conference on Financing for Development. He drew attention to the important role of non-State actors, in particular the business sector entities, in the implementation of the Monterrey Consensus. He outlined the organization of the meeting and the topics to be discussed by the panels, and called for an open and frank discussion.

Panel 1: Making business-government linkages more effective in the implementation of the Monterrey Consensus

2. The moderator of the panel, Maria Livanos Cattaui, Secretary-General, International Chamber of Commerce (ICC), opened the session and introduced the panellists. At the outset, she described an ongoing project undertaken by ICC in cooperation with the United Nations Conference on Trade and Development (UNCTAD). The goal of the project is to assist the least developed countries in attracting investment by preparing and publishing investment guides for them. The guides were prepared for Bangladesh, Cambodia, Ethiopia, Mali, Mozambique, Nepal and Uganda. The objective of the investment guides is to enable those countries to attract investment. This is done through surveys (involving local and international investors and recipient Governments) that provide information on the needs and impediments facing businesses and also facilitate the provision of unbiased information for investors.

Presentations

3. Maggie Kigozi, Executive Director, Uganda Investment Authority, described the progress made by Uganda in creating an enabling environment to attract foreign investment. She stressed that the conditions needed to attract foreign direct investment were pretty much the same as those needed to encourage domestic enterprises and investment. These include an appropriate and enforceable legal and regulatory system, the rule of law, transparency, appropriate macroeconomic policies and political stability. As a result of its reforms, Uganda, which had ranked one hundred and sixty-first in the world in terms of attracting overseas investment in the early 1990s, moved up to fifty-eighth place in 2002. She also emphasized the

5. Alhaji Bamanga Tukur, Chairman, African Business Round Table, stressed the need to encourage partnerships between the public and private sectors so as to create viable rural industries in sub-Saharan Africa. These would be in line with the comparative advantage of the countries of the region, which are endowed with agrarian and mineral resources. The public sector would need to put in place consistent policies to encourage local and international investors to set up relevant industries to process the relevant primary products, thereby adding value and making them export-oriented. Donors and foreign investors could provide the necessary training and build capacity to sustain the industries. As much as possible, the labour force for such industries would be drawn locally.

Discussion

6. While attracting foreign direct investment was important, the need to retain domestic capital and prevent the flight of capital from developing countries was stressed. This should be done through the creation of an enabling environment for business, especially through a consistent and stable policy and regulatory environment, enforcement of the rule of law and transparency.

7. The importance of channelling foreign investment towards small and medium-sized enterprises and not just large corporations was also pointed out. The importance of small and medium-sized enterprises as a source of employment and wealth was reiterated, as were the regulatory and financial constraints facing that sector in many developing countries. In that respect, attention was also drawn to the importance of remittances of wis(f)10er.2( )12..2(19f)22.1( )-11(r)10..9( )12ig(r)101(ces)1(o)-(i)5u(r)101(ces)5

finance some of these projects, but the public sector would need to put in place measures to mitigate the risks faced by private investors. Mr. Bond also stressed the importance of local currency and international bond markets in financing infrastructure projects. In particular, bond investors have a longer-term horizon than bankers, which is very appropriate for infrastructure ventures. He went on to describe a group of infrastructure experts, which was established with practitioners from relevant entities in the private and public sectors. The purpose of the group was to collaborate to facilitate public-private risk-sharing and to reduce impediments to bond financing of infrastructure projects in the developing world. An Internet-based discussion platform had been set up to facilitate communication among the members of the group. Mr. Bond called upon experts from developing countries to get more actively involved in those discussions.

11. Charles Chaumin, Senior Vice-President, Suez Environment, spoke on the issue of providing a vehicle for private capital to finance infrastructure projects. He outlined this in the context of the work undertaken by Suez Environment, which is involved in the operation and management of public services, including in the water and sanitation sector, in developing countries. Importantly, it facilitates the significant capital sums that need to be invested in such systems by operating the infrastructure and delivering the services to the end-users in a way that assures investors of their returns. However, Mr. Chaumin pointed out that the private sector could not initiate projects, which was the prerogative of public authorities, nor could it assume risks that it had no means of managing or mitigating (including macroeconomic risks such as devaluation). To overcome such problems, he called for international financial institutions to partially fund public projects and also to

proportion of the resources needed to achieve the goals. He also stressed that, although Governments bore the greatest responsibility for achieving those