

14. juni 2011

Dear Members,

Please find below the second question of PNoWB's Parliamentary Questions Programme, which deals with the private sector development in Sub-Saharan Africa. Creating an operational private sector for sustainable development not only requires important investments in infrastructure, but also a conducive business environment. Parliamentarians create legislation related to the business regulation and have an important role to play in creating an effective business environment.

Therefore, we encourage you to ask the question in your Parliament and send the responses to PNoWB's International Secretariat (secretariat@pnwb.org), which will share the results with the Network for comments and possible follow-up activities.

Please do not hesitate to contact us if you have any questions.

Best wishes,

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Parliamentary Question on Private Sector Development in Sub-Saharan Africa

It has long been said that in order to lessen their dependence on international aid, developing countries need to establish a favourable environment for private sector-led development. Indeed, a well-operating private sector can be a catalyst for poverty reduction and raising people's standards of living. A functioning private sector in emerging markets, however, requires a large amount of investment to first build a modern economy's infrastructure.

Looking at Sub-Saharan Africa, one of the poorest regions in the world, there has been substantial progress in attracting funds. A 2010 Report entitled 'McKinsey on Africa: A continent on the move' highlights the enormous potential of the continent and the improvements achieved so far. Sub-Saharan Africa has made substantial advances in its business environment to attract new investment. In the last Doing Business 2011 rankings, there are 3 Sub-Saharan Africa countries among the 10 most-improved economies—Rwanda, Cape Verde, and Zambia.

Many governments have made substantial efforts to introduce private sector reforms and suppress civil unrest, which in addition to recent increases in oil and commodity prices, has helped to increase Sub-Saharan Africa's overall GDP. Nevertheless, it remains to be seen if the current economic growth will be sustainable, once commodity prices stop rising. Many countries on the continent are struggling to attract capital due to problems related to poor governance, weak institutions, and civil unrest, among other reasons. In the World Bank Doing Business 2011 Report, under the ease of doing business rankings, 32 out of the 50 lowest-ranked countries are in Sub-Saharan Africa. Twenty-three of these countries also ranked poorly in starting a new business and protecting investors. Clearly, there is still room for progress in establishing vibrant and diversified domestic economies in Africa.

In this context, how is this Government, in cooperation with International Financial Institutions, planning to support improvements in the business climate in Sub-Saharan Africa, including facilitating business establishment and operations? What investments have been allocated to strengthening local infrastructure in sectors such as transport and electricity? How is this government improving the climate for private agricultural investment in the region? Finally, what steps will the government take to ensure an educated and well trained labour force to sustain the development of the private sector?