



**THE BUSINESS
HUMANITARIAN
FORUM**

THE POSITIVE POTENTIAL OF THE PRIVATE SECTOR

**Talking Points by Ambassador John J. Maresca
President of the Business Humanitarian Forum (BHF)
At the New Partnership for Africa's Development (NEPAD)
"Bending the Arc" Conference
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Thank you, Mr. Chairman, and thank you all for the opportunity to speak to this important conference on development needs in Africa.

Business can, and does, do many things to help improve the situation in Africa, such as setting an example for sustainable development and responsible good governance, making contributions to support local institutions, paying taxes to the community, and so forth.

But the most important thing that business can do in the developing countries of Africa is what business does best: investment and job creation.

As I said in a statement to the UN General Assembly in New York last week, it is a fact that the Millennium Development Goals (MDGs) cannot be achieved, in Africa or anywhere else, without the positive engagement of private sector investment, especially local private sector development.

What is needed is "Encouraged Investment" in the areas where it is needed most. This is what my organization, the BHF, does. We are not big thinkers, we do not write macro-economic reports. We just put together locally-owned businesses, on the ground, in post conflict and very poor countries.

In our experience, the business community is generally ready to contribute to accomplishing this type of work. But the international community, the UN and interested NGOs, for their part, need to encourage this type of effort much more energetically than they do. They can do this thru what I call the three "F"s":

- **Facilitation:** help with writing business plans and other documentation needed to start-up local businesses. Often local entrepreneurs do not have the skills to do this; they did not go to Harvard Business School. But they are nonetheless very clever business people. They just need help in doing the papers needed to present their project for partners or for financial support. International organizations do have the needed skills, and can help them with this.

- Flexibility: International organizations, banks and international lenders should work with the ideas and proposals that entrepreneurs have, and not try to impose on them some pre-conceived notion of what the bank thinks is needed. Local entrepreneurs usually have a better idea of what is needed in their own economy than outsiders do.

- Financing: The scale of financing that is needed for local investors is business loans of between 1 hundred thousand and 1 million dollars. This is not micro-finance, nor is it at the normal level of international financing. It is mid-level finance. That is usually what local entrepreneurs need to start or expand a business, and it is that which is needed. But typically international financial institutions will not discuss projects of that small a scale. This needs to change. New financial vehicles are needed for this purpose, with new and imaginative criteria that meet the needs of local entrepreneurs.

Sad to say, international financing is like something on another planet for most local entrepreneurs in the poor countries of the world. We need to find more innovative approaches to these problems, in order to facilitate and encourage local entrepreneurs to invest their time, their energy, their imaginations and their hard work for the benefit of their own societies.

Thank you, Mr. Chairman