

DOING GOOD BUSINESS IN AFRICA

For business Africa offers vast potential markets, faster-expanding economies, and significant natural and human resources. But the continent currently accounts for just two percent of global economic activity. Only half of the countries in Sub-Saharan Africa are on-track to meet any of the Millennium Development Goals (MDGs) set for 2015. So millions of people will continue to face hunger and a lack of opportunity to improve their lives.

Yet sustainable enterprise can generate the income and the subsequent virtuous cycle that would lift people out of poverty for good. Small enterprises are especially important for this in Africa. While the mainstream activities of larger businesses can provide the services and goods that are necessary to support this process. But to date challenges, whether real or perceived, have deterred companies from fully participating in African markets. While some business activities in Africa have impacted negatively on communities and the environment. However many companies are starting to recognize their ability and responsibility to address both global and local problems.

The combination of great commercial potential and improving regulatory conditions now makes large parts of Africa attractive to those companies prepared to overcome the remaining challenges. By looking beyond standard business models, they can invest in promising growth sectors, gain greater market shares, and attract the loyalty of local producers and consumers as incomes grow and needs expand. However for actions that stimulate local enterprise to achieve sufficient scale, there also has to be advocacy and assistance to create an appropriate enabling environment.

So the Africa Progress Panel (APP) commissioned new research by Concern Universal into business and development in Africa. A distinctive feature of this was the convening of a Business Advisory Group of 14 leading African and international businesspeople. They debated the research findings and guided the resulting recommendations. The aim being to generate practical actions for businesses, and for African governments and development agencies where necessary. This resulting report is unique, drawing together successful approaches in this area from a business perspective. In particular, it examines how six key business sectors could contribute. The report will also serve as a wellspring for other publications, such as the APP Policy Brief on this topic.

The report concludes with recommendations to

- Help create a better environment for doing business
- Increase the availability of finance to African enterprises and communities
- Accelerate agricultural production through stronger supply chains
- Mobilise private sector investment in regional infrastructure
- Take-up the potential for social enterprise in Africa
- Generate more action from 'Business and Development' networks

For each recommendation urgent actions are outlined that could transform Africa's economic fortunes and in so doing drive greater achievement of the MDGs. For the companies that respond, the benefits can be long-term market expansion and business growth.