

What the Report says: African governments should meet their commitment to allocate 15 per cent of annual budgets to health and put in place strategies for effective delivery of health services. Donors should increase their funding to support this, with at least \$10 billion a year for HIV and AIDS. They should fully finance the Global Fund to Fight AIDS, Tuberculosis and Malaria, and invest in training and retention of health workers. Donors should also develop incentives for research and development that meets Africa's health needs (such as advanced purchase agreements for medicines and increased funding of African-led research). Business should adopt HIV and AIDS workplace programmes.

Business Behaviour

What business said: Business needs to improve its own performance. It should adopt a peer-based approach to promoting social responsibility and good corporate governance.

What the Report says:

The Commission calls for a sea change in the way the business community, both international and domestic, engages in the development process in Africa. Businesses must sign up to leading codes of good social and environmental conduct (including in conflict countries), and focus their efforts on co-ordinated action to tackle poverty – working in partnership with each other, with donors, with national governments, and with civil society.

To support this, donors should fund the UNDP Growing Sustainable Business initiative in the region to encourage pro-poor investments.

Donors and African governments must also develop more effective partnerships with the private sector.

Five Key Actions for Business

The business community's primary contribution to poverty reduction is through generating economic growth: it creates jobs and economic opportunities that lift people out of poverty, as well as tax revenues needed to fund public spending.

However, it is increasingly recognised that the way larger foreign and domestic businesses do business can have a further powerful impact on the extent to which poor people are able to participate in and benefit from growth.

The Commission calls on business to identify actions it can take in support of the priority actions set out in its report.

There are five immediate actions:

- **Lobby for Change:** Lobby the G8 on trade and aid, and national governments on good governance, and on investment climates and policies that help poor people;
- **Tell the Positive Stories:** Help tackle the negative images of Africa by promoting successful investment stories;
- **Behave Responsibly:** Sign up to leading codes of good social and environmental conduct, including on transparency and corruption;
- **Make a Difference:** Move beyond a focus on philanthropy, to look at impacts of core business activities – support small enterprises; promote fair working conditions; develop new products and services that meet the needs of poor people;
- **Join Forces:** By working together in support of national initiatives, businesses can increase their impact, such as on HIV and AIDS.

About the Commission

The Commission was launched in February 2004 by UK Prime Minister Tony Blair to provide a coherent set of policies to accelerate progress towards a strong and prosperous Africa.

The Report was published on 11 March 2005 and will now inform the agendas of the UK's G8 and EU Presidencies.

Of the 17 Commissioners, a number are from business: William Kalema, Chairman, Board of the Uganda Investment Authority; Tidjane Thiam, Group Strategy and Development Director, Aviva, Côte d'Ivoire; and Fola Adeola, Founder and Director, Guaranty Trust Bank, Nigeria.



The Commission and Business

Business roundtables were held in South Africa, Algeria, Cameroon, Tanzania and Ghana, involving 120 business leaders from 19 countries.

The UK Chancellor, Gordon Brown, and Niall Fitzgerald, then Chairman of Unilever, co-hosted a business leaders meeting in London. A Business Contact Group was set up to explore and develop recommendations on the priority areas identified at this meeting

A major conference was held in London with businesses that invest in Africa.


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Commission for Africa

Action for a
strong and
prosperous

Messages for Business

A Plan for Action

The actions proposed by the Commission constitute a coherent package for Africa. They are designed to tackle the complex, inter-locking constraints to growth and development.

The plan covers actions on trade, governance, infrastructure, investment climates, enterprise, employment, peace and security, health, education, debt relief and aid.

The Commission believes that its recommendations should enable African countries to achieve and sustain growth rates of 7 per cent by the end of the decade. The focus is on growth driven by the private sector, but with governments having a key role in creating the right environment: it is not a question of state versus the private sector, but how they work together.

The Commission's report sets out how the international community can give strong support, including by implementing existing commitments on aid and trade, to African governments and initiatives, and to the African Union and its programme, the New Partnership for Africa's Development (AU/NEPAD).

In developing the plan, the Commission consulted widely, including with business in Africa and elsewhere.

Full report available at
www.commissionforafrica.org

Messages from Business

Across our consultations, the messages were clear and consistent.



Governance and Transparency

What business said: Support should be given to African led-efforts to enhance governance and transparency – in particular the AU/NEPAD African Peer Review Mechanism (APRM). The G8 should also launch a global initiative to combat corruption. Business should join a campaign against bribes.

What the Report says: Recognising the primary importance of governance to growth and poverty reduction, donors should give strong support – both political and financial – to Africa's efforts, including the APRM.

All resource-rich countries should implement the Extractive Industries Transparency Initiative (EITI). The principles of transparency should be extended to other sectors, including construction and engineering.

Alongside African governments, the international community has a role to play in tackling bribery and corruption: maintaining high standards of governance, itself, and demanding this from international companies active in African countries. Countries with significant financial centres should take all necessary legal and administrative measures to repatriate illicitly acquired state funds.

Infrastructure

What business said: Africa's infrastructure deficit is fundamental and damaging to competitiveness. A big injection of concessionary, public and long-term capital is needed, including to kick-start public-private partnerships.

What the Report says: An extra \$20 billion a year is needed. Developed countries should provide an extra \$10 billion a year up to 2010 and, subject to review, a further increase to \$20 billion a year in the following five years. This should support regional, national, urban and rural infrastructure priorities.

A pragmatic approach is needed to private sector participation – building on existing initiatives to improve investment climates, develop commercially viable projects, and provide funding (such as long-term debt finance and local currency guarantees).

Investment Climates

What business said: Action is needed to tackle the barriers to and reduce the costs of doing business. Africa also needs help to deal with the negative perceptions of investors. And there is a need to foster more dialogue between government and the private sector. Support should be given to the AU/NEPAD "Investment Climate Facility" (ICF) – a private sector-led initiative to address these issues.

What the Report says: Developed country governments and businesses should support and co-ordinate efforts behind the ICF. This will tackle issues identified by the APRM and other processes. It will promote private sector voice and will also tackle negative perceptions, including through media campaigns.

In addition, developed countries should support a MIGA fund to insure foreign and domestic investors in post-conflict countries in Africa. Support should also be extended to domestic investors across sub-Saharan Africa.

The message from business has been clear: encouraging the entrepreneurial spirit of Africa's people is central to growth and poverty reduction. This means getting the investment climate right, particularly for small businesses – the largest source of jobs and wealth creation. The business community has also been very clear that its outlook for Africa is a positive one: it believes Africa is the next frontier for investment, while at the same time recognising the importance of investors being good corporate citizens.

William Kalema,
CFA Commissioner



Trade

What business said: Developed countries must reduce tariffs on agricultural and manufactured products, and eliminate trade-distorting subsidies.

Governments should work with the private sector to build the capacity to trade. Customs processes must be streamlined, with greater consistency and transparency in regulations. Regional integration should also be promoted.

What the Report says: Action is needed in 3 areas: supporting Africa's capacity to trade (including customs reform and reductions of other internal barriers); dismantling the rich world's trade barriers through the Doha Round of world trade negotiations; and providing transitional support to help Africa adjust to new trading regimes. Measures to promote regional integration are also covered.

Small Enterprise Development

What business said: Encouraging entrepreneurial spirit is important for growth and job creation. Business can do more to help small enterprises access capital, skills and training, as well as opportunities to trade. Action is also needed to secure land rights.

What the Report says: Developed countries should set up an Africa Enterprise Challenge Fund to support private sector partnerships, in the financial and non-financial sectors, that contribute to small enterprise development by giving them better access to markets. The Fund will contribute to job creation for young people and to women's entrepreneurship. The ICF will tackle the need to strengthen property rights.

Capacity Building

What business said: Better co-ordinated efforts are needed to build public and private sector capacity in leadership and management. The private sector should work with African business schools and universities.

What the Report says: Donors should invest in capacity-building strategies. They should commit to revitalizing Africa's institutions of higher education and to developing centres of excellence in science and technology.

HIV and AIDS

What business said: African governments must prioritise HIV and AIDS. Donors should support health services, fund the development of vaccines, tackle health staff retention and encourage research (including through support for intellectual property rights). Business should have an HIV policy and report on its implementation.