

## **Securing Africa's Renaissance**

### **The Role of Africa's Private Sector over the Next 50 Years**

#### **Pan African Business Conference Salutes the 50th Anniversary of the Organization of the African Unity/Africa Union**

**Remarks by Georg Kell, Executive Director, UN Global Compact  
Delivered by Olajobi Makinwa, UN Global Compact Africa Advisor**

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H.E. Ato Haile Mariam Dessalegn, Prime Minister Federal Democratic Republic of Ethiopia, and African Union Chairman,

H. E. Mr. Erastus Mwencha, Deputy Chairperson, African Union Commission (AUC),

Mrs. Hannah Tetteh, Foreign Minister, Republic of Ghana,

Mr. Mourad Medelci, Foreign Minister, People's Democratic Republic of Algeria,

Mr. Tegegnetwork Gettu, Director, UNDP Regional Bureau for Africa,

Ms. Martha Nemundejebo-Tilahun, Group Chairperson, United Africa Group, Namibia,

Distinguished panelists and delegates,  
Colleagues from the UN,  
Ladies and Gentleman,

It is my sincere honor to congratulate the African Union for its wonderful work and achievements made towards addressing the multiple challenges and needs of the continent.

The 50<sup>th</sup> Anniversary celebration of the OAU/AU provides the unique opportunity to reflect on what has been achieved so far but also on what can be done to achieve a new era of African renaissance. Business has certainly played a key role in helping the continent to finally take off after many lost decades. But these gains may not be sustainable unless underpinned by responsible business practices.

The good news is, more than 500 companies and stakeholders from 35 African countries have joined our Global Compact movement, committing to embed universal principles on human rights, environment, labour and anti-corruption throughout their organizations – and unleashing a new round of productive growth and societal advancement. Without integrating these considerations, growth may not be inclusive or sustainable.

Improved corporate performance on sustainability issues provides a competitive edge. For example, it reduces risks and improves access to finance. Energy and water conservation supports balance sheets as well as the environment. Investing in employee education and development adds assets to the corporate portfolio, and engaging with communities builds brands and markets.

By expanding their competitiveness agenda to a broader and longer-term horizon, businesses can accumulate value that is shared with society. This includes stable markets, healthy and educated workforces, energy that is sustainable and reasonably priced, natural settings that are not stressed to the point of ecological breakdown, proactive responses to climate change and a relationship with government that engenders honesty and productivity.

Another top political issue in Africa today is also a key competitiveness issue – youth employment. It is estimated that by 2035, the continent's young and rapidly growing labor force will be larger than that of any other country in the world. Africa's young demographic will be a competitive advantage if young adults enter the workforce or entrepreneurial activity. The challenge then is for stakeholders to create those job opportunities that will allow individuals to secure stable wage-paying jobs while developing the skills needed by business.

For all of its gains, African business still punches below its weight on a global scale in terms of investment, exports, wages and market reach. High standards of integrity and transparency help to build trust and open up opportunities for integrating into global value chains and entering the ranks of leading international companies. Sustainability is not only an expected obligation for a successful business: it is a key means of moving up the ladder.

But for corporate competitiveness to truly build country competitiveness, Governments need to be involved.

Governments need to establish regulatory frameworks that accentuate benefits for corporate sustainability performance and engage in partnerships with the private sector and civil society. The state needs to set the terms by which the African renaissance can flourish.

Corruption, for instance, places a dead weight on competitiveness. With government still a main player in domestic economies, procurement contracts are hotly contested and the stage for bribery is set. Our experience is that the problem must be attacked in concert by government and corporations, in numbers; otherwise the vicious cycle cannot be broken.

The continent has many opportunities to further pursue goals that will deliver positive and long-term results. For example, great progress has been achieved on the Millennium Development Goals. But as these targets are set to expire in 2015, new opportunities emerge to build on the momentum generated and develop a post-2015 development agenda, with poverty reduction and sustainable development at its core.

The post-2015 development agenda represents an opportune moment for business to help shape the future priorities of the UN. Following the success of the Rio+20 Corporate Sustainability Forum in June 2012, the UN Global Compact will contribute directly to the recommendations that the Secretary-General will submit to Member States, by consulting with our Local Networks, seeking input on key thematic issues and through our annual survey of corporate participants.

To illustrate how we are helping to integrate the views of the private sector into the post-2015 development agenda, participants at the 11<sup>th</sup> Meeting of the UN Global Compact Anti-Corruption Working Group identified ways for business to integrate good governance and anti-corruption. As a result, we recently launched a *Call to Action* urging Governments to promote anti-corruption measures and implement strong policies that establish systems of good governance.

Governance provides institutions with the protections and empowerment required to help fight corruption and ensure sustainable development and growth that is equitable for all. If future development commitments are to be achieved, governance must form the backbone of these policies. We encourage companies present today to support this campaign.

In closing it is time for business to take action, and to encourage governments to help carry forward the spirit of cooperation, as was set forth in the OAU's vision on regional collective action for the continent to achieve its goals.

We should also not forget that trade and investment are the twin pillars of peace...an idea we all can share.

There is real urgency and I challenge all of you to commit to sustainable business practices, to collaborate on moving to the forefront the issues which are lagging behind, and to help many more companies join this movement so that the continent may continue its path towards its renaissance.

From our side, the Global Compact is renewing efforts to advance corporate sustainability in Africa and drive greater business participation. At our Leaders Summit in New York this September, we will hold a Private Sector Forum between African Heads of State, chief executives and other leaders to focus on the role of business in the post-2015 agenda, and emphasize unique opportunities and challenges in Africa. We hope to inspire new public-private partnerships and commitments that overcome systemic challenges in Africa, and advance corporate sustainability to achieve a shared, secure and sustainable future.

Once again, my salute and congratulations to the OAU/AU for its pioneering role.

Thank you very much for your attention.