

# **Growth and Responsibility**

## **A Review of Business Action for Africa between the UK and German G8 presidencies, 2005–07**

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## Contents

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About the author	iv
Acknowledgments	iv
Executive summary	v
Abbreviations and acronyms	vi
1 Introduction	1
2 Business Action for Africa, 2005–07	4
Origins	4
Aims	5
Structure and governance of BAA	6
<i>Network Hub</i>	6
<i>Oversight Group</i>	7
The network	10
<i>Membership criteria and codes of conduct</i>	10
<i>Composition</i>	11
Advocacy	13
Collective action projects	14
<i>Governance and transparency</i>	15
<i>Trade</i>	16
<i>Climate for business</i>	16
<i>Enterprise and employment</i>	17
<i>Human development</i>	18
<i>Perceptions of Africa</i>	18
Showcasing and sharing	18
3 Business and the German G8 presidency, 2007	20
2006: the Russian hiatus	20
The German agenda for 2007: 'Growth and Responsibility'	22
German business activism	24
BAA and the German G8	24
The G8 beyond 2007: Japan in 2008	25
4 Conclusion	27
5 Recommendations	28
Notes	31

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## Executive summary

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In March 2005 the report of the Commission for Africa called for a sea change in the way the business community engaged in the development process in Africa. The G8 Gleneagles summit that July made a series of commitments on boosting African development, while in London a new international network was launched to bring G8 and African business leaders together to build on the momentum of the Commission and the UK's dual G8 and EU presidencies. Business Action for Africa (BAA) declared its aims as:

- to present a clear African and international business voice to promote growth and poverty reduction;
- to promote more positive, balanced perceptions of Africa; and
- to develop and showcase good business practice.

This report is a review of BAA's first two years of work, situating it in the context of G8 and NEPAD initiatives for private-sector development (PSD) from the 'Year of Africa' and the German presidency's revival of commitment to African 'Growth and Responsibility' in 2007. It focuses on what BAA has achieved and can achieve, including how perceptions of its structure and agenda influence its work.

BAA is already a broad and expanding network of 145 businesses, business alliances, NGOs, government departments and international institutions with links to responsible business in Africa and a commitment to BAA's pro-PSD agenda. Corporate members (firms) comprise the majority of the network and its board, cover an impressive array of business sectors and include many of the world's largest investors in Africa. However, less than 20% of represented businesses are Africa-based or -owned, and small and medium-sized enterprises are still poorly represented. Strategic oversight of the network remains very much with large multinational corporations and British government departments.

This has not adversely affected BAA's programme of work – which incorporates many African firms outside the BAA network – but does represent a perception problem in both Africa and the G8/OECD. BAA has given a clear voice to British business in Africa but is not yet seen to have transcended its origins to articulate African and international business voices effectively. For the future, BAA is exploring ways to develop network structures within African regions and states to discuss and shape future policies.

While BAA's showcase collective action projects are only just beginning to bear fruit, the network hub has been effective in showcasing and sharing best practice via its website and regular promotion of the BAA brand and message at conferences and seminars. In 2007/08 collective projects on measures against corruption and reforms to improve customs administrations will become increasingly operational across Africa and numerous other projects will be rolled out. Leading members of BAA are also major proponents of the G8-endorsed Investment Climate Facility for Africa and hope that it will develop synergies with BAA as its secretariat becomes operational in Tanzania.

After the Russian disengagement from Africa initiatives in 2006, the German G8 presidency has certainly provided BAA and like-minded organizations with a receptive environment for promotion of the PSD agenda. Most importantly, Berlin appears to have resisted the temptation to launch any major new African initiatives of its own, opting to reiterate and consolidate the commitments of Gleneagles and the 2002 G8–NEPAD Africa Action Plan. The Heiligendamm summit final declaration is unlikely to generate the headlines of years past but may represent a more genuine global consensus on development challenges and responses.

Looking beyond the summit towards the Japanese G8 presidency in 2008, BAA and other private-sector and civil society organizations face a greater challenge in keeping African development on the international agenda. Expanding the network to Asian as well as African members will be increasingly important in promoting growth through responsible business development in Africa.

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## Abbreviations and acronyms

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ADB	African Development Bank
APF	Africa Partnership Forum (G8/OECD/NEPAD)
APRM	African Peer Review Mechanism (NEPAD)
AU	African Union
BAA	Business Action for Africa
BAAC	Business Action Against Corruption
BAAED	Business Action for Africa Enterprise Development project
BAFICAA	Business Action for Improving Customs Administrations in Africa
BMZ	Federal Ministry for Economic Cooperation and Development (Germany)
CBC	Commonwealth Business Council
CSR	Corporate Social Responsibility
DAC	Development Assistance Committee (OECD)
DfES	Department for Education and Skills (UK)
DFID	Department for International Development (UK)
DWP	Department for Work and Pensions (UK)
EAC	East African Community
ECOWAS	Economic Community of West African States
EITI	Extractive Industries Transparency Initiative
FCO	Foreign and Commonwealth Office (UK)
G8	Group of Eight
GTZ	Technical Cooperation Organization (German development agency)
IBLF	Prince of Wales' International Business Leaders Forum
ICA	Infrastructure Consortium for Africa
ICF	Investment Climate Facility for Africa
IFC	International Finance Corporation (private-sector arm of World Bank Group)
IGAD	Intergovernmental Authority on Development (Horn of Africa REC)
ILO	International Labour Organization
InWEnt	Capacity Building International (Germany)
MNC	Multinational Corporation
NEPAD	New Partnership for African Development
NGO	Non-governmental organization
OECD	Organisation for Economic Cooperation and Development
PSD	Private-Sector Development
REC	Regional Economic Community (within AU)
SADC	Southern African Development Community
Sitpro	UK trade facilitation agency (formerly Simpler Trade Procedures Board)
SMEs	Small and Medium-sized Enterprises
WTO	World Trade Organization

# 1 INTRODUCTION

*Globalisation and liberalisation does not mean that there should be no role for government in socio-economic development. It only means a different type of government. We, therefore, undertake to foster new partnerships between government and the private sector; a new division of labour in which the private sector will be the veritable engine of economic growth, while governments concentrate on the development of infrastructure and the creation of a macroeconomic environment.*

**NEPAD Declaration on Democracy, Political, Economic & Corporate Governance, Article 23, 18 June 2002**

*The Commission calls for a sea change in the way the business community, both domestic and international, engages in the development process in Africa. Businesses must sign up to leading codes of good social and environmental conduct, including on corruption and transparency, 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, including trades unions. In support of this, developed countries should support the UNDP Growing Sustainable Business initiative in the region. For their part, donors and African governments must develop more effective partnerships with the private sector.*

**Commission for Africa Report, Recommendation on promoting the role of business, 11 March 2005**

The twenty-first century has already witnessed a sea change in the attitudes of Northern and African governments, international institutions and societies to economic development. In concert with the longest and strongest boom in African per capita income since the 1960s, donor agencies, international financial institutions and African states have reassessed their relationship with each other. From the Millennium Development Goals (MDG) to the Commission for Africa, stress has been placed on weaning the continent off its dependence on foreign aid by addressing the root causes of Africa's poverty and promoting sustainable economic growth.

The private sector has responded to the change in the terms of debate with its own shift from philanthropy to development partnerships. This means that corporate social responsibility is no longer primarily about corporations imitating donor agencies in disbursing 'development' aid – education, healthcare, sanitation – to the communities in which they operate but about mainstreaming development work into their core business activities, sharing their expertise with communities and engaging them in a mutually profitable relationship. The core argument of Private-Sector Development (PSD), embraced since 2002 by the African Union (AU) and UN, is that poverty reduction is impossible without economic growth. Business is better equipped than the public sector to generate this growth but, in a virtuous circle, relies on government to generate a stable climate for investment: physical security, rule of law, infrastructure, workforce healthcare and education, and so on.

Along with such G8 partners as Canada, Germany and Japan, the UK was an early convert to PSD and the engagement of business in development partnerships. During 2005, the 'Year of Africa', when it presided concurrently over the G8 and EU, this commitment was embodied in the work and output of the Commission for Africa (see quote at the beginning of this chapter). Since the expiration of the Commission's mandate in mid-2005, promotion of its PSD agenda for Africa has,

### **Box 1: NEPAD and PSD**

Contrary to the media images of African wretchedness that inspired the Northern civil society campaigns against debt and trade restrictions and engendered the MDGs, it is activism by African leaders that has changed the parameters of the engagement between their continent and the richest states since the founding of the African Union in 2000/02.

Algerian, Nigerian and South African leaders were invited to formal dialogue with G8 leaders for the first time at the Okinawa summit in 2000. These three presidents responded with the Millennium Partnership for the African Recovery Programme, focusing on Africa's capacity to trade its way out of poverty and the environment required to attract investment. This plan was merged with the Omega Plan developed by Senegal's new government, and presented to the G8 for endorsement as the New African Initiative at Genoa in July 2001. Three months later this became the New Partnership for Africa's Development (NEPAD), an autonomous institution of the AU.

NEPAD achieved greater substance in June 2002 with the endorsement at the AU's first summit of its Declaration on Democracy, Political, Economic and Corporate Governance, pledging commitment to democracy and good governance. Most importantly, this was the document that launched the African Peer Review Mechanism (APRM) by which AU member states may voluntarily submit their governance credentials to confidential review and then work to improve them. For all its weaknesses in theory and practice, it is the APRM that is key to subsequent G8 commitments to work for African development, starting with the G8 African Action Plan agreed upon in Kananaskis later in June 2002.

NEPAD's Declaration on Democracy, Political, Economic and Corporate Governance is also noteworthy for its early statement of the centrality of principles of PSD in its new development partnership. Article 23 (see quote at the beginning of this chapter) provides a very clear statement of the division of labour between public and private sectors. The Africa Action Plan reiterates 'the role of the private sector as the engine for economic growth' and this has been a basic understanding of all subsequent G8-related approaches to African development, including the Commission for Africa.

in part, been taken on by Business Action for Africa (BAA). Launched amid the media fanfare of the Gleneagles summit in Scotland in July 2005 as a global business-led coalition to develop and showcase public-private-sector synergies, BAA remains central to promoting and showcasing the G8's commitment to PSD in Africa and continues to enjoy high-level approval and participation from the UK government.<sup>1</sup>

This report analyses how Northern and African businesses have responded to the Commission's challenge since 2005, focusing on the BAA network. Much has been achieved in terms of raising awareness and promoting collective action among UK-based corporations but BAA still has some way to go in developing and promoting its work in Africa and other G8 countries. Even during the research period of this report, BAA has demonstrated its readiness to address the shortcomings of its first two years in project delivery and network visibility, but hard choices need to be made about its lack of leadership from African businesses and small and medium-sized enterprises (SMEs) if it is to be credible as more than a UK initiative.

Also discussed is the Africa-related economic content of the German presidency and its capacity to promote the public-private-sector partnerships pioneered in 2005 and the recommendations



of the Commission for Africa. After a hiatus during the Russian presidency in 2006, Berlin has affirmed its commitment to re-initiating dialogue on African development and appears to have opted to promote existing G8/AU initiatives rather than launching its own. Looking forward to the Japanese and Italian presidencies, this report aims to highlight current and potential synergies between businesses and business initiatives in Africa, the UK, Germany and other G8 countries in their approaches to African development.

## 2 BUSINESS ACTION FOR AFRICA, 2005–07

*Africa deserves increasingly to be seen as a continent of opportunity. Africa's new business leaders, and most investors in Africa, feel this growing sense of confidence. We therefore call on governments to respond more vigorously to the private sector's perspectives and experience of what works, and to build a genuine partnership for growth with us.*

**Sir Mark Moody-Stuart, Chairman, Anglo American plc,  
BAA Conference Statement, 6 July 2005**

*From now on, the G8 would like us to believe, these companies [founders of BAA] will be Africa's best friends. In the name of making poverty history, the G8 has given a new, multi-headed East India Company a mandate to govern the continent.*

**George Monbiot, The Guardian, 5 July 2005**

*BAA is a highly promising outcome from 2005 and it is crucial that DFID continues its support for the forum. In conjunction with support from BAA's growing corporate membership, DFID should assess current funding levels with regard to ensuring that BAA can continue to expand as a crucial partnership for PSD.*

**House of Commons International Development Committee,  
Report on Private Sector Development, 17 July 2006<sup>2</sup>**

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### Origins

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Business Action for Africa is an initiative inextricably linked to the Commission for Africa, though it is a specifically business-led response to it rather than a G8 or UK government initiative. Conceptualized and founded as a follow-up mechanism to the work of the Commission on economic growth and PSD, it is directed and overseen by key figures from the Commission and its Business Contact Group. The latter was established by UK Chancellor Gordon Brown in July 2004, meeting three times over the year. A Business Conference was also organized by the Commission in association with Chatham House in October 2004 and six regional business consultation forums were organized in Africa by the Commonwealth Business Council (CBC) the following month.

The post-Commission business initiative began immediately after the publication of the report in March 2005 as a way to maintain momentum built up during the consultation process. In association with CBC, fifteen UK-based businesses or business alliances co-sponsored the Business Action for Africa Conference in London on 5 April. This brought together over 250 representatives from businesses in G8 and African countries to plan an agenda for future private-sector engagement in Africa's development: a Business Action Plan for Africa.

As the coordinating body of this strategy, BAA was formally launched at the G8 Business Action for Africa summit, organized by CBC on 5–6 July 2005, overlapping with the G8 summit in Gleneagles. Representatives from over 330 businesses in 36 countries attended the BAA summit, which was addressed and endorsed by G8 President Tony Blair and AU Chairman Olusegun Obasanjo. BAA began functioning the following month with around 60 members and funding

from DFID, Anglo American, De Beers, GlaxoSmithKline, SABMiller, Shell and Unilever plus in-kind support from the Prince of Wales' International Business Leaders Forum (IBLF) and other departments of the UK government.

Reaction to the new PSD initiative, though strongly positive from business and government sectors, especially in the UK, was more mixed in the media and civil society. While some NGOs in the Make Poverty History campaign supported the initiative, other commentators condemned the initiative as a means to enable the corporate takeover of Africa, while a small contingent of anti-globalization protesters not deployed to Scotland made the July summit the target of activism in London.

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## Aims

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BAA's founding statement described its aims as building a

*coalition of African and international businesses committed to ending poverty in Africa, coming together under one banner to build on the momentum of the Commission for Africa and the 2005 G8 with three objectives:*

- *To influence the **policies** of the international community and African governments to promote African growth and poverty reduction, by presenting a clear African and international business voice;*
- *To promote a more positive, balanced **view of Africa**; and*
- *To develop and showcase **good business practice**.<sup>3</sup>*

Member businesses are urged to work individually and collectively to support African development by publicizing their positive experiences of investment and operation in Africa, to commit to codes of ethical conduct, including on transparency and corruption, and to 'move beyond a focus on philanthropy' to assess their impact on the achievement of the Millennium Development Goals. BAA is agnostic about whether African economic development by foreign or by domestic firms is preferable, starting from the assumption that what benefits foreign investors also benefits local businesses, including through supply chain development.

Six priority themes for collective action were established by BAA members in the first months of work, based on the recommendations of the Commission for Africa and wider business consultation process in mid-2005. These were intended as the basis for collective action projects by members:

- governance and transparency;
- trade;
- climate for business;
- enterprise and employment;
- human development;
- perceptions of Africa.

Progress within these themes is assessed below.

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## Structure and governance of BAA

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BAA has two tiers of governance: a Network Hub that administers and coordinates membership, advocacy, collective action projects and knowledge sharing; and an Oversight Group that decides policy on behalf of the membership coalition. It is a not-for-profit network with annual revenue and operating costs of around £130,000, virtually all of which is spent on staff costs, plus administrative assistance in kind. Sponsors have agreed to support a three-year programme of action from March 2007 subject to annual review. BAA is explicitly a time-limited initiative and not intended by its founders and sponsors to become a free-standing organization.

### **Network Hub**

BAA is a network rather than an institution and has a deliberately small corporate 'footprint', having no dedicated offices of its own and no full-time staff. Funding permits the equivalent of only two full-time staff. In 2006, seven staff shared these 80 hours per week, allowing one person per theme. Structural reforms agreed in February 2007 reduced this number to four plus ad hoc external consultancy while maintaining the total number of staff hours. This should allow for a greater focus while maintaining broad expertise.

In-kind support for BAA, including office and communications space is provided by the International Business Leaders Forum in London. Two current members of staff, coordinator Natasha Ncube (who is now based in Zambia) and advocacy adviser Graham Minter (former Head of the FCO's Global Business Group) are seconded by IBLF, which provides its services for free and is thereby *de facto* the biggest single sponsor of BAA.

IBLF was established in 1990 as an international not-for-profit organization with a mission 'to promote responsible business leadership and partnerships for social, economic and environmentally sustainable international development, particularly in new and emerging market economies'. It is by itself a pioneering PSD partnership between business leaders and civil society and is one of three British-based organizations represented on the NEPAD Business Group.<sup>4</sup> Many of the sponsors of IBLF are also leading players in BAA, notably Shell, Diageo and GlaxoSmithKline. At least one quarter of IBLF's 68 'principal' or 'corporate' supporters are also members of BAA, including six of BAA's eight corporate sponsors. It is thus a trusted and cost-effective partner with a record of commitment to the same goals as BAA.

The alternative would have been to continue to work alongside CBC, which originally had closer links to the Commission and the BAA initiative than IBLF. However, as a commercial secretariat organization, CBC was considered by BAA's sponsors to be less cost-effective than IBLF as a provider of administrative support. Conversely, CBC has more of a ready-made network of African business members, with non-OECD and medium-sized enterprises far better represented than IBLF's supporter base. BAA contracted CBC to produce a survey and external review of its outreach and participation strategy in mid-2006.<sup>5</sup> Its recommendation that Commission for Africa regional consultation structures be revived to develop BAA's work in Africa has not yet been taken up. CBC is a Strategic member of the network and continues to co-brand some of its events and projects with BAA. CBC Managing Director Steve Godfrey describes BAA as a 'highly efficient, professionally run, virtual network'.

Programme management of BAA is contracted to Inspiris, an independent London-based PSD consultancy. Inspiris' terms of engagement were originally established and overseen by IBLF on behalf of the Oversight Group and, since February 2007, are overseen by a management sub-

committee within the Oversight Group, comprising the current and previous Group chairs plus the IBLF representative. According to Inspiris director Zahid Torres-Rahman, Inspiris provides its services at a 55% discount on its usual consultancy rates.

Torres-Rahman is programme director of BAA. BAA deputy director Anna Guthrie is also an employee of Inspiris. Both have in-depth experience of the Africa PSD agenda, having worked in the Commission Secretariat on economic growth and human development respectively, and are thus well known to BAA's government and corporate sponsors. Torres-Rahman is a former PricewaterhouseCoopers consultant and Treasury official who was Head of Business Outreach at the Commission Secretariat and Special Advisor to the Commons' International Development Committee's 2006 report on PSD.<sup>6</sup> Guthrie was originally seconded to BAA for its first six months by the Department for Work and Pensions (DWP) and then worked for the Treasury before taking up her current position with Inspiris. Inspiris also previously provided another three consultants to BAA under contract, notably including Senior Adviser Myles Wickstead, formerly head of the Commission Secretariat, who remains engaged for ad hoc advice and assistance.

Also contributing to the Network Hub since February 2007 is the public relations consultancy Weber Shandwick, BAA's Communications Partner. It has agreed to provide 14 hours per month of pro bono communications and media support to promote advocacy work and interaction with members beyond the UK. IBLF and the CSR Initiative at the Kennedy School of Government at Harvard University are officially BAA Knowledge Partners, sharing their PSD research through the website.

### ***Oversight Group***

Policy direction for BAA and almost all of its funding comes via an Oversight Group, composed of sponsor organizations, currently numbering thirteen or fourteen. The Group usually meets quarterly to determine and review policy, with firms represented by a senior external or corporate affairs adviser and other member organizations by a PSD specialist. Chairmanship of the board is rotated every quarter. Any member except for-profit consultancies can join the Oversight Group by contributing the requisite £10,000 per annum to qualify as a sponsor. In practice, membership of the Oversight Group has been fairly static since the six core businesses of the Business Contact Group established it with US-based multinational Merck Sharp & Dohme<sup>7</sup> in 2005.

There are now nine Corporate members. GlaxoSmithKline ceased its involvement in the Oversight Group in early 2006, when Diageo, Microsoft and Visa joined the board. Microsoft ceased its involvement after six months, although both it and GSK remain BAA members. British American Tobacco joined the board in February 2007. Thus, the board includes four companies from the fast-moving consumer goods (FMCG) sector, three from the extractive sector, and one each from the financial services and pharmaceuticals sectors. Each is among the world's biggest companies, with 2006 revenues ranging from US\$1.27 billion to US\$318.8 billion. Collectively their revenues totalled well over US\$500 billion in 2006, equivalent to about 80% of sub-Saharan Africa's economic output. Stated alternatively, each Corporate member excluding Visa<sup>8</sup> handles revenues greater than the GDP (let alone government revenue) of two-thirds of sub-Saharan African states.<sup>9</sup> Each firm has multi-billion-dollar interests in Africa, although in most cases this accounts for a relatively small part of its global operations.

In early 2007 there were three or four 'External' members, representing UK government departments. DFID is the original government sponsor and reportedly takes the government lead. The Joint International Unit of the Department for Education and Skills and the

Department for Work and Pensions joined in February 2006, having provided staffing expertise on secondment. UK Trade and Investment has also been represented since February 2006.<sup>10</sup> The FCO also became a sponsor and board member in May 2007.

There is a single 'Strategic' member of the Oversight Group: IBLF, which provides in-kind support rather than the usual £10,000 annual sponsorship fee.

**Table 1: BAA Oversight Group members, May 2007**

Member type	Member	Sector	HQ country
<b>CORPORATE</b>	Anglo American*	Extractive	UK
	British American Tobacco*	FMCG/Tobacco	UK
	De Beers*	Extractive	South Africa
	Diageo*	FMCG/Beverages	UK
	Merck Sharp & Dohme	Pharmaceuticals	USA
	Royal Dutch-Shell*	Extractive	UK/Netherlands
	SABMiller*	FMCG/Beverages	UK
	Unilever	FMCG/Various	UK/Netherlands
	Visa	Financial Services	USA
<b>EXTERNAL</b>	DfES/DfWP	Education, Skills	UK
	DFID*	Development	UK
	FCO*	Foreign Affairs	UK
	UK Trade and Investment	Trade, Investment	UK
<b>STRATEGIC</b>	IBLF	Skills	UK

\* Members that are also Chatham House Africa Programme (including British-Angola and British-Congo Forums) sponsors.

Two points are thus immediately obvious in the composition of BAA's directing organ. First, its members are overwhelmingly based outside Africa. De Beers is the sole example that is mainly located and operating in Africa and owned by Africans,<sup>11</sup> although Anglo American and SABMiller have very deep roots in Africa and several BAA board members are of African origin. Nevertheless, three-quarters of Oversight Group member organizations are UK-based companies or departments. This is problematic when one considers that neither the Commission for Africa nor BAA was intended as a British response to Africa's socioeconomic crisis, but rather as global multi-stakeholder partnerships.<sup>12</sup> CBC's research in July 2006 produced the following indicative response from an unnamed African business leader:

*As presently constituted BAA does not hold any meaningful prospect for the young generation of Africans as the composition of the members [does] not represent them. Therefore would like to see the younger generation to be at the forefront of policy formulation and advocacy as drivers of BAA.*<sup>13</sup>

The presence of high-level representatives of all the various members of the Oversight Group in London is advantageous for BAA coordination, but representatives of firms and governments from Africa or other investor countries would surely be able to travel to London for the relatively infrequent group meetings. This has been the practice of the existing US-based sponsors, with meetings arranged around their business visits to London and 'virtual' attendance by absent participants. The argument that representatives from existing members understand the African business situation because they frequently travel and work in Africa from London can thus easily be inverted.

Second, the Corporate members, who rightly lead from their own wealth of business experience, are by their vast scale unrepresentative either of the bulk of foreign businesses investing in Africa or of the African businesses they seek to empower. On the one hand, this scale is impressive. These are among the biggest investors and private-sector employers in Africa, exactly the sort of influential businesses whose commitment is needed. Potentially, they have resources to deploy for advocacy and project development that small and medium-sized enterprises cannot hope to rival. On the other hand, such prestige and resources potentially drown out smaller voices and reinforce the questionable perception that the challenges faced by multinational corporations (MNCs) are the same as those faced by local SMEs. It has also bolstered the perception in some quarters that BAA has been established as a cosy club of MNCs with insider access to UK government.

There is a sound counter-argument that the existing members are on the Oversight Group because that firm, or at least someone influential within it, was sufficiently committed to the cause to devote £10,000 annually,<sup>14</sup> plus a more valuable amount of time to promote BAA and associated projects, which are funded separately. There is no other barrier to entry to the Oversight Group than matching this commitment, and alternative members have failed to come forward. Yet there is something of the perception of a closed shop about the Oversight Group. Existing members and staff have expressed themselves as satisfied with the current size and composition of the board and the level of funding that this affords for BAA operations. Core members and staff have been working on the agenda together since 2004/05 and some have expressed reservations about introducing new board members at this stage and having to bring them up to speed.

While the Network Hub reported in late May 2007 that discussions were under way with a number of African businesses towards their joining the Oversight Group, expansion and diversification of the Group has so far lagged behind that of the general membership base. Respondents were fairly evenly split on the desirability of recruiting new African members. Several suggested that expansion of the Oversight Group by more than another two or three members would be undesirable in terms of exceeding the capacity of an informal business network. A larger core group, especially one with participants beyond the UK, would require a permanent secretariat and necessitate the transformation of BAA into a quite different type of organization. Notwithstanding the resources of the existing membership, this research has found universal resistance to making greater funding contributions to BAA. Board members and the BAA director equally prize the 'light touch' of the current network over a more permanent, secretariat structure.

Whatever the pros and cons of the current structure of the Oversight Group and prospects for its reform and/or expansion, BAA has at least managed to create a structure in which leading British and international businesses can carry on the PSD discussions of the Year of Africa and interact collectively with the UK government. However, if the original goal of creating a G8-Africa global business forum is to be realized, the existing structure of BAA governance will have to be revisited. As CBC's Steve Godfrey puts it, 'BAA is unique through its links to the G8, but to be credible with the G8 and business, it requires greater involvement by African business leaders.' Some of the committed personalities who have put so much effort into defining the PSD agenda since 2004 will have to be prepared to include or pass the baton to new proponents from a more diverse range of member organizations.



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## The network

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Unlike the largely static composition of the Oversight Group, the ordinary membership of BAA expanded quickly in its first year, doubling from about 60 at start-up to over 120 by July 2006. Membership has expanded more slowly since then, reaching 145 by May 2007. This growth has exceeded the expectations of BAA's leaders, although it is still substantially below the reported total of 330 firms attending the launch summit in July 2005 and excludes many of the firms that participated in the Commission for Africa business consultations. Network member organizations are based in at least eighteen countries, half of them African,<sup>15</sup> and have business operations in almost every country on the continent.

An intermediate tier of membership exists at the Partner level, allowing greater access to BAA meetings, events and project work but no formal say in the Oversight Group, for an annual fee of £2,000. There are currently only two Corporate Partners and one Strategic Partner. These are Rio Tinto (extractive sector; UK/Australia); Syngenta (agribusiness/biotechnology; Switzerland); and the International Marketing Council of South Africa (South Africa's trade, tourism and investment promotion agency).

A renewed membership outreach campaign is planned for 2007 through a media campaign to be designed and implemented by Weber Shandwick. This will be BAA's first major publicity campaign since its high-profile launch in mid-2005.

### ***Membership criteria and codes of conduct***

Participant membership of BAA is free and open to any organization that fulfils the following four criteria:

- 1. Existing business operations in Africa:** Ongoing business operations in Africa, or strong linkages with such operations/programmes in Africa.
- 2. Demonstrable commitment to positive change in Africa:** Recognized programme of social investment, pro-poor products or services, and/or contribution to the sustainable development agenda.
- 3. Responsible business practice:** as enshrined in the UN Global Compact or other relevant leading international, African or sector-wide codes of good business conduct.
- 4. Commitment to contribute to the objectives of BAA:** Actively support the objectives of BAA, including, where relevant, by initiating or participating in thematic work groups.

This research has found no reason to doubt that all or virtually all BAA members conform to these fairly loose criteria. None has had to be asked to disassociate itself. Certainly all have links to commercial operations in Africa, and a willingness to join the BAA network to some extent fulfils the second and fourth criteria. However, since there is no subscription fee, membership of the network is open-ended unless a firm specifically disassociates itself. Of the total membership, around 20 firms or organizations that joined BAA in its first year have been inactive within the network and are to be contacted to clarify their status.

The third criterion is potentially more interesting. Members are asked to apply responsible business practices but not necessarily to sign up to the Global Compact, whose UK Network Secretariat is also hosted by IBLF, or other initiatives.<sup>16</sup> However, all corporate sponsors except Visa and BAT have signed up to the Compact and of BAA's seven members from the mining/oil and gas sector, all are voluntary participants in the Extractive Industries Transparency Initiative



(EITI). This approaches the Commission's recommendations on all pro-African businesses signing up to the Compact and other 'leading codes of good social and environmental conduct' and BAA could consider making such commitments mandatory for members, thereby establishing itself as a sort of kitemark of good corporate governance. This has been resisted so far since the Network Hub does not have the capacity to police such requirements itself. There is already support within BAA for current efforts under way to apply the EITI model to regulating public procurement in the construction and pharmaceuticals sectors.

### **Composition**

Following the organizational structure of IBLF, BAA members are arranged into three brackets:

- **Corporate:** Businesses that commit to specific actions in support of BAA's objectives and themes, and share good practice.
- **Strategic:** Business organizations and business initiatives that work in partnership with Corporate participants on specific actions, providing policy expertise and/or finance, and that use their networks to promote BAA.
- **External:** Civil society, governments and international financial institutions that stand ready to work with business through existing or new partnerships.

Reflecting the business-led philosophy of PSD, it is clearly **Corporate participants** that are seen as the most valuable to the BAA network. These number 79, or just over half of all participants. However, when one subtracts commercial consultancies from Corporate participants, the number of firms that produce more than just advice is actually only just above one-quarter of all members.<sup>17</sup> Consultancies have flocked to BAA as its coalition has grown, leading to occasional disquiet about their motives and the introduction of the expressed stipulation that they join

*on the understanding that they will not use the network for commercial purposes – either to approach other participants to sell consultancy services or to use the BAA brand to sell services externally. In the event that BAA or any of its members decides to engage consultancy services, consultants within the network should not expect preferential treatment. In addition, for-profit consultancy firms are not able to join the Oversight Group.*

Thus far, the only consultancy work that BAA or its members have engaged for BAA project work has come from members Accenture Development Partnerships (Enterprise Development), PwC (Improved Customs Administrations) and CBC (survey report on outreach and participation strategy among African business). IBLF is contracted to manage the former project while CBC continues to manage the anti-corruption programme initiated before BAA was launched. Inspiris has separately provided consultancy for SABMiller but, to avoid conflicts of interest, it does not contract on downstream projects developed by BAA.<sup>18</sup>

Sectorally, there is a good spread of businesses represented, from extractive industries to law firms via agriculture, automotive products, banking, construction, food and drink, ICT, media, pharmaceuticals and tourism. The telecoms and transport sectors are considered under-represented given their importance for African development and are to be prioritized in the quest for new value-adding members. Defence/aerospace is one of the few sectors not currently represented and for reputational reasons is unlikely to be prioritized.

To a lesser extent than the Oversight Group, most 'productive' Corporate members are major multinationals; sixteen are from the FTSE 100 and several non-British firms are similarly multi-

billion-dollar enterprises. It is of course a sign of strength that BAA has attracted the support of these giants but the dearth of SMEs is striking. Indeed, medium-sized companies are currently probably less represented than very small ones, a number of which have signed up from Africa. Recruitment of more SME members has been established as a priority for 2007, especially from Africa. So far, fewer than one-fifth of Corporate members are Africa-based businesses. The July 2006 CBC survey of African business and BAA reported the perception 'that BAA has made it difficult for African business to engage (including from those involved in CfA consultations)'.<sup>19</sup>

**Strategic participants** are the next largest group, numbering 52 members, or 36% of the total membership. Indeed, this has been the growth sector since 2006 as member firms bring on board business associations and NGOs warm to the PSD agenda. It is also the most Africanized: 35% of Strategic participants are Africa-based concerns and several more are initiatives from the diaspora.<sup>20</sup> BAA now includes more than a dozen business alliances or associations able to promote its work and message to hundreds more constituent members in the UK, US, Southern and West Africa.<sup>21</sup> Education bodies including Harvard University's CSR Initiative and the Open University are being courted as Knowledge Partners. Particularly encouraging is the activism of civil society groups from the African diaspora, several of which are working with BAA and its Corporate participants to promote the sharing of skills, business experience and capital acquired in the UK, USA and France. However, these are rarely rich organizations<sup>22</sup> and only IBLF among the Strategic members has become a sponsor in kind.

**External participants** number just fourteen, including ten UK government ministries or agencies, the UN Development Programme, the World Bank Group's International Finance Corporation, the International Labour Organization (ILO) Youth Employment Network and the European Commission in Malawi. Contacts have been made with foreign governments and the major African high commissions in London but none have so far joined BAA.<sup>23</sup> There is no *a priori* reason why government departments from outside the UK should not be recruited as members of BAA. While the UK and DFID may be ahead of their G8 counterparts in commitment to PSD, the absence of foreign governments in BAA is probably indicative of rivalry between G8 members over ownership of African development initiatives, something that the German presidency highlights. Greater participation in BAA by G8 and African governments would be desirable if BAA is to achieve its potential for a multi-sector G8-African partnership but should not overshadow the current business-led structure. An international advisory or contact group with minority or rotating membership of the Oversight Group could be a way of realizing this.

Overall, BAA's directorship acknowledges that its network is still too focused on the UK and that future recruitment should prioritize attracting new, high-value participants from Africa, including local business associations that can spread the network more widely among SMEs. More broadly, there is a problem of extending BAA outside the Commonwealth or Anglophone world. About a quarter of participants are currently based in Africa but only one is based outside Commonwealth Africa,<sup>24</sup> mainly South Africa, Nigeria and Mozambique. Several leading participants have major interests in Francophone Africa but almost all are primarily focused on Commonwealth Southeast Africa and Nigeria. Similarly, BAA membership has yet to make much headway in Europe beyond the UK. The main exception is Switzerland, perhaps because it is not a G8 member and not the subject of rival domestic initiatives. Numerous US firms and NGOs plus one Canadian firm and one NGO have become direct members, including the US business organization Corporate Council on Africa.<sup>25</sup> As yet BAA has no Asian, Middle Eastern or Russian participants.

With the partial exception of the ILO's Youth Employment Network, there is one final missing piece from the BAA coalition: labour. The Commission report called for a new partnership

between businesses, with donors, with African government and with civil society, including trades unions. This final clause was excluded from the official Commission for Africa 'Messages for Business' leaflet issued to promote business activism. Since then, organized labour has continued to demonstrate its central role in African civil society, from South Africa to Guinea, and this could be reflected in the activist network that BAA is building.

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## Advocacy

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One of the three primary aims of the BAA network is advocacy: to present a clear African and international business voice to influence the policies of the international community and African governments to promote African growth and poverty reduction. Official positions are made on the recommendation of the Oversight Group on behalf of whoever is prepared to specifically sign up their firm/organization rather than on behalf of the entire network.

Examples of advocacy during BAA's first 18 months include:

- Four written and two oral submissions to UK parliamentary committee investigations into Anti-Corruption, Fair Trade and Development, PSD, and Trade.
- Submissions to DFID in respect of its 2006 White Paper on International Development.
- Written submission to the WTO in respect of the Doha Development Round.
- Letters published in the *Financial Times* and *Independent* newspapers on the Commission for Africa and international trade.
- Submissions published in *Financial Times Special Reports* on HIV/AIDS and infrastructure.
- Eighteen BAA (membership and Oversight Group) meetings, including several with DFID and other UK government departments.

Participants appreciate the collective front that BAA permits them, thus avoiding the taint of self-interested lobbying. BAA's own research suggests that it has become accepted as a respected 'brand' for advocacy on PSD and Africa within the UK. Indeed, personal endorsement by Tony Blair, Gordon Brown and Hilary Benn, management by former Commission Secretariat officials and the presence of three or four UK government departments on the Oversight Group demonstrate just what a close relationship BAA has forged with Whitehall. This is among BAA's strongest assets, and it has used it to promote PSD within the UK and, via DFID's advocacy, beyond.

Outside the UK, where BAA has much lesser recognition and contacts, its direct advocacy output can be described as cautious at best. Limited presence of African businesses in the network means that its advocacy inputs are also relatively undeveloped. At this stage BAA seems to be confined to network-building and awareness-raising as a foundation for future advocacy in the rest of the world and expects to make a greater impact in 2007, with the G8 summit at Heiligendamm the focal event. This is being done in association with Weber Shandwick in terms of raising awareness of BAA and its agenda beyond the UK and with German partner organizations in relation to the G8 summit. Links to partner organizations and sympathetic businesses in other G8 countries need to be developed proactively in order to facilitate advocacy in future years. The development of links with like-minded international organizations such as the African Development Bank and Africa Progress Panel, which is the follow-up body to the Commission for Africa, has been prioritized.

Collective lobbying of African governments has effectively not yet begun except via UK

government bodies. This reflects the weakness of participation thus far by Africa-based businesses. One solution being considered by BAA and IBLF, which would also tend to promote BAA among indigenous businesses, is to develop in-country BAA chapters that would share experience between domestic and international firms and lobby the domestic government on issues of mutual concern. The Democratic Republic of Congo and Angola, two countries where MNCs have been frequently criticized for their individual lobbying of governments, have been suggested as test cases. BAA collective action projects on Improved Customs Administrations (BAFICAA) and Anti-Corruption (BAAC) have already mobilized private- and public-sector participation in at least eight countries in South, East and West Africa. An alternative or supplementary measure, recommended by CBC in 2006, would be to revive the Commission for Africa regional business consultation structures in Algeria, Cameroon, Ghana, South Africa and Tanzania as regional contact points for North, Central, West, South and East Africa respectively.<sup>26</sup>

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## Collective action projects

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*Business Action for Africa was established to focus on delivery. It is not a talk-shop, but a place where practitioners interact with their peers around specific objectives and programmes.*

### **Introductory statement on BAA website**

Facilitating collective action projects that pool the expertise and resources of member businesses and organizations to produce outcomes that are economically and socially beneficial has proved the greatest challenge to BAA in the short term and there is some frustration at how long it takes projects to reach the showcasing stage. This reflects the time that any project takes to complete design, launch and testing, as well as the new challenges for firms working collaboratively with their peers on often unfamiliar terrain. BAA collective action projects have not yet changed Africa's business environment but at least two of them have begun to deliver progress in 2007. One member of the Oversight Group described the small initial number of projects (three under way in 2006) as a strength: 'I like BAA's focus. It doesn't do superfluous work.'

The BAA philosophy is that project conceptualization and realization should occur in the corporate sector with the Network Hub acting to catalyse wider interest, advise on funding, then publicize and promote. Responsibility for collective action has become more concentrated within the hub in 2007 with an emphasis on initiating more projects and publicizing existing ones as they are launched. Almost all sponsorship and engagement with the main projects so far have come from Oversight Group members. The level of commitment from ordinary members has reportedly been disappointing, though this may be changing. Many African businesses are becoming involved in the implementation of BAA-branded projects as they launch, although these firms are not necessarily joining the BAA network.

In 2007, there is no shortage of projects under consideration and the showpiece projects from 2005/06 should complete their launches. The intention is to launch about nine collective action projects by 2008, including the original three projects profiled below (see Boxes 2–4). The signs are thus more encouraging than is suggested by the overall performance of projects being implemented over the first 18 months.

## ***Governance and transparency***

Most legitimate businesses depend on stable, predictable governance, the rule of law and a transparently low corruption environment in order to invest, operate and prosper. Politics and governance are not something that PSD initiatives usually attempt to address and BAA simply endorses the NEPAD APRM as the correct approach. However, anti-corruption measures are something that legitimate businesses, domestic and foreign, and national governments have a clear interest in addressing. Codes of conduct binding states and businesses have become fashionable in the twenty-first century as a way of reducing the opportunities for corruption, human rights abuse and environmental externalities. Companies that do not sign up to such self-regulation, or fail to honour commitments, face a reputational risk.

As discussed, BAA demands 'responsible business practice' of its members. It does not as yet require them to sign the Global Compact or comparable codes of conduct in their sector but most of its leading members are Compact signatories or pioneers of such schemes as the EITI or Kimberley Process. The NGO Engineers Against Poverty (a BAA Strategic participant) is keen to apply a similar process to public procurement in its own industry through DFID's proposed Construction Sector Transparency (CoST) Initiative. Partners are also being sought for DFID's Medicines Transparency Alliance (MeTA) from the pharmaceuticals sector.

The flagship transparency project for BAA is Business Action Against Corruption (see Box 2), which was its first project to launch and has now been rolled out in five countries. However, BAAC as a programme pre-dates BAA, which has facilitated it by publicizing the initiative and promoting its adoption in Nigeria and Cameroon in 2006, and it was actually launched by CBC, which still manages the project. BAA is looking to its corporate participants to set up BAAC chapters in other African states.

### **Box 2: Business Action Against Corruption (BAAC)**

BAAC was begun by the Southern African Forum Against Corruption as a way to bring national anti-corruption bodies together with domestic and foreign businesses in partnerships to address issues of mutual concern:

- anti-corruption efforts in business operations;
- joint anti-corruption business–government activities;
- development of codes of conduct;
- capacity-building for SMEs.

It is now a partnership of four dedicated civil society groups, including BAA members the African Institute of Corporate Citizenship and the Commonwealth Business Council, which provides strategic management. BAAC is chaired by Shell. Other corporate sponsors of BAAC are BAA members Anglo American, Crown Agents and Unilever as well as V-Mobile of Nigeria.

BAAC was pioneered in Botswana, Malawi and Zambia in late 2005 and subsequently rolled out in Nigeria and Cameroon in the second half of 2006. BAAC-affiliated working groups operate separately in each country but can share their experience and learning through the BAAC network. Examples of activities include codes of conduct in Malawi, guidelines for disclosure in Botswana and a new integrity code in Nigeria. There is in-country interest in expanding BAAC activities to Egypt, Lesotho, Madagascar, Mauritius, Namibia and Tanzania.

## **Trade**

The Commission for Africa devoted a large part of its report to addressing the decline of African trade. Most of this is devoted to the Doha Round and Africa's access to markets in developed states. Influencing the WTO is realistically the work of state governments and BAA has pragmatically avoided more than token advocacy on the issue, writing to stress business support for pro-Africa outcomes of Doha. Instead, BAA has focused on improving Africa's capacity to trade. This covers two sectors, facilitating trade by reform of customs regimes, and facilitating trade by improvements to transport infrastructure. The Commission suggests that the priority should be placed on intra-African trade, though the same capacity improvements would also seem to benefit external trade.

BAA's flagship trade project is Business Action for Improvement of Customs Administrations in Africa (see Box 3), which, though a year or so behind BAAC, may be seen as the first proper BAA project to reach fruition. The programme's corporate initiators, sponsors and managers are all BAA members and see the project as inspired by the challenges of the Commission recommendations as well as their own commercial interests. While the project has yet to be fully implemented, once the testing phases are complete it would seem to provide an excellent case study for BAA to showcase best practices.

### **Box 3: Business Action for Improvement of Customs Administrations in Africa (BAFICAA)**

BAFICAA is a direct response from the private sector to the Commission for Africa's work on customs reform in 2004/05. Its corporate sponsors are British American Tobacco, Unilever and Diageo, all major players in Africa's 'fast-moving consumer goods' sector, including intra-African trade, and the subjects of innumerable delays occasioned by inefficient or corrupt local customs services. Sponsorship and technical assistance have also come from Sitpro and UK Customs and Excise.

The project was launched in March 2006, with a survey of customs regimes and their impacts on business activities in twelve African states (including three non-Commonwealth) conducted by a former Unilever Ghana supply chain coordinator. After the completion of that report in August 2006 a second phase applying its recommendations was launched in the East African Community (EAC) (Kenya, Tanzania and Uganda) with PricewaterhouseCoopers contracted.

Lessons learned from BAFICAA are intended to be implemented by national or regional working groups of business and government agencies and are also informing the work of the Investment Climate Facility (see below). With the concept being extended by Maersk to Nigeria and ECOWAS in 2007 and plans for a SADC case study under way, BAA should be able to showcase the results and lobby for wider application later in 2007.

## **Climate for business**

'Investment climate' is a rather vague term and BAA has struggled to differentiate it from other themes since it necessarily includes issues of governance, transparency and facility to trade, including infrastructure. The outcome of the Commission for Africa on the subject has been the Investment Climate Facility, an organization with an extraordinarily nebulous mandate to 'help Africa create a more attractive business environment and to realise its potential as a global player and trading partner'. Initiated at the same time as BAA and launched officially in June 2006, the ICF sets out to do much the same as BAA but with an Africa-based secretariat and a budget of around £20 million per year, almost 150 times BAA's operating revenue.<sup>27</sup> Unlike BAA, the ICF will directly finance projects.



The ICF is not a BAA project, although BAA has endorsed it and presented it as a showcase of public-private partnership, devoting at least one meeting to promoting the ICF to its members. Anglo American and Shell are the two founder private-sector investors in the ICF and have found the BAA network invaluable in recruiting additional corporate investors. In addition to DFID and the International Finance Corporation, five of the ICF's seven corporate investors are members of BAA, including four current and one past member of the BAA Oversight Group.<sup>28</sup> At least six of ICF's nine trustees are former or current senior executives or directors of leading BAA members.

For the future, BAA members have formed a platform for collective advocacy on African infrastructure development to provide private-sector input into the new Infrastructure Consortium for Africa, another post-Commission G8/NEPAD initiative. As yet, the ICA has no input from outside state, intergovernmental or international financial institutions and this could be a promising initiative. In view of the vagaries of the current climate for business theme and the conceptual overlaps with the ICF, BAA may do well to reorient this work-stream towards infrastructure only. Recruitment of more members from the transport and telecommunications sectors would be of benefit.

### ***Enterprise and employment***

Enterprise and employment is the thematic field in which PSD appears to have the greatest promise to effect development and hence the most disappointing field for BAA's attempts to promote collective action so far. Numerous participant businesses have experience of promoting local enterprise through development of their individual supply chains but efforts to develop a generic structure for collective action on this topic have not yet produced results (see Box 4).

#### **Box 4: Business Action for Africa Enterprise Development (BAAED)**

BAA's Enterprise Development project is the network's collective attempt to develop ways of improving the development and growth of SMEs in Africa. The sponsoring participants are Anglo American, Barclays, Rio Tinto, SABMiller, Shell Foundation and Unilever, with IBLF providing project management.

In 2006, Accenture Development Partnerships, a not-for-profit branch of the global consultancy firm, was appointed to conduct field-based research on constraints for SME development in four countries (Ghana, Kenya, Namibia and Zambia), and on opportunities for working collectively to address these constraints.

The lessons from the ADP research have been distilled and incorporated into a broader publication by Harvard, IBLF and the IFC, *Business Linkages: Lessons, Opportunities and Challenges*.<sup>a</sup> BAA is currently reviewing suggested practical interventions to be implemented by all or some of the companies involved.

<sup>a</sup> Beth Jenkins, Anna Akhalkatsi, Brad Roberts and Amanda Gardiner, *Business Linkages: Lessons, Opportunities and Challenges*, IFC, IBLF, and the Kennedy School of Government, Harvard University, 2007. See <http://www.iblf.org/resources/general.jsp?id=123929>.

Notable positive experiences at the individual corporate level include the development of sorghum-based beers by both Diageo and SABMiller, substituting locally produced grains for imported barley and thus bringing thousands of local farmers into supply chains, raising their incomes to the point where they become potential consumers of the finished product. De Beers has also renewed its successful partnership with the NGOs Partnership Africa Canada and Global Witness<sup>29</sup> to found the Diamond Development Initiative, which aims to address the political, social and economic challenges facing the artisanal diamond mining sector in Africa. Anglo American's Anglo Zimele and the Shell Foundation both have a strong record of developing and promoting SMEs in Africa.

Clearly, BAA's members, and especially its Oversight Group, already generate tens of thousands of jobs in Africa and by increasing their investments are likely to create thousands more jobs, directly and indirectly. However, in terms of promoting employment, especially among youth, there has been little collective action so far. The UK Department for Education and Skills is keen to promote two multi-sector schemes in West Africa: the Ghana Industrial Skills Development Centre and the Youth Employment Network (YEN) office in Senegal.

### ***Human development***

The human development theme was established with healthcare uppermost based on the experience of businesses in Southern and increasingly East and Central Africa, where large proportions of the workforce are living with HIV/AIDS. Numerous companies have progressive and/or proactive policies towards their employees and their dependants, including health and nutrition education and the provision of anti-retroviral drugs. Collectively, action has been limited but efforts are under way to share experience and showcase best practices. Members IBLF and the Global Business Coalition on HIV/AIDS are working with the South African Business Coalition on HIV and AIDS (SABCOHA) to promote good corporate practice to UK parliamentarians visiting South Africa.

More successful for BAA is the parallel development of initiatives towards education and training. This has largely been driven by Strategic participants from diaspora NGOs working to share the business and entrepreneurial skills of their members with Africans. Some of the major Corporate members of BAA have contributed to this by allowing their staff of African origins time for secondment to such projects. A project is under discussion with a major British provider of development work volunteers to expand such programmes under the BAA umbrella and branding and to develop links to other thematic priorities such as enterprise and employment.

### ***Perceptions of Africa***

To change perceptions of the business environment of Africa from negative to balanced is the second of the central aims of BAA as a means to promote greater inward investment rather than aid. To a considerable extent, perceptions of Africa arise not from specific individual or collective projects but from the overall success of other projects in a virtuous circle of development and perception. BAA staff and sponsors in their seminars, online and media presentations certainly strive to present a positive image of business in Africa but there is as yet no collective showcase project. A good example of an individual project is Diageo's Africa Business Reporting Awards, launched in 2004, which encourages journalists to engage with Africa's economic achievements and potential, not just its political crises.

Given the large number of consultancies specializing in public relations and investment promotion that have pledged support for the BAA initiative, the time is surely right for some of them to generate their own proposals on how better to market Africa.



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## Showcasing and sharing

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The third stated aim of the BAA network is to showcase and share experiences of good business practice in Africa. To some extent, this aspect is subsidiary to other achievements within the BAA programme, especially the realization of collective action projects but also the creation of a network of participants facilitated to share their experiences and ideas. In the latter case, as discussed, there has been progress inasmuch as the post-2004 business consultation process and launch of BAA have built a large coalition and brought together like-minded businesses, especially large MNCs at board level. Through seminars and media work, BAA has been able to showcase the work of many of these network members in promoting development through enterprise. In the case of collective action projects, there is as yet little to discuss before these projects come to fruition. Thereafter, BAA will have much more of its own experience to showcase and share, including with the ICF.

In the meantime, development of the BAA website (partially available in French and Portuguese) may be considered one of the more successful manifestations of the network. Although this is not immediately apparent from the home page, which focuses on collective action projects-in-progress, the website contains a wealth of useful links under its News and Resources sections. The former includes a useful Africa Business Weekly selection of the top twenty relevant news stories, albeit strongly slanted towards Commonwealth Africa through the use of Anglophone news agencies, and a comprehensive calendar of Africa-related business events. The latter includes about 200 weblinks to resources relevant to PSD and the six BAA priority themes plus a funding portal designed by Corporate participant Emerging Markets Group. There are also sections within each member profile on the website in which any member can showcase (and thereby to some extent be held accountable to) its commitment to BAA goals under the six theme headings.

As of spring 2007, the website was recording about 300 visits per day. While the hit rate is growing, this is still quite a low figure given the potential audience. Increased media exposure in 2007 should raise this usage along with BAA's international profile. Plans to develop the website include greater use of user-generated content, including from African members, via the newly added blog and video channel.

### 3 BUSINESS AND THE GERMAN G8 PRESIDENCY, 2007

*The German G8 Presidency believes that official assistance and debt forgiveness will not alone suffice to help us attain the millennium development objectives in Africa. To do so, economic growth and investment, independent responsibility, and reform processes in Africa are important prerequisites. ... Germany wants to re-initiate the reform partnership and the dialogue with the African partners.*

**German Federal Foreign Office, Growth and Responsibility –  
Leitmotif for Germany's G8 Presidency, October 2006**

*Achieving the Millennium Development Goals will require the creation of an environment that enables economic activity and encourages broad-based private sector-led growth.*

**Chair's Summary, Dialogue of the G8 Development Ministers, Outreach Countries, African Organizations and the OECD, Berlin, 27 March 2007**

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#### 2006: the Russian hiatus

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2006 was something of a lost year for African initiatives with the G8. After the intensity of the UK focus on Africa in 2005, the presidency passed to Russia, which ceased much of its engagement with African development at the demise of the Soviet Union. Unlike the other G8 members, Russia is not a member of the OECD or its Development Assistance Committee, does relatively little trade with Africa (being self-sufficient in most raw materials) and does not have a significant African diaspora or NGO sector to lobby for Africa.

For the first time since 2000 the host's summit agenda did not include any new African initiatives (see Box 5). Only the United States' Sea Island summit of 2004 had previously eschewed economic development initiatives, although it did prioritize African security and healthcare via the Action Plan on Expanding Global Capability for Peace Support Operations and the Emergency Plan for AIDS Relief respectively. Under Russian leadership, the partial exception was healthcare, with assistance to African countries, including via NEPAD, a priority in the worldwide campaign against infectious diseases. African participants, numbering eight at the Gleneagles summit, were restricted to just the presidents of South Africa (as an official G8 outreach country) and Congo-Brazzaville (as chair of the AU) in Saint Petersburg. However, there was evaluation at the summit of progress in member states' fulfilment of previous commitments.

In retrospect, the Russian hiatus in G8 African initiatives may not have been a bad thing. The multiplication of such projects since the launch of NEPAD in 2001, especially those arising from the UK presidency, is a significant challenge to donor and recipient capacity in the short term. As long as there is follow-up on existing commitments, a period of reflection on and evaluation of post-2001 initiatives is desirable. Both NEPAD and the Commission for Africa project were intended as holistic endeavours to address Africa's underdevelopment, and fresh or subsidiary initiatives may be undesirable until the new, resultant institutions have had time to establish themselves.

### Box 5: G8 summits and African development initiatives

Twenty-first century G8 summits have traditionally included African economic development issues in their agendas, building on the African-led activism of the establishment of the African Union and NEPAD agenda and global commitments to fulfil the MDGs. Exceptions were the US presidency of 2004, which focused on African security as a basis for economic growth, and the Russian presidency of 2006, which included Africa primarily in regard to the global fight against infectious diseases.

Since the Okinawa summit of 2000, G8 hosts have also by convention invited African leaders to participate in parts of the summit and precursor meetings on development issues. The presidents of Algeria, Nigeria and South Africa, the originators with Senegal of NEPAD, attended every summit between 2000 and 2005. Attending the Heiligendamm summit with them will be the presidents of Egypt and Ghana (the latter as chair of the AU).

South Africa participated in the G8 Development Ministers Dialogue in Berlin in March as an official outreach country. Representatives from the AU, African Development Bank and four African regional economic communities – EAC, ECOWAS, IGAD and SADC – were also invited, highlighting the German focus on regional economic cooperation for African development.

Year	Presidency	Initiative	African representation	
1999	Germany	Cologne Debt Initiative		
2000	Japan		Algeria Nigeria	South Africa
2001	Italy	New African Initiative (became NEPAD) Africa Personal Representatives appointed	Algeria Mali	Nigeria South Africa
2002	Canada	G8 Africa Action Plan	Algeria Nigeria	Senegal South Africa
2003	France	Africa Partnership Forum	Algeria Egypt Morocco	Nigeria Senegal South Africa (AU)
2004	US		Algeria Ghana Nigeria	Senegal South Africa Uganda
2005	UK	Multilateral Debt Relief Initiative Infrastructure Consortium Investment Climate Facility	Algeria Ghana Ethiopia Nigeria (AU)	Senegal South Africa Tanzania AU Commission
2006	Russia		Congo (AU)	South Africa
2007	Germany		Algeria Egypt Ghana (AU)	Nigeria Senegal South Africa

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## The German agenda for 2007: 'Growth and Responsibility'

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This is the dilemma facing Germany as it presides over the G8 and the EU Council simultaneously in the first half of 2007.<sup>30</sup> Clearly, Chancellor Merkel and her team would like their presidency to be seen to make a significant contribution to African development, not least because civil society groups will be mobilized to demand it. But this is an already crowded field and Germany has struggled to find an unfilled niche or a big idea. Africa was included as one of the two main themes of the presidency under the heading 'good governance, sustainable investment, peace and security' in October 2006. By some accounts this was due to pressure from the British government to resume the engagement of 2005; by others it reflected a German desire to return G8 Africa policy to the more consensual Africa Action Plan framework of the pre-Gleneagles period.

Seven months later, despite repeated assurances by the federal government that Africa remains central to the German international agenda, the substance of this Africa programme remained ill defined. Berlin has certainly listened to input from its G8 partners and outreach bodies and seems to have resisted pressure for any grand initiative of its own. Instead, the Africa content of the final communiqué is likely to include a number of subsidiary initiatives proposed by other G8 states alongside restatements of the need to fulfil existing commitments.

Africa-related elements suggested under the German G8 agenda include:

- **Good Governance:** A 'partnership for reform', promising expanded G8–Africa relations and a 'new policy approach' apparently strengthening the focus on NEPAD/APRM and drawing on the Partnership with Africa dialogue launched by German President Horst Köhler in late 2005.
- **Sustainable Development:** Improvement of Africa's investment climate by promoting 'more democracy, less corruption, more self-responsibility, and more resource sovereignty'.
- **Trade and Investment:** Greater attention to improving the investment climate in African states and developing capacities to trade. Germany will join the ICF, support regional infrastructure and microfinancing of SMEs, and facilitate the transfer of capital to Africa from the diaspora. Proposals from the UK for an Enhanced Integrated Framework on trade capacity and the World Bank/Asian Development Bank (ADB) for a Partnership for Making Finance Work for Africa may be endorsed.
- **Transparency:** Greater attention to revenue transparency, including via EITI. Germany has pledged to host a 'global conference on transparency in the raw material sector' during 2007 and proposes a G8 Action Plan for Good Financial Governance in Africa.
- **Regional Economic Communities:** Provision of additional support to African RECs to develop their capacities, especially infrastructure planning, and engagement with civil society.
- **Healthcare:** Strengthening of African healthcare systems, especially as regards HIV/AIDS, tuberculosis and malaria.
- **Peace and Security:** Strengthening of the role of the AU and regional Standby Forces in conflict prevention and resolution, particularly in Sudan, Somalia and the Democratic Republic of Congo and via engagement with South Africa.

Additional Africa initiatives that Germany is pursuing through its (co-)presidency of the EU Council include:

- **EU–Africa Joint Strategy:** Implementation of the EU Strategy for Africa (defined by the UK in December 2005 on the basis of the G8 Africa Action Plan and Commission for Africa recommendations) as the basis for realizing the MDGs. An EU–Africa Joint Strategy is supposed to be agreed in Lisbon in December 2007 as a partnership to implement resultant EU economic development assistance.
- **ACP:** Conclusion of closer Economic Partnership Agreements between the EU and Africa-Caribbean-Pacific (ACP) states. These are supposed to guarantee access to the EU internal market for developing states from 2008.

From the bones of these agendas two things are clear. First, Berlin has a much clearer idea of what it expects to achieve from its EU presidency than its G8 presidency, building on years of work towards tangible December deadlines (for the EU–Africa summit in Lisbon and for conclusion of the ACP negotiations). Second, the issue of sustainable investment and development is of primary concern in Germany's approach to Africa, with considerable crossover between the G8 and EU agendas. Its G8 presidency is about consolidating existing programmes, not launching grand new initiatives.

**Box 6: Africa–G8/EU events, 2007**

5 June	Africa Business Forum, CBC and BAA, London
5–7 June	Africa Business Forum, IMF-World Bank Africa Investment Club, Washington, DC
6–8 June	G8 Summit, Heiligendamm
13–15 June	World Economic Forum on Africa, Cape Town including launch of DFID's Africa Enterprise Challenge Fund.
23–27 June	EU–ACP Joint Parliamentary Assembly, Wiesbaden
1–3 July	AU Summit (including APRM reviews), Accra
27–28 September	Forum Africa 2007, African Business Roundtable and Canadian Council on Africa, Montreal
8–10 October	International Business Forum 2007: 'Business Engagement for Governance', World Bank Institute and InWEnt, Washington, DC
5–10 November	Europe–Africa Business Summit, NEPAD Council, Hamburg
November	Africa Partnership Forum, Algeria
7 December	EU–Africa Summit, Lisbon

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## German business activism

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Berlin may have taken on many of the initiatives from the UK presidency and the German Federal Ministry for Economic Cooperation and Development (BMZ) may have embraced PSD, but German business has not yet embraced the Business Action for Africa initiative. However, the German private sector is not without its own ideas of how to engage with African development, and several organizations and networks are worth mentioning.

Afrika-Verein (Africa Association of German Business) is the primary German business organization engaged with Africa. Structurally and by intent it is closer to the British African Business Association (BABA) than to BAA, being run entirely by members of the German business community and aiming to promote their investment in Africa. It claims over 500 German members, overwhelmingly operating in Southern Africa. However, it also works on PSD programmes such as the Africa Business Platform, a joint initiative launched with GTZ, the German Technical Cooperation Organization, in 1998. This is a basic public-private partnership designed to network German and African businesses and investors. Its online database includes contacts for 57 German firms and over 220 African businesses, mostly SMEs, in 27 countries.

More developed is the Southern Africa Initiative of German Business (SAFRI), a joint initiative launched by Afrika-Verein, the Federation of German Industries (BDI) and the Association of German Chambers of Industry and Commerce (DIHK) under facilitation of the German foreign ministry in 1996. SAFRI is mainly a means to promote the business opportunities of the SADC region to German investors but also works to promote SME development and skills-sharing in Southern Africa, including by putting African firms in contact with the German financing and technical support agencies. As with Afrika-Verein, SAFRI's board is almost exclusively composed of German business leaders, plus token African and public-sector representatives.

Comparable organizations to Afrika-Verein and small-scale initiatives such as SAFRI exist in almost all of the G8 states and many of the OECD's other member states. Some, like the Canadian Council on Africa, are broad-based networks that work to build capacity and showcase business success stories as well as promoting business. Others are more straightforward investment forums. However, each is consciously nationally based and, unlike BAA, none is set up to be more than a bilateral forum between home country and African businesses.<sup>31</sup>

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## BAA and the German G8

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The German G8 summit has been the most important target for BAA advocacy since its founding and accordingly the focus of its communications strategy in 2007. There are two main obstacles to this advocacy. The first is the vagueness of the German agenda in relation to Africa. However, this has potentially given lobbying organizations greater scope to shape the agenda and push for follow-up on existing commitments. Berlin has made it clear that it is interested in pro-business approaches to African development and receptive to inputs from external sources.

Secondly, BAA does not have any German participants. This is less of a problem than it might be thanks to the engagement of pro-BAA UK government agencies and parliamentarians in events around the summit and the contacts that BAA has established between its Network Hub and membership and German business advocacy groups and government agencies. In the former camp may be counted Afrika-Verein as well as the BDI and InWEnt (Capacity Building

International), a public–private partnership for skills sharing and vocational training. Each of these organizations has a British counterpart within the BAA network, linked through European networks. In the latter camp the main contact is the BMZ, the German counterpart to DFID. BAA also has contacts with the German Investment and Development Company (DEG), a state-owned development finance institution analogous to DFID’s CDC Group.

At a higher profile, there is work in the UK to raise the African business profile of the G8 events. As in 2005, there is an African Business Forum in London, organized by CBC with BAA co-branding to coincide with the opening of the Heiligendamm summit. This promotes engagement with PSD initiatives and forms part of an advocacy strategy to mobilize British and international media to publicize the BAA agenda.

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## The G8 beyond 2007: Japan in 2008

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The nature of the G8 process is such that the content of the Heiligendamm summit had already been virtually decided by April 2007. There will be other Africa-related summits in Germany and elsewhere during the remainder of the year as the invigorated German–African civil society and business coalitions discuss follow-up initiatives. But after the Heiligendamm summit attention will quickly shift to shaping the agenda of the next G8 presidencies: Japan in 2008 and Italy in 2009.

On past performance, this augurs well for the G8–Africa partnership. It was the Japanese presidency in 2000 that first brought African leaders into G8 summit consultations and the last Italian presidency that endorsed what became NEPAD and created the offices of Africa Personal Representatives of the G8 leaders to provide policy input and follow-up. Japan will also host a fourth five-yearly Tokyo International Conference on African Development (TICAD) in late 2008 to promote Asian–African economic ties. Excluding debt relief, Japan is the world’s third biggest bilateral donor to sub-Saharan Africa, after the US and European Commission (see Table 2), and is the only G8 state other than the UK to be on target to meet Gleneagles aid commitments to Africa by 2010. It devotes about one-third of its total development aid to Africa. JICA, the Japanese International Cooperation Agency, is a proponent of PSD and has begun to experiment with public–private partnerships in Asia.

However, with Japan’s primary development focus on East Asia, and Italy, like Germany and the US, being at least as interested in North Africa and the Middle East as in sub-Saharan Africa, the G8 agenda may drift away from Africa in coming years. France, the UK and to a lesser extent Canada (which hosts the G8 in 2010) are the most oriented towards sub-Saharan Africa and therefore those most likely to promote an Africa agenda through the G8. Geographical, political and linguistic differences also mean that Japan is a particularly difficult, or at least expensive, country for BAA, or indeed any European or African-based group, to pursue advocacy with.

A provisional agenda for the Japanese G8 presidency is expected to be published in October or November 2007.

**Table 2: G7 Bilateral Official Development Assistance to sub-Saharan Africa, 2006**

<b>G7 member</b>	<b>Including debt relief (US\$ million)</b>	<b>Excluding debt relief (US\$ million)</b>	<b>As % of total bilateral ODA</b>
USA	5,602.7	4,165.4	27.5
UK	5,359.3	2,092.2	62.0
France	3,367.1	1,439.7	51.7
Germany	3,119.0	7,17.0	44.6
Japan	2,440.6	2,440.6	34.1
Italy	1,118.6	201.6	54.4
Canada	866.2	663.3	33.8
<b>Total</b>	<b>21,873.5</b>	<b>11,719.8</b>	<b>39.5</b>

*Source:* OECD DAC.

*Note:* Russia is not a member of the OECD and comparable statistics are not available.

France, Germany, Italy and the UK also contributed significantly to the European Commission's US\$3367.1 million bilateral ODA budget in 2006.



## 4 CONCLUSION

Two years on from Gleneagles and the independent launch of BAA, the results of business commitment to African development are mixed. BAA has retained the confidence of UK government and assembled a large coalition of British-based businesses and NGOs but has had limited success extending itself outside the UK, including in other G8 countries. Most importantly, it has a very limited presence among businesses in Africa and has lost some of the momentum of the Commission's consultation process. Without real African ownership of the project, BAA is not yet a credible interlocutor between African business and the G8.

While BAA has retained and nurtured a pool of British expertise on African PSD since the consultations that shaped the Commission for Africa report, its management body has come to be dominated by representatives of a small number of multi-billion-dollar concerns that dominate a range of other pro-PSD initiatives. Their commitment to the cause is laudable and their resources beyond question but their representation at the expense of SMEs, African and foreign business creates further credibility problems for BAA.

BAA's programme of work has begun slowly but stands poised to make real progress in 2007 as projects initiated in its first two years come to fruition and a number of new projects get under way. BAFICAA deserves particular mention as a joint project between members with considerable potential. Other completing projects such as BAAC and ICF owe relatively little to BAA (as opposed to BAA members) in their gestation but may be effectively showcased through its network. Indeed, showcasing and sharing via its website has probably been the BAA Network Hub's greatest strength. Advocacy work is somewhat constrained by lack of inputs from African business as well as lack of presence or contacts for advocacy outside the UK. These limitations have been circumvented thanks to partnerships with like-minded German organizations in 2007, when the German G8 agenda presents a convenient 'strategic fit', but are likely to pose significant access problems in Japan in 2008, as they did in Russia in 2006.

As the cycle of G8 presidencies begun by Japan's outreach to African partners in 2000 concludes, the central message is that the era of national initiatives for Africa has passed and the time for fulfilling collective commitments to existing initiatives has come. This applies to civil society and the private sector as much as to G8 intergovernmental initiatives. If they are to succeed in more than demonstrating good short-term intentions, national initiatives need to become genuine international partnerships with Africa and its diaspora as central stakeholders. This is understood to be the spirit of NEPAD and the Commission for Africa.

## 5 RECOMMENDATIONS

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### To Business Action for Africa

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#### ***Membership***

- Participants in the BAA network should maintain and increase their commitment to initiating and leading collective action programmes. This is the responsibility of all members, not just the Network Hub and Oversight Group.
- The expansion of the BAA participant network should be continued, with priority placed on attracting high-value Corporate participants from Africa, including non-Commonwealth countries; non-UK member states of the G8/OECD; and the telecommunications and transport sectors. Labour organizations committed to the PSD agenda should also be encouraged to participate in BAA.
- Existing participants should be encouraged to pursue the proposed initiative to establish BAA chapters partnering international operators and domestic businesses within key African countries or regions. These could be an effective means to increase membership and awareness of the BAA/PSD agenda and to promote advocacy capacity with national governments. Collective action projects such as BAAC and BAFICAA could also make use of such channels.
- The Network Hub should examine the possibility of requiring Corporate participants to sign up to relevant codes of conduct such as the Global Compact and EITI, taking into account the financial and legal costs of such compliance. Most of BAA's most active members already endorse such codes but making this mandatory could help to establish BAA as a value-adding 'kitemark' of good corporate governance.

#### ***Oversight Group***

- If BAA is to be a credible coalition of African and G8/OECD businesses, the Oversight Group requires greater participation by African business, not just businesses that operate in Africa. Ideally there should be a parity of input from Africa and the North. Existing flexibility over scheduling of meetings and provision of virtual conferencing facilities should facilitate this.
- The Oversight Group would benefit from greater participation by SMEs and capable representatives of such businesses should be encouraged to join. Where the annual sponsorship fee is a barrier to this, existing sponsors should agree to continue their financial support on behalf of SMEs.
- The Oversight Group would benefit from some participation by business-oriented civil society groups, especially those from the diaspora who seek to share skills with Africa. This would help to promote the transparency of the BAA initiative. Non-commercial Strategic participants could elect their own representative to sit on the board. Sponsorship fees should be waived from any such participant.
- Expansion of the Oversight Group to include African businesses, SMEs and civil society

participants is likely to produce an unwieldy management structure unless the number of existing representatives from UK/US multinationals is reduced. It may be desirable to limit participation to no more than two members per business sector. UK firms from the extractive and FMCG sectors are currently over-represented. Rotating membership of the board could be used to retain the high level of expertise and commitment displayed by several existing MNC representatives since 2004.

- Membership of the Oversight Group by External (government) participants is desirable but the UK government is currently over-represented and other G8 governments are unrepresented. Continuance of DFID representation may be desirable but other UK departments could be replaced by one representative of the G8 host country and one representative from an African institution: AU, NEPAD, ADB or ICF. An international advisory or contact board of representatives from relevant ministries of all G8 states would be a useful mechanism for advocacy.
- The Oversight Group is to be commended for its work to prevent conflicts of interest – real, potential or perceived – arising in the work of network member and contracted consultancies and should maintain this level of vigilance and transparency as the network continues to expand its membership and programme of work.

### ***Programme of work***

- The Network Hub should continue to develop advocacy contacts with relevant governments and international institutions outside the UK with a view to improving its visibility and acceptance as a global, not just British or Commonwealth, coalition. Advocacy inputs from African business must be prioritized if BAA is to be a credible interlocutor with the G8.
- The Network Hub should continue to work to promote its two flagship collective action programmes, BAAC and BAFICAA, showcasing them and promoting adoption of working groups in as many African countries as possible where there is demand and latent capacity. BAA participants should commit in-country resources to build this capacity where they have expertise.
- The Climate for Business theme should be re-prioritized around infrastructure development. Attracting more participants from the telecoms, transport and construction sectors will be essential to developing high-value collective action programmes within this theme.
- The large number of commercial consultancies that have signed up to the BAA initiative should prove their commitment by using their expertise in communications and marketing to develop projects for improving perceptions of Africa or African countries as attractive business and investment environments.

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## To German and other G8 African business alliances

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- BAA is a global business-led coalition functioning to promote PSD initiatives and best practice in Africa but requires input from businesses in all major developed countries to achieve its potential outside the UK. Africa-oriented business alliances should commit to work with BAA and to promote its agenda with their membership and national governments.

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## To the German and other G8 governments

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- As the cycle of engagement with Africa begun in 2000 is completed, the focus must be on refinement and follow-up of existing African development initiatives agreed between 2002 and 2005. Host governments should resist the temptation to launch new initiatives except where there is a clear African demand for them.
- Consider the appointment of representatives from development ministries with commitment to PSD to a BAA international advisory or contact board to improve liaison with the private sector in other G8 and African states.

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## Notes

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<sup>1</sup> Chapter 5 of DFID's July 2006 White Paper 'Making Governance Work for the Poor' explicitly ties UK commitments to 'reducing poverty through economic growth' to PSD initiatives and pledges to 'work closely with organizations like BAA and the CBC to identify ways to support development of the private sector and employment'. BAA does not regard itself as having an exclusive position in promoting and showcasing PSD in Africa.

<sup>2</sup> House of Commons International Development Committee, 'Private Sector Development – Fourth Report of Session 2005-06, Vol. 1, para. 172 (p. 68), 17 July 2006. The government's 5 October 2006 official response endorsed this recommendation.

<sup>3</sup> 'G8: Business Action for Africa Summit' brochure, 13 July 2005.

<sup>4</sup> The other two are the British Africa Business Association (BABA) and the Commonwealth Business Council (CBC), both BAA member organizations. CBC was established in 1997 to perform a comparable function to BAA within the Commonwealth and counts as members most of the larger participant corporations active in BAA. BABA is a more conventional business association.

<sup>5</sup> 'Outreach and Participation Strategy – African Business and BAA', a survey report for BAA by CBC in July 2006 based on responses from about 95 African businesses, many of them participants in the Commission for Africa consultations.

<sup>6</sup> Torres-Rahman's advisory work for the IDC was on a personal basis. The IDC report acknowledges him as Director of Inspiris Ltd but not his affiliation to BAA.

<sup>7</sup> Merck Sharp & Dohme Limited (MSD) is the UK subsidiary of Merck & Co., Inc, registered and based in the US.

<sup>8</sup> Visa describes itself as 'a private, membership association jointly owned by more than 20,000 member financial institutions around the world', rather than as a firm.

<sup>9</sup> Royal Dutch-Shell's US\$318.8 billion turnover in 2006 was considerably greater than the GDP of any African state, including South Africa.

<sup>10</sup> As of May 2007 BAA was still awaiting a decision on whether it would renew its commitment.

<sup>11</sup> De Beers is headquartered in South Africa but owned 45% by the UK-based Anglo American and 15% by the Botswana-based Debswana Diamond Company. It is registered in Luxembourg.

<sup>12</sup> The Commission for Africa exhibited some of the same problems of representation, including among its nine African Commissioners only two from outside the Commonwealth (Ethiopia and Côte d'Ivoire).

<sup>13</sup> Quoted as cited in 'Outreach and Participation Strategy – African Business and BAA' Report to BAA Oversight Group meeting, 11 September 2006.

<sup>14</sup> The £10,000 sponsor fee has remained frozen since 2005 and there are no plans to raise it in the near future.

<sup>15</sup> These include Ethiopia, Ghana, Mauritius, Mozambique, Nigeria, South Africa, Uganda and Zambia.

<sup>16</sup> The Global Compact was established in July 2000. Its ten principles bring together commitments to respect human rights, labour rights and the environment and to work against corruption.

<sup>17</sup> BAA estimates this figure at about one-third of all members.

<sup>18</sup> These conditions were more overtly restated on the BAA website's disclaimer from May 2007.

<sup>19</sup> 'Outreach and Participation Strategy – African Business and BAA', survey report by CBC, July 2006.

<sup>20</sup> BAA estimates that close to half of its Strategic participants are Africa-based.

<sup>21</sup> Most notably, the Mauritius-based Association of SADC Chambers of Commerce and Industry (ASCCI) represents 18 National Chambers of Commerce, Trade Associations and Employer Organizations in all 14 countries of the SADC region.

<sup>22</sup> Exceptions would be the World Economic Forum, Confederation of (UK) Business and Industry

and several charitable foundations linked to MNCs.

<sup>23</sup> The Mozambique Investors Forum and International Marketing Council of South Africa are both government agencies from these two countries currently engaged with BAA as Strategic participants.

<sup>24</sup> The NGO Alchemy World is based in Ethiopia.

<sup>25</sup> The Corporate Council on Africa represents about 200 US-based companies, claiming 85% of US FDI into Africa.

<sup>26</sup> The CBC report actually suggests developing contact points in an additional one to three unspecified countries.

<sup>27</sup> ICF has set a funding target of \$110 million (£54 million) for its first three-year phase. The total, seven-year funding target is \$550 million.

<sup>28</sup> These are Anglo American, Microsoft, Shell/Shell Foundation, SABMiller and Unilever. The exceptions are Celtel and Standard Bank.

<sup>29</sup> This was the partnership that pioneered the Kimberley Process as a response to the trade in 'conflict diamonds' at the start of this decade.

<sup>30</sup> Germany formally holds the EU presidency in January–June 2007 but will still be part of the presidency 'troika' alongside Portugal and Slovenia under reforms introduced this year. The agenda of the German presidency should thus carry over until June 2008.

<sup>31</sup> The Brussels-based European Business Council for Africa and the Mediterranean (EBCAM) is a partial exception as an umbrella organization that represents nationally based African business alliances from ten European countries, connecting them to EU institutions.