PARTNERS IN CHANGE

UN GLOBAL COMPACT: ADVANCING CORPORATE SUSTAINABILITY IN AFRICA
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Executive Summary

Over the past two decades, the African continent has become the fastest growing region in the world – both in population and economic terms. Concurrent with and also a major factor of this growth is the increasingly important role the private sector is playing in the social and economic development of African countries. Businesses are in the position, as a primary driver of growth on the continent, to ensure that markets, commerce, technology and finance advance in ways that benefit the economy and society in an inclusive and sustainable way.

To respond to changing global economic trends and recognize the need to better incorporate the growing private sector in Africa, the United Nations Global Compact has designated a specialized workstream to focus on implementing and overseeing a long-term strategy for growth and engagement of the UN Global Compact in Sub-Saharan Africa.

In tandem with the UN Global Compact’s overall 2014-2016 strategy, the Africa strategy will serve as the overarching plan of action guiding the UN Global Compact’s continuing efforts with three key goals, in particular in how it is related to the African private sector. These goals reposition the value proposition of the Global Compact and include:

- greater focus on basic infrastructure needs and enabling factors for private sector engagement;
- raising awareness of the UN Global Compact on the continent through stronger Local Networks and strategic partnerships; and
- strategically engaging a larger number of companies and countries through a greater integration of UN Global Compact issue areas into key sustainability platforms in Africa and governmental and institutional partnerships.

As defined by the UN Global Compact, corporate sustainability is a company’s delivery of long-term value in financial, social, environmental and ethical terms. It can be argued that most leaders in the African private sector recognize the business case for corporate sustainability and sustainable principles, the Global Compact has long faced the challenge of translating this recognition into long-term commitment and action in Africa.

Corporate ownership, driven primarily by indigenous African firms and strong partnerships on the ground at various levels (local, regional, interregional and international) will be the primary factors in pushing forward this agenda. In addition to this, the UN Global Compact will establish a framework for progress of the initiative as well as a high-level working group and Africa Development Team to monitor the implementation and development of the initiative as well as evaluate its outcomes.

Expected outcomes of the strategy over the next three years will see participation rates of African-based firms surpass 500 business participants by 2017 with 1-2 new Local Networks in Africa established every year. The Global Compact’s strategy for Africa will bring together actors on the ground, in the region and around the globe to work together and become partners in change for a developing and rising Africa.
1 Introduction

By 2050, Africa will be the home of the world’s largest workforce and will account for one quarter of the world’s population, growing at a rate that outpaces every other region in the world. With such unprecedented growth and change bringing about a social and economic transformation of the continent, it is important to ensure that there is a complimentary improvement of the quality of growth in Africa, not just the quantity. Concurrent with and also a major factor of this change is the increasingly important role the private sector is playing in the social and economic development of African countries. Businesses are in the position, as a primary driver of growth on the continent, to ensure that markets, commerce, technology and finance advance in ways that benefit the economy and society in an inclusive and sustainable way.

The purpose of this document is to design a long-term strategy for growth and engagement of the United Nations Global Compact (Global Compact) in Africa. This strategy will serve as the overarching plan of action to continue the Global Compact’s continuing to advance a culture of corporate sustainability in Africa through policy implementation, disseminate good practices via Global Compact participants and Local Networks, and the establish appropriate partnerships.

Note: In the context of this document “Africa” refers to the 49 countries of Sub-Saharan Africa. This is due to the regional breakdown of participant organizations – North African countries comprise part of the “MENA” region – and the greater economic integration that exists between North African countries and the Middle East. Although the United Nations classifies Sudan as a North African country, Sudan falls into the Sub-Saharan Africa region in the Global Compact.

As defined by the Global Compact, corporate sustainability is a company’s delivery of long-term value in financial, social, environmental and ethical terms. Corporate sustainability’s ultimate objective is taken here to be a contribution by companies to the well-being and welfare of present and future African generations through the respect and promotion of their human rights, the rights of their labour force, the preservation of the environment and the eradication of corruption.

2 Background

2.1 The African Renaissance

Over the past two decades, social, political and economic factors have combined to see a renewed global economic interest in Africa and resurgent growth in many African economies. However, continuous growth rates in the past 10 years have failed to yield similar positive outcomes in many of these countries in the way of transformational development, such as regional integration, industrialization, employment and social justice. Nevertheless, the trends, characteristics and opportunities of this new development highlight the potential of the private sector to contribute to the transformational agenda through corporate sustainability.
In order to truly understand how corporate sustainability relates to the growth and development of the African private sector and how that growth will impact the stakeholders in the region, various factors must be taken into account. It is in this vein, the Global Compact can play an integral role in shaping the culture of corporate sustainability on the continent. Now, more than ever, as many African economies begin to take center stage and the private sector becomes a more transformative force in social, political and economic agendas, a strategy to increase Global Compact engagement in Africa with the goal of promoting sustainable private sector development is critical to the future of the Global Compact’s role as a leading force for sustainable business practices in emerging markets.

### 2.2 Global Compact in Africa, 2000-present

The Global Compact’s private sector growth in Africa, despite its high-profile engagement of leading firms on the continent, has failed to match the robust expansion of the private sector on the continent. From 2002 to 2010, total Global Compact private sector engagement in Africa has seen an approximate annual increase of 69%, however, following 2010, private sector participation in Global Compact experienced an average decline in growth of -11%. Furthermore, the rate of expulsion of existing participants has outpaced the number of new participants in many African countries resulting in this negative annual growth of Global Compact participants. While, as indicated on the chart below, 2013 business participation in the Global Compact saw its first net increase since 2010, due to increased efforts by the Global Compact on participant management to focus more support on SMEs and high-profile events and activities that attract large companies (e.g. Rio+20 United Nations Conference on Sustainable Development and the Global Compact Leaders Summit 2013), Global Compact participation has yet to rise to levels not seen since 2008.

Figure 1: Global Compact Sub-Saharan Africa, Cumulative Annual Participation, 2000-2013
2.2.1 Challenges and Obstacles

**Limited engagement on the continent:** As of 2013, there are 17 Local Networks in Africa, many of which are dormant, lacking a contact person or network representative or no longer organizing activities and/or providing support to participants. Efforts to engage new participants in growing private sector markets in countries such as Angola and Ethiopia remain hampered by the lack of an established Global Compact presence or partner entity in these countries as well as the limited capacities of the Local Networks in the region.

<table>
<thead>
<tr>
<th>Regions*</th>
<th>Formal</th>
<th>Established</th>
<th>Emerging</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>West Africa</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>East Africa</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Central Africa</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Southern Africa</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6</td>
<td>4</td>
<td>7</td>
<td>17</td>
</tr>
</tbody>
</table>


**Low Retention Rates:** Like every region, lack of participant commitment to submitting an annual Communication on Progress (COP) continues to be the main cause of low retention rates and driver behind the 57% delisting rate of business participants on the continent. Of the delisted participants in the region, 70% are small and medium-sized enterprises (SMEs).

**Lack of resources:** Despite the global economic recession, many African economies have maintained high growth. However, short and long-term financial austerity measures, such as personnel restrictions and deficit reduction as well as internal restructuring, have made committing to joining and engaging in the Global Compact less of a priority, particularly for smaller companies.

**Tonal Mismatch:** Current interaction and engagement with companies in the region show that there is also a lack of interest/understanding from parts of the business sector and civil society in the work of the Global Compact and/or the misconception that the Global Compact is a fundraising body. These also serve as possible deterrents for African companies and SMEs.

2.2.2 Potential and Opportunities

Despite these challenges, the Global Compact has the opportunity to play a role in the advocacy and the promotion of legislation, institutions and universal standards that support corporate sustainability in Africa.

There is enormous potential for Global Compact growth in Africa and the Global Compact has only begun to penetrate the African market. As of 2012, there were at least 140 African companies with revenue (turnover) of 1 billion USD or more (The Africa Report, 2012), a large percentage of which the Global Compact has yet to substantively capture. Only one quarter of the top 50 African companies in
2012 are or have been Global Compact participants. By 2050, Africa will account for about one quarter of the world’s population while Nigeria – a country where the Global Compact already has an established presence – is predicted to become the fourth most populous country in the world and the largest economy in Africa.

Table 2: Highest Market Value African Companies in the Global Compact

<table>
<thead>
<tr>
<th>Company</th>
<th>Country</th>
<th>Sector</th>
<th>Value ($B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sasol</td>
<td>South Africa</td>
<td>Oil and Gas; Chemicals</td>
<td>32.02</td>
</tr>
<tr>
<td>MTN Group</td>
<td>South Africa</td>
<td>Telecom</td>
<td>29.52</td>
</tr>
<tr>
<td>FirstRand</td>
<td>South Africa</td>
<td>Banks and Financial</td>
<td>14.02</td>
</tr>
<tr>
<td>Anglogold Ashanti</td>
<td>South Africa</td>
<td>Mining and Metals</td>
<td>11.28</td>
</tr>
<tr>
<td>Dangote Cement</td>
<td>Nigeria</td>
<td>Construction and Materials</td>
<td>10.57</td>
</tr>
<tr>
<td>Sanlam</td>
<td>South Africa</td>
<td>Insurance</td>
<td>9.89</td>
</tr>
<tr>
<td>Gold Fields</td>
<td>South Africa</td>
<td>Mining and Metals</td>
<td>7.58</td>
</tr>
<tr>
<td>Exxaro Resources</td>
<td>South Africa</td>
<td>Mining and Metals</td>
<td>7.31</td>
</tr>
<tr>
<td>Nedcor (Nedbank)</td>
<td>South Africa</td>
<td>Financial Services</td>
<td>7.02</td>
</tr>
<tr>
<td>Woolworths Holdings</td>
<td>South Africa</td>
<td>Retail and General Trading</td>
<td>4.58</td>
</tr>
<tr>
<td>Aspen Pharm Holdings</td>
<td>South Africa</td>
<td>Health and Pharmaceuticals</td>
<td>4.51</td>
</tr>
<tr>
<td>Pick n Pay Stores</td>
<td>South Africa</td>
<td>Retail and General Trading</td>
<td>2.79</td>
</tr>
</tbody>
</table>

Former Global Compact Participant Companies

<table>
<thead>
<tr>
<th>Company</th>
<th>Country</th>
<th>Sector</th>
<th>Value ($B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BHP Billiton (2011)*</td>
<td>South Africa</td>
<td>Mining and Metals</td>
<td>71.60</td>
</tr>
<tr>
<td>Old Mutual (2012)</td>
<td>South Africa</td>
<td>Insurance</td>
<td>8.09</td>
</tr>
<tr>
<td>Anglogold Ashanti (2010)</td>
<td>Ghana</td>
<td>Mining and Metals</td>
<td>5.45</td>
</tr>
<tr>
<td>Sonatel (2011)</td>
<td>Cote d'Ivoire</td>
<td>Telecom</td>
<td>2.37</td>
</tr>
</tbody>
</table>

* Year delisted

**Meaningful engagement**

The African economic renaissance is not solely fueled through the increased global demand for natural resources. The highest sectors of growth across African economies have been tourism, financial services, telecommunications and basic utilities such as electricity and water (McKinsey, 2010) and, with increased public and private sector focus on energizing the agricultural sector in African countries, agribusiness is also a key sector in Africa. Additionally, the rapid expansion of a middle class with higher disposable income has resulted in positive growth in the construction and real estate industries.

The growth and diversification of the private sector in the past decade in Africa has stimulated a response from various stakeholders to identify more sustainable and responsible business practices while increasing the need for accountability and governance to confront the challenges of doing better business in Africa.
Many of the top African firms already adhere to one or more of the international sustainability reporting
guides (GRI, integrated reporting, etc.) and almost all of the top 100 companies in Africa maintain a
visible corporate sustainability component. It can be argued that most leaders in the African private
sector recognize the business case for corporate sustainability and sustainable principles, the challenge
lies in translating this recognition into long-term commitment and action. The key to capitalizing on the
potential and opportunities for corporate sustainability in Sub-Saharan Africa will be fostering
engagement in Global Compact action areas through projects and initiatives that make business sense in
their implementation, while at the same time addressing the material social, environmental or
governance needs in the companies’ operating environment.

This, however, cannot be accomplished by the Global Compact alone. Corporate ownership, driven
primarily by indigenous African firms and strong partnerships on the ground at various levels (local,
regional, interregional and international) will be the primary factors in pushing forward this agenda. As
such, the success of the strategy will be determined by the Global Compact’s efforts in fostering
corporate sustainability as a key issue for businesses as identified by the businesses themselves and
building partnerships through its Local Networks, regional institutions and international partners to
continue to create an enabling environment that supports the companies’ individual efforts towards
sustainable development.

3 Going Forward: Growth Strategy for the Global Compact in Africa

Given the robust growth of the private sector on the continent and the potential to positively impact the
region through responsible business practices, the Global Compact has highlighted the African continent
as a key area for new growth. Critical to further engagement on the continent will be in our ability to
achieve the following objectives:

3.1 Objective 1: Reposition the value proposition of the Global Compact in particular
in how it is related to the African private sector.

The key starting point for increased engagement on the continent is to realign the value proposition of
the Global Compact in a way that makes business sense to potential and current participants and fits
their priorities and business needs. In collaboration with engagement platforms, the Global Compact
must cultivate a set of key messages and a clear vision on the role of the African private sector in
addressing today’s environmental, social and economic issues with an emphasis on inclusive
development, resource efficiency and the support of macro-level social infrastructure to strengthen
economic markets and increase competitiveness.

3.1.1 The Role of the Global Compact

The strategy will highlight the role the Global Compact can play in terms of advocacy, promotion of
legislation, establishment of partnerships and universal standards; provision of technical assistance,
tools, training; and strengthening of Local Networks. The key value proposition principles of the Global
Compact are:
• Assisting African companies in developing, implementing, and reporting policies and practices that address their needs in social, environmental and/or economic sustainability through a universally recognized framework.
• Providing guidance in countries where laws are absent or weakly enforced.
• Facilitating public-private partnerships and connecting companies to NGOs, communities, investors, and other stakeholders.

3.1.2 Emphasize Impact and Highlight Success Stories
It is important when discussing and “selling” the value of the Global Compact to provide salient proof in the form of case studies and success stories of companies furthering their economic and business objectives either by way of pursuing sustainability policies or in tandem of such. Focusing on firms that have implemented successful programs and policies provides not only a cosmetic benefit to the firm’s regional and global reputation but also serves as functioning models for comparable industries/companies in Africa.

3.1.3 Fostering the Culture of Corporate Responsibility in Africa
Equally important is to normalize the discourse of corporate sustainability, transparency and better corporate governance in Africa to promote needed investment and inclusive growth. The Global Compact should be at the forefront of this approach, taking every advantage to promote sustainability efforts and discussions in Africa through local and regional events and conferences where the Global Compact is represented at the highest level, as well as a substantive media presence online and in print. Additionally, the Global Compact, together with other partners in the UN, will lobby for the ratification of the relevant treaties and adoption of declarations that will support the establishment and strengthening of the appropriate institutions. These institutions will be encouraged to include corporate sustainability activities in their programs using the Global Compact framework and tools.

Furthermore, the Global Compact will initiate consultations on the feasibility of an African instrument of corporate sustainability (Declaration or Charter) to be adopted by the African Union (AU). In this undertaking, a partnership will be developed with the AU, the African Development Bank (AfDB), UN Economic Commission on Africa, New Partnership for Africa’s Development, Pan-African Chamber of Commerce and Industry, and relevant national business institutions. The starting point of the instrument would be the Global Compact’s ten principles to which Africans stakeholders may want to add elements pertaining to the responsibility of business concerning regional integration, value adding investments and youth employment.
3.2 Objective 2: Raise awareness and increase the profile of the Global Compact on the continent through stronger Local Networks and strategic partnerships unique to the diverse countries and regions within Africa.

3.2.1 Africa-focused Global Compact events
It is critical that the Global Compact partner with key organizations and institutions on the ground in the continent in order to raise awareness and participation, and continue the dialogue of corporate sustainability in Africa. The Global Compact intends to work with organizations such as the UN Office for South-South Cooperation (UNOSSC), United Nations Development Programme (UNDP), United Nations Environment Programme (UNEP), the AU and AfDB on events in Africa where it can engage the private sector with focus on issues and goals that are specific to companies operating and/or based on the continent. These organizations offer not only legitimacy in their long-term substantive expertise on issues in Africa but also expand the Global Compact’s ability to facilitate public-private partnerships and linking companies with the civil society. Additionally, these partnerships can be used to sensitize companies as to the need for corporate sustainability practices and a way to engage companies in joining the country-based initiatives through GC Local Networks.

3.2.1.1 Increased Media Outreach and Coverage
Interactions with the media and news outlets are a primary component of the Global Compact’s reputation and brand management. Consultations on a communications strategy have prioritized key opportunities for increased media outreach through both regional and global events and relevant publications that reinforce the overall narrative of the Global Compact, as well as its engagement in Africa.

The expected outcomes of increased media outreach and coverage in Africa satisfies both the first and second primary objectives in fostering a culture of corporate sustainability in Africa through a greater profile of sustainability events linked to key business leaders on the continent that support the Global Compact narrative, and through raising awareness not only to the need for corporate sustainability but then linking the concept with the Global Compact. In this way, the media can act as a strong partner in propagating the Global Compact strategy in Africa through the dissemination of Global Compact thought leadership.

3.2.2 Empower and Support Local Networks
Strengthening Global Compact engagement at the regional and country level will require a clear understanding of the situation on the ground and the environment in which the private sector operates, including the opportunities available as well as constraints. In this regard, Local Networks perform increasingly important roles in rooting the Global Compact within different national, cultural and language contexts.

As such, an important strategic objective will be to strengthen the skills and competencies of Local Networks, aimed at increasing their capacity to support Global Compact signatories and participants in mainstreaming the ten principles in their business activities, and to create opportunities for multi-
stakeholder engagement and collective action. The main focus in the coming years will be to further strengthen the existing Local Networks and revive and activate those Local Networks that have become dormant by providing additional support to facilitate increased engagement of Global Compact participants.

3.2.2.1 Local Network Advisory Group
A prerequisite for empowering and supporting African Local Networks is that they need to be better involved in the overall governance of the Global Compact and in the decision making processes that affect their work. In addition, communication between the Global Compact and the Local Networks needs to be enhanced in order to enable Local Networks to have a greater voice in and be more involved with the Global Compact. In order to increase the ability of African Local Networks to provide input and recommendations for certain issues, they have a representative in the newly-established Local Networks Advisory Group (LNAG).

3.2.2.2 Knowledge Sharing
The Global Compact will continue offer trainings to Local Networks at various levels, for example on COPs, recruitment, Partnerships, and in the form of Local Network Exchange Programs. The Global Compact is also committed to providing tools and resources and developing an engagement framework for Local Networks with different issue areas and platforms as a guide to strengthen their individual value propositions.

Furthermore, the Global Compact is committed to recognizing, promoting and communicating outstanding practices developed by Local Networks, both internally and externally. External communication and promotion of these practices is important to build the brand of the Global Compact and highlight to the global marketplace the impact being made at the local level. Internal promotion and communication is necessary to help Local Networks identify the most impactful activities and implement them in multiple markets in order to achieve greater scale.

To align with the Global Compact strategy of systemizing a way to embed the Global Compact global issues work on the local level, the Local Networks team is developing an engagement framework to put in place a more systematic and coherent way of global-local collaboration and empower the Local Networks to connect with the Global Compact’s global issue areas and platforms based on their local priorities and the interest of their local stakeholders. The pilot framework is expected to be launched in mid-2014.

3.2.2.3 Funding
In January 2014, the Global Compact introduced a new Collaborative Funding Model to collaborate with Local Networks on fundraising outreach on the global and local levels in an effort to increase funding from both. To date, three Local Networks from the Africa region have committed to launch the collaborative funding model in 2014: Ghana, Nigeria and Uganda. Collaborative Funding is meant to increase clarity and transparency (as a result of the requirement on financial disclosure); enable increased capacity building; and provide a new opportunity for Local Networks and the Global Compact Office to work together. With adequate funding, Local Network empowerment can be further developed
through a Frontier Initiative, a new project dedicated to supporting emerging Local Networks in building their sustainability model and through coordination with the GCO to assist in country-level growth strategies and recruitment efforts.

3.2.2.4 Africa Regional Networks Coordinator
In order to further strengthen the regional support to Africa, the Global Compact has created the position of an Africa Regional Networks Coordinator to work in close collaboration with the Global Compact and the Local Networks in Africa. The Regional Networks Coordinator will work with the Global Compact and the Local Networks in the region to facilitate capacity-building on corporate sustainability and support efforts to reestablish and establish new Local Networks in Africa. This position will play a key role in building closer relations between the Local Networks and the Global Compact, as well as promoting interregional collaboration among African Local Networks, and assisting Local Networks in developing strong relationships with champion companies in the region.

3.3 Objective 3: Strategically engage a larger number of companies and key countries based on their impact both economically and socially in the region.
Targeted and intensified engagement efforts, tailored to the African business environment, must be undertaken to attract new participants to the Global Compact initiative. As part of its strategic growth plan in the continent, the Global Compact plans to prioritize African frontier markets – the next generation of emerging markets in Africa with economies led by private sector growth – where the Global Compact is not well represented, such as Angola, Ethiopia, Tanzania and Senegal, and African growth poles such as Nigeria, Kenya, Ghana and South Africa which serve as regional economic centers and where a growing number of indigenous corporations are entering the global marketplace. See Section 4 for a full breakdown.

For direct business engagement and recruitment, the Global Compact sees the most potential in the oil and gas, mining, consumer goods, telecommunications, agriculture and financial services industries which are both politically and socially impactful on the continent and also are most aligned with the Global Compact issue areas such as supply chain sustainability, human rights, women’s empowerment, and anti-corruption.

At the same time, the Global Compact expects to see the launch of some new Local Networks in the region. In order to ensure the viability of the potential new networks, business ownership has to be secured. This requires joint efforts from the Global Compact and the Local Networks in identifying key partners in the region and in target countries for implementation.

3.4 Africa Development Team
Refocusing and coordinating efforts around the strategy will require the Global Compact as well as its Local Networks to work cohesively across a broad spectrum of issue areas and countries. In order to synchronize the various efforts on the continent, as well as manage increased engagement with Africa, an Africa Development team, comprised of the relevant representatives from Global Compact on
participant management, civil society and Local Networks, will serve as the coordinating hub for Africa-related events and initiatives. Led by the Regional Representative – Africa (Senior Programme Officer) the team will focus on the core objectives via the pillars of partnerships, policies and Local Networks. The team will work closely with the various issue areas operating in Africa in pushing forth the key objectives on a global level, and with the African Local Networks on the local level.

4 Developing the Strategy

4.1 Target Countries

In a selected number of countries, it will be crucial to sensitize governments to the need for corporate sustainability policies and strategies, and advocate for the ratification of relevant treaties and legislations, institution building and the establishment of Local Networks. Potential actions could include correspondences from the Executive Director of the Global Compact, regional visits, meetings, conferences and consultations on issue platforms.

In identifying target countries for increased engagement activities, priority will be given to countries with existing Local Networks. However, additional criteria to include the following – among others – were considered in the country target prioritization process:

- GDP size and rate of economic growth (World Bank data);
- Market size (Global Competitiveness Index);
- Business sophistication (Global Competitiveness Index);
- Macroeconomic stability (Global Competitiveness Index);
- Human Development Indicators (UNDP data);
- Business transparency and corruption as an impediment to doing business (Transparency International and African Development Bank data); and
- Local sustainability movements

Based on these metrics, a standardized ranking system was created among African countries in order to equitably judge the countries against each other. The top countries were chosen and then divided into priority tiers, taking overall strategic objectives, the Global Compact’s scope and resource availability into consideration. It is important to note that the establishment of Local Networks will not be limited to the countries of strategic priority.

4.1.1 Priority 1 Countries

These countries are: South Africa, Nigeria, Kenya, Ghana and Ethiopia.

Objective: While most of these countries already have the largest number of Global Compact participants and formal Local Networks, efforts will be made to strengthen networks in these regions and increase Global Compact engagement with leading firms in these countries, with the goals of identifying at least two (2) champion companies (companies interested in sustaining high levels of Global C engagement) in each country. Given the strength of the economies and expansion of the private sector in both Ethiopia and Angola, there is high potential for growth in these countries which
also hold strategic importance due to their political and economic strength, as well as existing partnerships with key stakeholders, such as UNDP, UNECA and the AU.

Table 3: Priority 1 Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP</th>
<th>Economic Growth Rate</th>
<th>Market Size</th>
<th>Business Sophistication</th>
<th>Economic Stability</th>
<th>HDI</th>
<th>LN?</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>1</td>
<td>37</td>
<td>1</td>
<td>1</td>
<td>5</td>
<td>7</td>
<td>Formal</td>
</tr>
<tr>
<td>Nigeria</td>
<td>2</td>
<td>8</td>
<td>3</td>
<td>5</td>
<td>23</td>
<td>19</td>
<td>Formal</td>
</tr>
<tr>
<td>Ghana</td>
<td>9</td>
<td>2</td>
<td>10</td>
<td>14</td>
<td>34</td>
<td>13</td>
<td>Formal</td>
</tr>
<tr>
<td>Kenya</td>
<td>10</td>
<td>25</td>
<td>9</td>
<td>4</td>
<td>22</td>
<td>18</td>
<td>Formal</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>11</td>
<td>9</td>
<td>8</td>
<td>25</td>
<td>4</td>
<td>38</td>
<td>None</td>
</tr>
</tbody>
</table>

4.1.2 Priority 2 Countries

These countries include: Sudan, Tanzania, Cote d’Ivoire, Uganda and Angola.

Objective: Emphasize engagement and increase prioritization among East African and Francophone countries, encouraging interregional collaboration and partnerships.

Table 4: Priority 2 Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP</th>
<th>Economic Growth Rate</th>
<th>Market Size</th>
<th>Business Sophistication</th>
<th>Economic Stability</th>
<th>HDI</th>
<th>LN?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sudan</td>
<td>4</td>
<td>21</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>31</td>
<td>Formal</td>
</tr>
<tr>
<td>Tanzania</td>
<td>14</td>
<td>14</td>
<td>11</td>
<td>17</td>
<td>28</td>
<td>17</td>
<td>None</td>
</tr>
<tr>
<td>Cote d’Ivoire</td>
<td>13</td>
<td>49</td>
<td>14</td>
<td>22</td>
<td>15</td>
<td>35</td>
<td>Established</td>
</tr>
<tr>
<td>Uganda</td>
<td>20</td>
<td>12</td>
<td>12</td>
<td>19</td>
<td>27</td>
<td>28</td>
<td>Established</td>
</tr>
<tr>
<td>Angola</td>
<td>5</td>
<td>32</td>
<td>6</td>
<td>34</td>
<td>21</td>
<td>19</td>
<td>None</td>
</tr>
</tbody>
</table>

4.1.3 Priority 3 Countries

These countries are: Senegal, Namibia, Mauritius, Malawi and Liberia.

Objective: Countries in this group show promise in growth and/or an eagerness to engage and these countries have been identified as those where enhanced Global Compact presence would have the most impact in responsible business. The key objectives for this group will be focused on local sustainability movements to bolster Local Network growth and engagement.

Table 5: Priority 3 Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP</th>
<th>Economic Growth Rate</th>
<th>Market Size</th>
<th>Business Sophistication</th>
<th>Economic Stability</th>
<th>HDI</th>
<th>LN?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senegal</td>
<td>19</td>
<td>35</td>
<td>12</td>
<td>7</td>
<td>10</td>
<td>20</td>
<td>Established</td>
</tr>
<tr>
<td>Namibia</td>
<td>21</td>
<td>19</td>
<td>20</td>
<td>9</td>
<td>5</td>
<td>6</td>
<td>Formal</td>
</tr>
<tr>
<td>Mauritius</td>
<td>26</td>
<td>30</td>
<td>18</td>
<td>2</td>
<td>11</td>
<td>2</td>
<td>Established</td>
</tr>
</tbody>
</table>
4.2 Target Companies

In identifying target companies for engagement in priority countries, the following criteria, among others, should be considered in the target prioritization process:

- Number of employees;
- Existence of a corporate sustainability component (sustainability section on website or in annual financial reporting); and
- Regular (annual or biennial) sustainability reporting (to include GRI, Integrated reporting, CDP and/or detailed sustainability reporting in company annual report).

4.2.1 African Champion Companies

In 2014, the Global Compact will begin to identify a small group of Africa Sustainability “Champions” – companies within the Global Compact that are able to sustain high levels of engagement on specific issue areas and act as key figures on thought leadership pertaining to corporate sustainability and responsible business in Africa. Champion companies will identify sustainability concerns as they relate to their industry (e.g. climate change, water scarcity, social instability) and link their existing and ongoing sustainability projects to Global Compact issue areas. By working closely with African companies that have greater resources to promote corporate sustainability on the continent, the Global Compact will be able to better support them in their sustainability efforts in terms of scaling up their efforts and ensuring through Global Compact guidance tools and frameworks that the companies are implementing the guiding principles with respect to human rights, labour, environmental protection and transparency in their core strategic objectives.

This relationship is paramount to creating the bedrock of social norms that move businesses beyond “Do no harm” principles and towards a greater understanding of how the private sector can contribute to sustainable growth through responsible business. The long-term mutual benefits of promoting sustainability champions on the continent is to further Global Compact objective of increasing awareness of corporate sustainability in Africa through companies which can show value through practice. The end result is that Champions establish themselves as vanguards of the movement and are able to place their companies in the top echelons of global industry leaders that engage in responsible business.

4.3 Outreach Strategies

Several strategies built on the core principles of company leadership, ownership, mutual accountability and self-financing can be pursued here in parallel. A strong and convincing argument related to value for money and respect for universal standards must be developed.
4.3.1 Selectivity

- **Strategy:** Target companies that have the necessary human resources and existing commitment to Global Compact principles, particularly those involved in industries and sectors most directly affected by issue areas.

- **Opportunities for Engagement:** Identify target companies in high-growth sectors (Extractive Industries like oil and gas, mining; Food and Beverage Producers; Financial Services; Retail and General Trading; Telecommunications; and Travel & Leisure) with assistance from Local Networks.

4.3.2 Direct Outreach

- **Strategy:** One-to-one company outreach and engagement through roadshows and company visits to provide companies detailed in-person introductions to the Global Compact to help them to see the value of the initiative and learn more about implementing sustainability business practices.

- **Strategy:** Capitalize on connections of multinational Global Compact participants by inviting their subsidiaries, suppliers and distributors, especially in the risk trade sectors, to join the Global Compact. For each multinational Global Compact participant, (starting with the LEAD companies) establish the list of all subsidiary suppliers and distributors, especially in the risk trade sectors and countries. Bring together the Africa Directors of these multinationals to explore issues related to supply chain management, human rights and workers’ rights, environmental protection and corruption. Engage both regional subsidiaries and parent companies on the desirability of an African instrument on corporate sustainability to create a level playing field for all companies and produce a set of recommendations for their subsidiaries and partners in Africa.


4.3.3 Public-Private Partnerships

- **Strategy:** Align goals with governments and public sector groups through initiatives and events on relevant issues areas that address infrastructure gaps. The Global Compact will need to clearly articulate to governments what expected outcomes would come of collaboration. Particular focus needs to be on key areas of concern for African governments, such as private sector solutions to issues in agricultural productivity, employment, transparency and accountability, and sustainable energy. The value-added aspect of the Global Compact is its ability to bring the private sector, both regionally and internationally, for the synchronization of policy and practice will be a key message for government participation.

- **Strategy:** Align goals with other partners in the UN (e.g. the ILO for workers’ rights, the Office of the High Commissioner for Human Rights for the Declaration on Business and Human Rights, UN Office of Drugs and Crime for the Anti-corruption Convention, UNEP, etc.) for the ratification of relevant treaties, adoption of declarations, and enactment of appropriate legislations that will support the establishment and strengthening of the appropriate institutions. These partner
institutions will be encouraged to include the Global Compact framework and tools in their programmes’ corporate sustainability activities.

- **Strategy:** Align goals with key educational institutions in the region, namely business schools and management education-related institutions through the Global Compact’s Principles for Responsible Management Education (PRME) initiative. Leveraging PRME’s relationships with top business schools in Africa and with the Association of African Business Schools – a PRME Steering Committee member – these institutions can serve as important hubs for Global Compact-related activities for outreach or around a specific issue area.

- **Strategy:** Enlist BRIC countries and other new African partner countries (e.g. Turkey, Malaysia, Republic of Korea, etc.) to discuss trade and sustainable development, and advancing corporate sustainability in Africa, specifically as it relates to anti-corruption efforts, human rights, particularly those of indigenous peoples, and supply chain sustainability.

- **Opportunities for Engagement:** African Union Summit, Global Compact Leaders Summit, Global South-South Development Expo, UN System Private Sector Focal Points Meeting, International Organization of Francophone Countries Conference, Forum on China-Africa Cooperation, Tokyo International Conference on African Development; and Embassy, Mission and High Commission Trade & Investment fairs/events.

### 4.3.4 Focus on issue areas

- **Strategy:** Identify a set of trade sectors (e.g. oil and gas, mining, agribusiness, mobile phone licensing, garment industry etc.) and countries most at risk in terms of human rights violations by companies, threats to the environment and corruption practices. Engage with leading companies for enrollment in the Global Compact through awareness programs, training and reporting.

- **Strategy:** Take advantage of Global Compact participant industry leaders and companies in similar sectors to engage others through co-sponsored business events. Particular attention should be made to focus on bringing together actors in the African private sector to explore issues related to supply chain management, human rights and workers’ rights, environment protection and corruption. Engage target companies – nationally, regional subsidiaries and parent companies – on the desirability of an African instrument on corporate sustainability to create a level playing field for all companies and produce a set of recommendations for companies, subsidiaries and partners in Africa.


### 4.3.5 Global Compact Africa Working Group

The Global Compact will establish a Working Group on Africa (similar to the Human Rights Working Group) with terms of reference that would include overseeing the development of the strategy and the Global Compact’s relationships with the different African partners. The Africa Working Group (AWG) would report regularly to the Global Compact Board on strategic outcomes and assessments. The Working Group will also oversee implementation as carried out by the Africa Development Team via an annual monitoring and evaluation process (See section 6.4).
The Working Group would be comprised of the African Board members, other Global Compact board members (those from relevant trade unions and civil society), and key African Local Networks. As the Working Group will need to take cognizance of the diversity of the ethnic, linguistic, cultural and economic diversity on the continent, future consultations on the strategy may include African business participants and partner institutions in Africa (e.g. AU, NEPAD, AfDB, ECA etc.) and sub-regional organizations (e.g. ECOWAS, ECCAS, and the SADC).

The Secretariat of the Working Group would fall under the purview of the Global Compact Secretariat with an adequate budget raised from contributions coming from Global Compact members, African partners, and bilateral sources.

The timeframe for the development of the strategy will be six (6) months from approval of the outline and budget by the Board at its September meeting and would include a series of studies and consultations with all relevant partners.

5 Unlocking Value from Global Compact Participation

5.1 Issue Area Involvement
Integral to instituting a culture of corporate sustainability on the continent will be to identify key concerns and interests of the current and potential Global Compact participants, their industries (Retail and General Trading, Financial Services, Extractive Industries [Oil and Gas, Mining], Telecommunications and Travel & Leisure) and how they are directly related to the Global Compact issue areas (Human Rights, Environment, Labour, and Anti-Corruption) and platforms (e.g. Women’s Empowerment Principles, CEO Water Mandate, Caring for Climate, Food & Agriculture Business Principles, Business for Peace, and Supply Chain Sustainability).
5.1.1 Anti-Corruption

Celebrating its 10th year as the 10th Principle of the Global Compact in 2014, the Anti-Corruption team intends to mark the anniversary with important events in Nigeria and South Africa that will target the African private sector as well as raise awareness of the need for transparency and ethical practices to create an enabling environment for private sector growth in Africa. Going into its second year of implementation, the Siemens Anti-Corruption Collective Action initiative in Nigeria and South Africa continues to grow in strength and size, offering those Networks value-added benefits for their Network participants. Going forward, the Anti-Corruption team looks to expand the Siemens project into more countries in Africa, namely Cote d’Ivoire, Ghana and Kenya.

Additionally, to capitalize on newly aligned efforts in Angola on the part of the Angolan Government to counter corruption and promote responsible business practices, Anti-Corruption intends to establish a presence in the country through partnerships with the Angolan Government to highlight this important element for businesses via corporate sustainability and collective action on anti-corruption events, as well as the dissemination and promotion of toolkits guiding companies on supply chain transparency and reporting guidelines for anti-corruption.
Increasing the capacities of Local Networks to carry out anti-corruption training to their participants will be an integral part of the Anti-Corruption team’s strategy in Africa. Starting in 2014, “train the trainer” programs will be implemented for African Local Networks to better equip these networks to use anti-corruption guidance and toolkits as a value-added recruitment and engagement tool, specifically for SMEs in their networks. Additionally, as funding is a key part to increasing Local Network capacities, Anti-Corruption will aid the Local Networks in project-based funding proposals and applications to support their efforts.

5.1.2 Business for Peace

Launched in 2013, the Business for Peace (B4P) platform seeks to mobilize businesses, Local Networks, and other key stakeholders to advance peace both through individual firm actions and collaborative contributions to peace. In 2014, participating African Local Networks – Nigeria, Sudan and Uganda – will engage the private sector on issues such as unemployment, reconstruction and regional disputes to create the building blocks that support a more durable peace.

In the coming years, these Local Network will create B4P platforms that will link existing work on anti-corruption to the conflicts in the society through dialogues, seminars and publications; build trust and understanding across borders; progress on resolving internal disputes on projects like water wells, small dams, pilot villages; play a major role with neighbouring countries on projects in the areas of agriculture and pastoralism; and focus on the issue of reconstruction in conflicted areas. Other likely areas of focus will be on crime prevention, peacebuilding, and conflict prevention in major urban areas; support to the reintegration and development of livelihood for refugees and internally displaced persons; and education.

5.1.3 CEO Water Mandate

Sub-Saharan Africa represents approximately 40% of the nearly 1 billion people who do not have access to potable water. Aside from the immediate health and sanitation issues, water scarcity can also affect internal stability by triggering country and cross border conflicts for this precious resource. Launched in July 2007 by the UN Secretary-General, the CEO Water Mandate is a unique public-private initiative designed to assist companies in the development, implementation, and disclosure of water sustainability policies and practices. Through the Water Action Hub, the CEO Water Mandate has engaged companies on projects focusing on improved water governance, sustainable agriculture and efficient water use in Ghana, South Africa, Tanzania and Rwanda. The Hub provides a platform for other stakeholders to get involved in existing projects, as well as create links to collaborate on initiatives. Projects on the Hub have led to the creation of water distribution systems (e.g. piping, storage tanks and pumps), borehole construction, public awareness and education programs for local communities on water conservation.

5.1.4 Women’s Empowerment Principles and Children’s Principles

As the fastest growing Global Compact issue platform in terms of corporate engagement, the Women’s Empower Principles (WEPs) has highlighted the African continent as a key area for engagement in the coming years. In 2014, the WEPs team will host an event in Rwanda to raise awareness about the importance of gender equality and women’s empowerment in the African private sector. In 2014, the
Children’s Rights and Business Principles team, comprised of UNICEF, the Global Compact and Save the Children, will host a meeting in Kenya, focusing on actions businesses can take in the workplace, marketplace and community to respect and support children’s rights. The session will bring together companies in the region currently involved in UN business partnerships, as well as those that are unfamiliar with UN private sector engagement.

5.1.5 Food and Agriculture Business Principles
Building on the foundations laid at the Pan African Business Conference 2013 on the role of Africa’s private sector over the next 50 years, the general guiding theme of “Agriculture and Food Security”, and guided by the tenets of the Comprehensive Africa Agriculture Development Programme (CAADP), the Global Compact will be the key AU partner at the 24th Annual Summit in Ethiopia in January 2015. The Global Compact will involve the private sector on how it should be best engaged, leveraged and enabled to help Africa reach its full potential in sustainable agriculture, food security and nutrition - both for Africa’s own needs and as a global production base for other regions.

The UN Global Compact African Private Sector Forum will bring together key players along the agricultural value chain in the public and private sectors to discuss recent success and failures, as well as appropriate strategies moving forward. The hope is that the outcomes of the forum will be integrated into the overall outcomes of the Summit’s Ordinary Sessions, emphasizing the importance of engaging the private sector in the food and agriculture industry.

5.2 Increased Collaboration Among Participants
Encouraging and facilitating partnerships and collaboration between companies, either along sectoral or issue-based lines, should be a critical part of the growth and engagement strategy. Industry collaborations and/or stakeholder involvement from governments and public sector groups can effectively engage participants – both large companies and SMEs – on relevant Global Compact issues, adding value to participation while making actionable efforts towards sustainability.

Furthermore, knowledge transfer and the provision of a platform for companies, specifically SMEs, to interact, learn best practices and emerging ideas on sustainability from industry leaders, as well as obtain guidance on how to implement sustainability strategies into core business practices will be an important aspect of the value proposition of Global Compact participation.

5.3 Focused Inclusion of SMEs
SMEs are the dominant driver of productive economic growth and employment in Africa, accounting for approximately 90 percent of all businesses in Sub-Saharan Africa (IFC, 2011) and anywhere from 55 to 93 percent of jobs across the continent (AfDB, 2010). The inclusion of SMEs should be recognized as an integral part of any strategy geared towards the African private sector.
It is important to establish the Global Compact in Africa as a key resource, and corporate sustainability as a core part of standard operating procedure particularly for these enterprises as the SMEs of today that achieve their growth potential will become the future leading businesses in the region tomorrow. The capacity of the Global Compact to engage and retain SMEs lies in our ability to offer the right value proposition that will draw in all companies, large and small, and apply the relevant mechanisms for engagement in a way that is flexible and accessible for smaller businesses with fewer resources.

The Global Compact’s collaborative projects (“Collaboration Labs”) geared towards linking multiple stakeholders should be a vital value-added feature of the Global Compact. These labs are focused two-day working sessions which convene SMEs, social entrepreneurs, NGOs, corporations, investors and policy makers to develop partnerships and business models that advance solutions to key sustainability challenges in a specific region (i.e. sustainable energy, water access, sanitation, education and agriculture). For Africa, the Collaboration Labs will be specifically designed with Local Networks and other partners to meet the needs of the engines of growth in many African countries: SMEs. Initial consultations will be taken with two African countries that will potentially launch a pilot Collaboration Lab in the 2014/2015 timeframe.

6 Strategy Implementation

6.1 Coordination of Responsibilities

Shared and reinforcing goals and targets working at both the global and local level is one of the cornerstones of the strategy. As indicated in the matrix framework below, the allocation and coordination of responsibilities between the global and local levels offers much in the way of collaborative, as well as concurrent, activities at different levels to achieve separate but complimentary results that still fit into one or more of the three core objectives.

![Figure 3: Coordination of Responsibilities](image-url)
6.2 Funding

Implementation of the strategy will place high emphasis on defining and executing ways to maximize on the Global Compact’s resources – both human and capital, primarily through partnerships with regional organizations and participating businesses. In addition to the Collaborative Funding Model being rolled out in 2014, the strategy is designed to leverage existing Global Compact resources through the various issue areas, while attracting those of other partners, including African governments, the private sector, and non-traditional development partners such as emerging countries and civil society organizations for project-based funding. Furthermore, the proposed Working Group on Africa will also serve as an additional source of funding for carrying out overall strategic objectives via financial or in-kind contributions.

6.3 Strategic Targets and Deliverables

The below table highlights the key events and initiatives in the pipeline for 2014 and beyond, as well as the Global Compact and partner units that will be overseeing their implementation.

Table 6: Implementation Schedule for Key Objectives

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Target Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reposition the value proposition of the Global Compact in particular in</td>
<td>1. Establish the Global Compact as a key partner on corporate sustainability and</td>
</tr>
<tr>
<td>how it is related to the African private sector.</td>
<td>part of the Biannual Summits of the AU</td>
</tr>
<tr>
<td></td>
<td>2. Establish the Global Compact as a key partner on corporate sustainability and</td>
</tr>
<tr>
<td></td>
<td>part of the AfDB Private Sector Operations 2014-2017 strategic initiatives</td>
</tr>
<tr>
<td></td>
<td>Summit overall agenda</td>
</tr>
<tr>
<td>Heighten the profile of Global Compact on the continent through stronger</td>
<td>1. Introduction of Regional Local Networks Coordinator for Africa</td>
</tr>
<tr>
<td>Local Networks and strategic partnerships.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Introduction of Collaborative Funding for Local Networks Ghana, Nigeria and</td>
</tr>
<tr>
<td></td>
<td>Uganda</td>
</tr>
<tr>
<td></td>
<td>3.</td>
</tr>
<tr>
<td></td>
<td>4. Local Network Ghana Recruiting Event</td>
</tr>
<tr>
<td></td>
<td>5. Joint Global Compact -UNICEF event on Children’s Business Principles in</td>
</tr>
<tr>
<td></td>
<td>Nairobi</td>
</tr>
<tr>
<td></td>
<td>6. Ethiopian business recruitment event/Private Sector Focal Points Meeting/</td>
</tr>
<tr>
<td></td>
<td>Annual Local Networks Forum</td>
</tr>
<tr>
<td></td>
<td>Africa Private Sector Dinner</td>
</tr>
<tr>
<td></td>
<td>Introduction of Local Network Engagement</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Auspices</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa Development Team, AU</td>
<td>June/July 2014</td>
</tr>
<tr>
<td>Africa Development Team, AfDB</td>
<td>Q3 2014</td>
</tr>
<tr>
<td>Local Networks, Reporting, Communications</td>
<td>January 2014</td>
</tr>
<tr>
<td>Local Networks, UNICEF, Local Networks</td>
<td>Q1 2014</td>
</tr>
<tr>
<td>Local Networks, UNICEF, Local Networks</td>
<td>Q1 2014</td>
</tr>
<tr>
<td>Africa Development Team, Local Networks</td>
<td>February 2014</td>
</tr>
<tr>
<td>Children’s Principles, UNICEF, Local Networks</td>
<td>May 2014</td>
</tr>
<tr>
<td>Global Compact, Local Networks, UNECA, OCHA, WIPO, UNIDO,</td>
<td>June 2014</td>
</tr>
<tr>
<td>Local Networks</td>
<td>June 2014</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>7.</td>
<td>Responsible Business session at NEPAD Week annual event</td>
</tr>
<tr>
<td>8.</td>
<td>Anti-Corruption 10th Anniversary Event in South Africa/High-level Global Compact Supporters Event to encourage retention and engagement of key SA companies</td>
</tr>
<tr>
<td>10.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Strategically engage a larger number of companies and key countries in the region.</td>
</tr>
<tr>
<td>2.</td>
<td>Revival of 1 existing, but dormant Local Network (new Contact Person and/or host organization, activity plan)</td>
</tr>
<tr>
<td>3.</td>
<td>Launch of New African Local Network</td>
</tr>
</tbody>
</table>

### 6.3.1 Global Compact

**Recruitment and Growth**

As growth through new participant recruitment and engagement is intended to be a key outcome of the strategy, the Global Compact expects a net growth for the region from business participants at an average rate of 21% per annum to reach all-time peak levels of participation by the end of 2014 and surpass the target of 500 business participants in Africa by 2017. Targeted goals for retention among business participants are to maintain an 8% delisting/withdrawal rate (see below). Growth is expected to be centered on enhanced recruitment efforts from both global and local levels, such as the Annual Local Network Forum and UN System Private Sector Focal Points meeting taking place in Addis Ababa, and the Local Network Ghana recruiting event, via relevant sustainability events, as well as local recruiting sessions and seminars.
Partnerships and Engagement

In tandem with participant growth will be the outcomes of efforts to align the Global Compact’s 10 Principles with key partners in the African private sector, civil society and governments. In 2014, the Global Compact will begin consultations with the AU on officially incorporating the Global Compact’s annual African Private Sector Forum to be a part of the biannual AU Summit agenda. Also in 2014, the GC will begin consultations with the AfDB on the Bank’s Private Sector Development strategy for 2014-2017 on coordination of their key objectives in strengthening corporate responsibility for a joint policy document for the African private sector.

6.3.2 Local Networks

The Global Compact expects to see the revival of dormant Local Networks and the launch of new ones in the region with the targeted goal of launching a new Local Network every year. Improvements in governance and accountability for African Local Networks will also be a key priority in encouraging all Networks at the Established and Emerging levels to meet all governance and accountability requirements (“Formal” status). In 2013, three Local Networks signed memorandums of understanding with the Global Compact in order to move to Formal status.

Evidence of progress at the country level, via increased business participation and engagement, as well as decreased delisting rates, will help inform the Global Compact’s evaluation on that status of its efforts to empower and support African Local Networks. Additionally, the launch of the Engagement Framework will provide a more structured approach with which Local Networks can better understand and engage with the various Global Compact issue areas and conversely provide a context with which the Global Compact can use to measure the effectiveness of Local Network engagement activities.
6.4 Monitoring and Evaluation

Following the initiation of the strategy, the AWG will monitor the implementation of the strategy via the Global Compact Office and relevant partner institutions, and assess the interim results including the appropriate benchmarks towards the core objectives (i.e. progress on partnerships and policy implementation; increase in awareness and profile of the Global Compact in Africa; levels of engagement at the local and regional levels through business participation in issue areas; and participant growth rates). The implementation of the strategy will be monitored and evaluated through the application of a periodic consultation and review process by the working group which will ensure that:

i. African development strategy is mainstreamed into the Global Compact’s overall growth strategies and maintains a consistent and cohesive message;

ii. Global Compact engagement and partnerships on the ground in Africa target concrete and specific improvements; and

iii. Africa Strategy is continuously geared towards addressing and meeting targeted Global Compact objectives in the region.

A results framework – based off the strategy implementation schedule and the Global Compact Leadership Blueprint – and Key Performance Indicators (KPIs) will be established on a medium-term basis to provide benchmarks for monitoring and evaluating the implementation of the strategy. The KPIs will also provide the basis for an annual progress report that the Global Compact will present to the working group as well as inform the working group’s decision on funding for strategic initiatives.

Table 7: Key Performance Indicators

<table>
<thead>
<tr>
<th>Key Performance Indicator</th>
<th>Suggested Metrics</th>
<th>Evaluation period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partnership Building</td>
<td>Public advocacy of the Global Compact by regional organizations (e.g. AU, AfDB, UNECA)</td>
<td>Annual</td>
</tr>
<tr>
<td></td>
<td>Cross promotion of shared principles with partner institutions at key events</td>
<td></td>
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<tr>
<td></td>
<td>Co-organized regional and local events</td>
<td></td>
</tr>
<tr>
<td>Awareness Raising</td>
<td>News hits and references from African mainstream media outlets</td>
<td>Quarterly</td>
</tr>
<tr>
<td></td>
<td>Unique African visitors to the Global Compact website</td>
<td></td>
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<tr>
<td></td>
<td>Mentions of Global Compact in and GC Africa events on social media platforms</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Events participation rates (# of African participants and/or # of participants to regional Africa events)</td>
<td></td>
</tr>
<tr>
<td>Local Engagement</td>
<td>Number of new Local Networks</td>
<td>Quarterly</td>
</tr>
<tr>
<td></td>
<td>Local Network participation</td>
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<td></td>
<td>Subsidiary participation</td>
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<td></td>
<td>Country-level participant contributions</td>
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<td></td>
<td>Country level participant growth rate</td>
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<tr>
<td></td>
<td>Country level delisting rates</td>
<td>Reporting rates</td>
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<tr>
<td><strong>Global Engagement</strong></td>
<td>Issue platform participation</td>
<td>Regional participant contributions</td>
</tr>
<tr>
<td></td>
<td>Regional participant growth rate</td>
<td>Regional delisting rates</td>
</tr>
<tr>
<td></td>
<td>Events participation rates</td>
<td>Reporting rates</td>
</tr>
<tr>
<td><strong>Participation &amp; Growth</strong></td>
<td>Regional participant growth rate</td>
<td>Regional delisting rates</td>
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<tr>
<td></td>
<td>Annual</td>
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<tr>
<td></td>
<td>Biannual</td>
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</tbody>
</table>

### 7 Conclusion

The Global Compact believes that the private sector can act as an agent of change in Africa’s development story and work with various organizations and institutions to realize Africa’s potential in an inclusive and sustainable manner. More importantly, it is important to establish corporate sustainability not as a luxury of resource or a regional or culture-specific business ideology, but rather as a priority for all businesses which can and should act as partners in change for a rising Africa.

The initiatives and strategies detailed in this document serve as a basis for which the Global Compact plans to engage on the continent. However, ownership by the African private sector and leadership to take these initiatives forward will be key to their success. Working with all sectors of business, civil society and government on a shared vision of inclusive growth and sustainable development, the Global Compact stands ready to join in these efforts to realize the promising future in Africa.