UN GLOBAL COMPACT: AN ANALYSIS OF CORPORATE PROGRESS IN AFRICA AND MIDDLE EAST | OVERVIEW

**Africa & MENA Economic Growth**

<table>
<thead>
<tr>
<th>Year</th>
<th>Africa</th>
<th>MENA</th>
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</thead>
<tbody>
<tr>
<td>2016</td>
<td>2.3%</td>
<td>1.8%</td>
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<tr>
<td>2017</td>
<td>3.4%</td>
<td>2.5%</td>
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<tr>
<td>2018</td>
<td>3.6%</td>
<td>2.6%</td>
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<td>2019E</td>
<td>3.7%</td>
<td>2.7%</td>
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Key Indicators

**Poverty**

- 56.1% of the world's population living in extreme poverty or 413 million reside in Africa
- 29 mn Children or 1 in every 4 children in MENA are impacted by poverty

**Unemployment**

- 7.3% Unemployment rate in Sub-Saharan Africa 2017, 13.9% youth unemployment rate
- 10.2% Unemployment rate in MENA in 2017, 27% youth unemployment rate

**Gender pay-gap**

- 32.4% Gender pay gap in Sub-Saharan Africa, while MENA has a gap of 40%

**Climate Change**

- $50 bn Annual adaptation costs due to climate change by 2050 in a business-as-usual scenario

Key Challenges

- Climate change
- Poverty and hunger
- Youth unemployment and illiteracy
- Political instability and corruption
- Terrorism, violence and civil war
- Low access to finance

Top Regional Actions

- The first Climate Chance Summit Africa was organized in Ivory Coast in June 2018 to bring together non-state actors in the fight against climate change
- Conference on Youth and Employment in North Africa organized by ILO in September 2017 to adopt a five-year action plan to boost youth employability
- World Future Energy Summit will be hosted by Abu Dhabi in January 2019 connecting business and innovation in energy, clean technology and efficiency

Sources:

- DW
- Reliefweb
- World Bank
- WEF
- Climate Analytics
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How Local Networks Help Business Drive Global Goals Implementation on the Ground

88%
AFRICAN AND MIDDLE EASTERN COMPANIES INDICATE THAT THE GLOBAL COMPACT HAS BEEN SIGNIFICANT IN SPREADING THE PRACTICE OF CORPORATE SUSTAINABILITY WORLDWIDE

62%
African and Middle Eastern companies find the Local Network helpful in assisting with Communication on Progress (COP)

84%
African and Middle Eastern companies find the Local Networks helpful in building networks with other companies

Global Compact Local Networks in Africa and Middle East

<table>
<thead>
<tr>
<th>Country</th>
<th>Local Network</th>
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<tbody>
<tr>
<td>DR Congo</td>
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<tr>
<td>Ghana</td>
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<td>Kenya</td>
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<tr>
<td>Malawi</td>
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<td>Morocco</td>
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<td>Nigeria</td>
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<td>South Africa</td>
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<td>Tanzania</td>
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<td>Uganda</td>
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<td>Sudan</td>
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<td>Egypt</td>
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<td>Iraq</td>
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<td>Jordan</td>
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<td>Lebanon</td>
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<td>U.A.E.</td>
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There are five key ways in which the UN Global Compact is mobilising business to engage systematically over the long term to contribute to the Global Goals in Africa and Middle East through its Local Networks:

Organizing Local Awareness-Raising Events
81 multi-stakeholder events on the Global Goals were organised. Which reached 1165 companies in Africa and Middle East.

Develop and Disseminate Tools & Resources
Build the capacity of business through sharing know-how and resources to embed the Ten Principles in business models and operations, and foster leadership through aligning strategies with the SDGs. 68 capacity building workshops were held reaching 876 companies.

Facilitate Public-Private Partnerships and Dialogues
Facilitate engagement with Governments, UN country teams, civil society, academia and other stakeholders around public policy dialogues to contribute to the development of a National SDG Action Plans.

Participation in Public-Private Partnerships
9 Local Networks were involved in Public-Private Partnerships in the region in total these partnerships involved 395 companies. 5 Local Networks are contributing to their government’s Voluntary National Review.

Mobilise Financing
Contribute to mobilise private financial resources to advance the Global Goals. 2 Local Networks have some engagement with Principles for Responsible Investment.

Find sharing practices with peers to be helpful
71%
African and Middle East companies find the Local Networks helpful in receiving assistance with implementation of the Global Compact principles

Human Rights
70%
African and Middle East Local Networks are prioritizing Human Rights

Source: UN Global Compact Annual Survey 2018; UN Global Compact Local Network Survey Data (Synthesis Report)
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Overview

64% African and Middle Eastern companies report that corporate responsibility policies and strategies are developed and/or implemented by the Chief Executive Officer.

Why companies report publicly

- 81% Helps integrate corporate responsibility commitments
- 75% Improves corporate reputation
- 73% Demonstrates active participation in the UN Global Compact

Barriers to public reporting

- 44% Lack of standard performance metrics
- 44% Insufficient internal process to monitor, measure and report
- 29% Too many reporting standards and frameworks

Companies reporting to have a positive impact on the Global Goals

87% African and Middle Eastern companies report to take specific actions to advance the Global Goals.

Top Goals Targeted

- No Poverty: 79%
- Zero Hunger: 62%
- Good Health and Well-Being: 83%
- Quality Education: 84%
- Gender Equality: 77%
- Clean Water and Sanitation: 64%
- Affordable and Clean Energy: 58%
- Decent Work and Economic Growth: 88%
- Industry, Innovation and Infrastructure: 72%
- Reduced Inequalities: 75%
- Sustainable Cities and Communities: 58%
- Responsible Consumption and Production: 75%
- Climate Action: 49%
- Life Below Water: 22%
- Life on Land: 42%
- Peace, Justice and Strong Institutions: 55%
- Partnerships for the Goals: 67%

Top Actions Taken to Implement the Ten Principles

- Address Human Rights within an overall corporate code: 76%
- Address Environment through sustainable consumption: 82%
- Address Labour through safe working condition policies: 94%
- Anti-Corruption implemented through zero-tolerance policies: 80%

- 90% African and Middle Eastern companies report to have policies and practices in place related to Human Rights.

Source: UN Global Compact Annual Survey 2018
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Source: UN Global Compact Annual Survey 2018

**Supply Chain Alignment**

- Include Expectations in Contractual Documents: 62% Africa and Middle East, 61% Global
- Assist in Setting and Reviewing Goals: 16% Africa and Middle East, 23% Global
- Reward Good Performance: 15% Africa and Middle East, 14% Global
- Staff Training on Supply Chain Sustainability: 36% Africa and Middle East, 49% Global
- Conduct Due Diligence: 42% Africa and Middle East, 45% Global
- Provide Supplier Training: 18% Africa and Middle East, 15% Global

**Implementing Sustainability**

- Take Actions to Advance Global Goals: 87% Africa and Middle East, 80% Global
- Risk and Opportunity Assessment for Global Goals: 44% Africa and Middle East, 40% Global
- Impact Assessment: 28% Africa and Middle East, 28% Global
- Integration into Annual Financial Report: 42% Africa and Middle East, 45% Global
- Monitor and Evaluate Performance: 57% Africa and Middle East, 56% Global
- Public Communication of Commitments: 72% Africa and Middle East, 79% Global

**Why Join the UN Global Compact?**

**TOP THREE REASONS AFRICAN AND MIDDLE EASTERN COMPANIES JOIN THE UN GLOBAL COMPACT**

- Increase trust in company through public commitment to sustainability: 73%
- Promotes action on sustainability within the company: 66%
- Acquire knowledge to advance sustainability into operations and strategy: 64%

IS YOUR COMPANY ENGAGED IN A GLOBAL COMPACT LOCAL NETWORK?

**CHALLENGES COMPANIES ARE FACING IN INTEGRATING SUSTAINABILITY IN THEIR SUPPLY CHAIN**

- LACK OF CAPACITY – 38%
- NOT A PRIORITY – 15%
- LACK OF KNOWLEDGE – 15%
- CR DATA UNAVAILABLE – 15%
- NO CLEAR LINK TO BUSINESS VALUE – 8%
- LACK OF FINANCIAL RESOURCES – 15%