

## Business: doing well by doing good

Most people agree that economic growth depends upon a vibrant private sector. But when it comes to Africa, there remains a degree of schizophrenia about the role of business.

Investors outside Africa hear about the opportunities but are put off by the negative image of Africa as risky and unsafe. And others remain suspicions of business – as exploitative, unethical and motivated only by financial profit.

Africa is vast, and diverse. Headline-grabbing instability in one place has little bearing on conditions elsewhere. The biggest constraints to investors are mostly mundane: red tape and high costs, poor infrastructure, limited access to capital, underpaid officials and weak law enforcement, fostering uncertainty and corruption.

Many governments are trying to do their part. According to the World Bank, more business-friendly reforms were implemented over the last year than in any previous one.

Business can add social value. At a minimum, this means doing no harm, paying taxes, not partnering in corruption and implementing codes of good practice, including the Extractive Industry Transparency Initiative.

But much more is possible. Healthy, educated and connected people are essential for market growth, and stability. Corporations can work with authorities and civil society on both policies and their implementation, and on projects that both attract investment and create social and environmental benefits.

This should now become standard. There are many best practices to draw upon, and more business-oriented advocacy groups springing up, both in Africa and internationally – including the [Business Call to Action](#), the newly formed 'Frontier 100', [Investment Climate Facility](#), [Business Action for Africa](#), the APP's own Business Advisory Group and many others.

Good business is good for Africa.

“The global financial crisis is a blessing in disguise because inadvertently, it has returned “the ladder that had been kicked away” in terms of robust development strategies.”

[Archbishop Njongo Ndungane, President and Founder of African Monitor, May 2009](#)

## Opinions

[African Monitor \(South Africa\): the place of aid in Africa's solutions to its problems, 12 May 2009](#)

Archbishop Njongo Ndungane argues that aid is beneficial to the human survival and the development of many people in Africa, the somewhat unfavorable history of aid is a result of bad governance and its poor administration.

[Mail and Guardian \(South Africa\) Soros: Worst of economic crisis behind us, 11 May 2009](#)

George Soros states that “the global economy has already passed the worst of the economic crisis and should soon pull out of its slump.” He speculates that Asia will be the first to come out with America close behind and that “China will replace the US as the motor of the world economy.”

[Business Day \(South Africa\): How Zuma can transform his image — and that of SA, 13 May 2009](#)

Allister Sparks, a former editor of the Rand Daily Mail and a veteran political analyst, analyzes SA's cleverly balanced cabinet, while expressing pessimism from the outside world regarding its capabilities Zuma's image.

[Financial Times \(UK\): Africa has to find its own road to prosperity, 7 May 2009](#)

Paul Kagame, the president of Rwanda, discusses today's aid culture and its cycle. He also calls on “Africans to find its own road to prosperity,” as opposed to solely relying on promises of assistance from the rich world.

[United Nations Africa Renewal: Mining to profit Africa's people, 4 May 2009](#)

Mary Kimani, a writer for the UN Africa Renewal Magazine, compares the current situation where the emergence of more democratic and accountable governments are seeking fair mining deals to the mining boom between the years 2002-2007, in which Africa generated little benefit from the mining and oil profits.

## On the blogs

[World Bank Shanta Devarajan's Blog: Economic policy in Africa in light of the crisis—video, 29 April 2009](#)

This blog outlines the main messages of a seminar on economic policy in Africa in light of the global crisis that was held with Emmanuel Tumasime-Mutabile, the Governor of the Central Bank of Uganda; Lamine Zeine, Minister of Finance of Niger; and Ali Mansoor, Secretary of Finance of Mauritius on 23 April 2009.

[Reuters Africa Blog- Malawi: the economy, stupid? 8 May 2009](#)

The post discusses the forthcoming presidential elections scheduled for 19 May in Malawi and the implication of its outcome for other emerging African democracies.

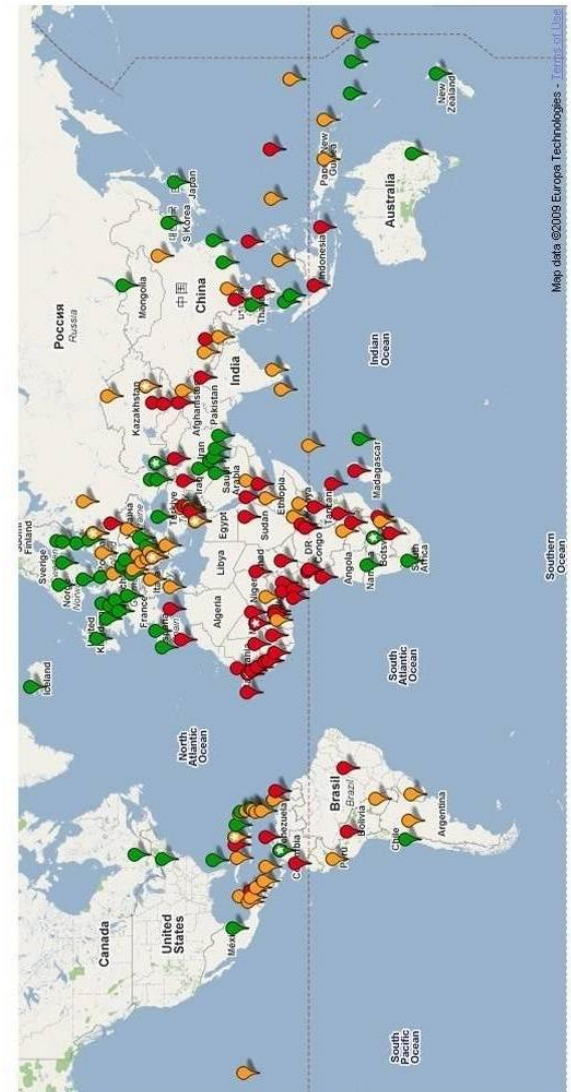
## APP Activities

In partnership with UNEP, the APP is preparing a policy brief as an input to the [2009 Third Edition of African Ministers Conference on Financing for Development on Climate Change: An Additional Challenge to Meeting the MDGs in Africa](#), scheduled for 21-22 May in Kigali, Rwanda ◊ The APP Director, Michael Keating, attended the [Initiative for Global Development 2009 National Summit in Washington D.C](#) at which the “Frontier 100” was formed.

## How easy is it to do business?

Economies marked with a star were the top 10 reformers on the ease of doing business in 2007/08.

Difficult  
Moderate  
Easy



## Multilateral Organizations

### AfDB

[The African Development Report 2008-2009, "Focus on Conflict Resolution, Peace and Reconstruction in Africa" was released by the AfDB on Sunday, 10 May in Dakar, Senegal](#)

[The AfDB Group organized a conference ahead of the annual meetings on: "African Capital Markets / Making Finance Work for Africa." The objective was to liberalize the potential of the financial sector for Africa's development](#)

### ICA

[Statement of the 5th annual meeting of the Infrastructure Consortium for Africa's \(ICA\) 2009 annual meeting in Rome](#)

### IMF

[The Executive Board has approved an increase of \\$83.3 million for financial support under IMF's poverty reduction and growth facility program to help Zambia cope with the global economic slowdown and financial crisis](#)

[The Executive Board of the IMF has decided to lift the suspension of Fund technical assistance to Zimbabwe in targeted areas](#)

### OECD

[The OECD has recently launched the 2009 African Economic Outlook at the 44<sup>th</sup> AfDB annual meetings in Senegal. It presents a comprehensive analysis of the economic, social and political developments on the continent](#)

### IFAD

[IFAD states that it will provide Cameroon with \\$13.5 million loan and \\$0.2 million grant for microfinance development to reduce poverty, increase income and improve livelihoods in Cameroon](#)

### UN

[17th session of the UN Commission on Sustainable Development: Highlights from 4-15 May 2009](#)

[Senior advisers to the President of the UNGA invite African nations to participate in next month's high-level economic summit, as a way to make up for their absence at the creation of the Bretton Woods Agreement in 1944](#)

### World Bank

[WB Managing Director, Graeme Wheeler warns that "the current crisis is undermining the enormous progress that is being made on education outcomes," like that of the EFA initiative](#)

### EU

[European Investment Bank and EU-Africa Infrastructure trust fund are working together to help rebuild the Beira Transport corridor in Mozambique](#)

## News Overview

Following repeated bickering surrounding government appointments, the [US has raised concern of over the stability of the Grand Coalition in Kenya and has underscored its support for the Kenyan National Accord crafted by Kofi Annan](#). In a statement by the new US Assistant Secretary Johnnie Carson, President Obama warned Kenyan leaders that the US is ready to take the necessary steps if the coalition fails to implement the agreement.

[On Sunday 10 May, Jacob Zuma unveiled his new cabinet](#) with appointments regarded as a desire for continuity rather than a lunge to the left, as some had hoped and others feared. Nowhere is this more obvious than in the move of widely-praised Trevor Manuel to a new powerful National Planning Commission which is seen as a reaction to concerns that the new cabinet would be lacking in economic expertise and strategy.

Canada's International Development Research Centre, the William and Flora Hewlett Foundation and the Bill & Melinda Gates Foundation [have pledged a total of \\$90 million to support the strengthening of African policy think tanks](#).

Indications emerged from a meeting held on 6 May [that the adoption of a single currency to be referred to as ECO for West African economies](#) (The Gambia, Ghana, Guinea, Nigeria and Sierra Leone) may not commence by 1 December 2009, as four out of the five countries were yet to meet the convergence criteria.

Tensions surrounding the [recent arrest of the Togolese president's brother](#) on alleged coup-plotting charges will test reconciliation efforts in the country, still recovering from 2005 election violence.

In an interview with BBC on Tuesday 12 May, [Sudanese President Omar al-Bashir denied that his armed forces singled out and killed civilians in Darfur](#). He further stated that the allegations of war crimes "is hostile and organized media propaganda to tarnish the reputation of the government and is a part of the declared war against our government."

Despite agreeing to normalize relations following disputes last year, Chad and Sudan have [resumed trading accusations which has led Chad to threaten to sever diplomatic relations](#) "if the situation does not evolve positively."

On Friday 15 May 2009, [Malawi's constitutional court will rule on the eligibility of ex-president, Bakili Muluzi to run for president for a third time in next week's elections](#). He also faces accusations of embezzling 12 million dollars in aid money during his time in office.

[Standard Bank and Industrial and Commercial Bank of China \(ICBS\) have announced that they will finance the expansion of a Coal Power Station in Botswana](#) for \$825 million dollars over 20 years. This deal marks a unique financial services gateway between Africa and China.

The role of governments in achieving MDG5 has been highlighted with the [commemoration of the International Day of the Midwife](#).

On 7 May, [the budget of the United States government for Fiscal Year 2010 was released](#). The Budget reflects the will to double foreign assistance, increase funding for global health programs and at the same time ensure America lead in the world.

## G20 Update

**FRANCE-** [As part of the framework of the initiative to promote growth in Africa announced by President Sarkozy in 2008, The Investment and Support Fund for Businesses in Africa \(FISEA\) has been launched with an initial capital of €250 million](#)

**INDIA-** [Urges African countries not to put barriers on the production and import of generic drugs to the continent "for the sake of their own people"](#)

**JAPAN-** [The Ministry of Foreign Affairs and the City of Yokohama will hold African Festa 2009 on 16-17 May with the aim of "convening the charm of Africa to a large number of people"](#)

**TURKEY-** [President Abdullah Gul visited sub-Saharan Africa as a continuation of Turkey's Africa initiative, and stated that "The Turkish Republic will be the spokesman for Africa at the UN" and that "It will support Africa on all of its issues"](#)

**UK-** [Supports the cancellation of \\$1.2 billion of Liberia's commercial debt, reducing its vulnerability to 'vulture funds'](#)

**USA-** [Announced an increase in funding for Kenya's family planning and reproductive health activities](#)

## Calendar

<b>11-15 May</b>	AU experts Meeting on Higher Education, Accra, Ghana
<b>13-14 May</b>	AfDB Annual Meeting on Africa and the Financial Crisis: "An Agenda for Action," Dakar, Senegal
<b>14-15 May</b>	AU Meeting of Experts on Evaluation of MDGs in Africa, Addis Ababa, Ethiopia
<b>17 May</b>	Commonwealth Health Ministers Meeting: "Health and Climate Change." Geneva, Switzerland
<b>17 May</b>	World Telecommunication Day
<b>19 May</b>	Malawi: General Elections
<b>21-22 May</b>	3 <sup>rd</sup> edition of the Financing for Development Conference: "Climate Change-Financing opportunities and challenges to achieve the MDGs in Africa, Kigali, Rwanda
<b>21-23 May</b>	G8 Development Ministers Meeting: Pecara, Italy
<b>25 May</b>	Africa Day
<b>24-26 May</b>	World Business Summit on Climate Change Denmark, Copenhagen
<b>25-29 May</b>	3 <sup>rd</sup> Special Session of the African Ministerial Conference on the Environment (AMCEN) on Climate Change: Nairobi Kenya

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