

Summary of the proceedings of the Africa Rising! International Conference held on the 17 and 18th of October 2013 at the Hilton Mauritius Resort & Spa, Mauritius.

The Africa Rising! International Conference was hosted in Mauritius on 17 -18 October 2013 with the purpose of exploring the challenges for capturing business opportunities and creating sustained organisational value in Africa. It provided a platform for the exchange of knowledge, thought leadership and best practices in governance, value creation and sustainable growth. Experts, both academics and practitioners, from around the world, and especially from Africa, come together to share their views and experiences.

A list of speakers and their topics are listed at the close of this report as Annexure A.

“Africa is a place replete with possibilities,”

This sentiment of Kgalema Motlanthe, Deputy President of the Republic of South Africa quoted from the 2012 Africa Attractiveness Survey by EY, was evident in the collective message of the presenters of the Africa Rising! International conference. However, these possibilities can only be realised if the current issues facing Africa, as raised at the conference, are addressed.

The current situation

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Improving the business economy will be the “game changer” for Africa but the reality is investment and development plans are losing momentum and may not reach targets set. Africa has many issues around enforceability in several countries with tax laws that have not changed for 50 years and varying standards of corporate governance and inflexible labour laws.

In addition there are concerns about the huge current account deficits of African countries and the rate at which the US has been pouring money into institutions to rescue the global financial system. There is a real risk that the ‘extraordinary growth in US money supply which has helped to spur Africa’s growth in recent years, might suddenly stall slowly in the years to come if and when the Americans start raising their interest rates’.

For the time being however, such economic policies have resulted in favourable trends in Africa, namely:

- There has been a sustained improvement in the UN’s Human development index between 1980 and 2012.
- Health indices have shown steady improvement
- Education indices have shown steady improvement but is currently plateauing

Moving forward

It must be noted thought that a positive future is a participant’s future and African countries as a whole should actively address key variables to ensure that Africa takes its destiny into its own hands. It requires regional integration and a need for improving infrastructure, transportation, customs rules and increasing the level of production of goods and services in order to open trade across all sectors of Africa and thereby placing Africa in a position of an open economy, able to deliver.

Improvement has been necessitated however by Africa's large untapped resources and a very young population representing a huge reservoir of labour. There is better management of natural resources and a stronger financial sector. Structural transformation is speeding up and there is more inclusive growth and job creation. Government reform strategies are taking place and the scope of public – private partnerships is expanding.

Africa needs to work collectively and consolidate its strategic intent in terms of agriculture, infrastructure, capacity building and natural resources management by addressing matters such as:

- Sound ethics
- Good corporate governance
- Understanding the needs of stakeholders e.g. government, communities, SME's
- Understanding how integrating sustainability programmes leads to the development of future markets.

Practical steps for businesses to contribute to sustainable development that include:

- Partnering with local companies
- Employing local labour
- Transferring and developing skills
- Procuring from local SMME's and invest in their development
- Investing and developing local value added processing and manufacturing capabilities
- Developing new partnership models between big business and smallholder farmers/SME's

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- Considering the impact on the environment
- Pioneering and innovating

While there is no one-size-fits-all approach, if businesses lead by example then the conditions around them will improve, and this in turn will improve the lives of the wider community.

Who leads the way?

Public and private sector do not however function or prosper in isolation. Building partnerships between public and private sectors involves increasing competitiveness by bringing governments and the private sector together as a starting point and a prerequisite to achieve development goals. Good governance is more of a moral responsibility and should be instilled from an early age by coaching and teaching it in schools.

The road map should start with competitiveness at national and sub national levels (growth poles) and at a corporate level (value chains, sectors/clusters). Subsequently the government and business need to work together on aligning national and corporate CSR strategies.

Transparency carries the same weight as competitiveness and strategic intent and alignment – driving up standards, engaging communities, creating a level playing field from which all companies stand to gain. Africa loses twice as much in illicit financial outflows as it receives in international aid. Weak governance, corruption, poor oversight and short-termism are the inevitable consequences of a lack of transparency.

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An Anti-Corruption and Fraud Risk Governance framework would address ethics and leadership and would apply from the top down, ethical business conduct, full comprehension of corruption and fraud and their implications.

The World Bank reiterates this by recommending a Multidimensional Development Approach be taken to reduce poverty and build shared prosperity. This involves growth, inclusion and sustainability as a guiding framework. It also should involve aligning Public and Private Sector Strategies for financial, social and economic impact (e.g. importance of national CSR strategies) and demanding / pressuring for Good Governance through Collective Action, and with civil society organizations (CSOs) at national and corporate level to increase transparency, accountability and responsibility. Economic growth needs to be accompanied by inclusion and sustainability. Economic growth should create good jobs and fuels development—strong job creation hinges on mobilizing private investment and developing effective public institutions.

Essentially, big business must lead by example, and set the tone around which government and civil society operate. However be wary of looking to business to take the place of government. That's not long-term thinking, and such an approach would hardly fall under the banner of sustainable. Instead, businesses should lead by example. An effective society will have room for state activity, civil society and commercial activity.

What's in it for me?

The various speakers during the conference clearly established that

1. the macroeconomic data showed that African indeed had many upcoming 'Lion' economies;

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2. there were success stories in various businesses in Africa and that good corporate governance has played a key role to reach such success;
3. it was important for companies investing in Africa to be aware of ground realities and to perform a comprehensive due diligence before investing;
4. conducting business in a sustainable manner could be a key competitive advantage for Africa's emerging businesses;
5. business ethics matter in Africa, as research has shown that corruption was a key reason for delays in investment in Africa
6. state owned enterprises were a key feature of Africa's economic landscape and it was important that these enterprises be properly governed to participate in Africa's economic emancipation;
7. cultural and social forces were crucial to improving corporate governance and that directors should learn to 'go along without going along'; and
8. the 'Ubuntu' philosophy of 'a person is a person through other people' could be a key driver of business leadership in Africa.

With the above issues as a background, there are great opportunities for participants to apply these concepts to their own environment and organizations in order to garner success in their activities in Africa.

When asked at the conference how she viewed the pace of development on the continent, Baroness Lynda Chalker replied, "I am very excited by the opportunities that African governments are presenting, but these opportunities can only succeed if there is really good planning, and proper attention to the challenges that come between the private and public sector. I can see things going rather well. Africa is rising, but we have to be more careful about delivery of quality, getting value for



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17-18 OCTOBER 2013



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money, beating corruption and making sure that the ordinary people get good governance”.

ANNEXURE A

List of speakers at the Africa Rising! International Conference held on the 17 and 18th of October 2013 at the Hilton Mauritius Resort & Spa, Mauritius.

1. Baroness Lynda Chalker, Chairperson, Africa Matters Limited: *Why Africa matters*
2. Dr. Azar P.H. Jammie Chief Economist of Econometrix, SA : *Macro Economic view on Africa*
3. Guy Lundy, futurist, strategy consultant and scenario planner with extensive experience on expansion of business in Africa: *Future scenarios for Africa*
4. Deva Armoogum, Immediate Past Chairman, Mauritius Institute of Directors, Researcher in Public Governance and Ethics: *Stories From Business And Life In Africa*
5. Urmila Boolell, Head of Temple Group: *The Mauritius Story*
6. Connie Mashaba, Managing Director, Black Like Me: *A model of Africa entrepreneurship*
7. Foluke Kafayat Abdul-Razaq, Executive Director, Bridge House College: *Nigeria : The Rising Giant*
8. Ravin Dajee, Managing Director, Barclays Bank Mauritius Limited; *Banking in Africa*

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9. Nitin Pande , Senior Director, Mauritius Board of Investment: *Investing In Africa – Opportunities And Pitfalls*
10. Steven R. Dimitriyev, Senior Private Sector Development Specialist, World Bank: *Business and social realities of Africa*
11. Kamben Padayachy, Deputy CEO, Afrasia Bank: *Investment opportunities and risks in Africa*
12. Lynette Chen, CEO, Nepad Business Foundation: *Business Making A Sustainable Difference*
13. Mr Chris Marais, CEO, Leadership for conservation in Africa, ENSafrica: *Africa the reality of development and sustainability*
14. Prof. Deon Rossouw, CEO, Ethics Institute of South Africa: *Why business ethics matter in Africa*
15. Simon Walker, Director General, Institute of Directors, UK: *How business can make a sustainable difference*
16. Peter Goss, National Leader, Forensic Investigations (Government and Public Services) PricewaterhouseCoopers (PwC): *Creating An Enabling Environment And Institutional Capacity*
17. Dr. Yuri Maltsev, Professor of Economics, A.W.Clausen Center for World Business and former senior economic advisor to President Gorbachev: *Economic lessons from socialism for African leaders*

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18. John Colvin, Chairman, Global Network of Director Institutes (GNDI): *Creating an enabling environment for business and directors internationally – the power of collaboration: GNDI*
19. Mohamed Adam, Corporate Counsel and Divisional Executive, Eskom: *The role and governance of state owned enterprises*
20. Prof. Bruce Kogut, Bernstein Professor of Ethics and Leadership Columbia Business School, USA: *Why Understanding Cultural and Social Forces is Crucial to Improving Corporate Governance*
21. Isaac Shongwe, Executive Director, Strategy, Human Capital and Stakeholders, Barloworld Ltd: *Perspectives on business leadership in Africa*
22. Richard Foster, Chairman of the Institute of Directors In Southern Africa: *Official Closing*