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# **ENGAGING BUSINESS IN DEVELOPMENT: The story of the Africa Progress Panel's Business Advisory Group and Concern Universal**

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## **Abstract**

**“Food is way too important to go the way of the banking industry.”  
Business Advisory Group member**

Existing approaches to business and development have proved inadequate in the face of accelerating climate change, resource scarcity and poverty. Starting from the needs of communities in Africa, this paper explores how collaboration between business and Non-Governmental Organisations (NGOs) can facilitate a “step change” in the way we understand and respond to these challenges. Recognising the central role of business, the Africa Progress Panel set up an Advisory Group of senior businesspeople to facilitate greater business engagement in meeting the Millennium Development Goals (MDGs). International NGO Concern Universal brings logistical and research capacity to the initiative, along with a commitment to securing greater business support for sustainable development<sup>2</sup>. This paper illustrates how the collaboration has brought together community-based and business-led perspectives, catalysing support for communities’ own business and development efforts. It concludes that the holistic understanding of business that underpins the collaboration opens up the possibility of enabling people to participate more effectively in a “virtuous” cycle of development. The paper raises the need for more empirical research into how these processes unfold in practice.

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<sup>2</sup> More information about this initiative is included in Annex 1. The complete Africa Progress Panel/Concern Universal research paper can be downloaded at [www.concern-universal.org](http://www.concern-universal.org).

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## Background

On a muggy London evening, former FTSE100 chief executive Richard Harvey is guest speaker at a City networking event. He's not passing on tips from ten years at the top of insurance giant Aviva. Rather he's sharing lessons from his more recent role with international Non-Governmental Organisation (NGO) Concern Universal. In 2007, having taken early retirement, Richard and his wife Kay began their journey by working alongside CU and its partners in Kenya, Malawi, Mozambique and Ghana. Kay was teaching in village schools, while Richard was supporting community efforts to develop viable sources of income and access to local markets. This on-the-ground experience confirmed their commitment to becoming Volunteer Advocates with CU, supporting its focus on more sustainable development. Reflecting on a defining moment, Richard tells the audience how he left Aviva thinking he knew "pretty much everything there was to know about climate change." He had sat on committees and was more aware than most of the mounting cost of flood damage from Cornwall to Carlisle. However, nothing prepared him for his first experience in south-west Kenya, where an already parched landscape has been devastated by increasingly erratic rains:

"The Maasai live off their cattle," he says. "But how can they do that when there is next to no grass left for their cattle to eat..? Climate change is pushing people over the edge."

A chance meeting in Malawi led to Richard being asked to chair the Business Advisory Group (BAG), set up by the Africa Progress Panel (APP). Richard had met Michael Keating, who went on to become the Director of the APP, while they were both in Blantyre. One of Michael's priorities upon joining the APP was to encourage more engagement from business in addressing the Millennium Development Goals (MDGs). He immediately thought of Richard, who brought access, confidence and experience to the role of BAG Chair, as well as CU's research and logistical capacity. For CU, working with the APP represented an opportunity to step up efforts to secure greater business support for a more equitable and sustainable world. For both APP and CU, collaboration brought the possibility of catalysing significant change. This paper examines how the collaboration unfolded in practice and asks to what extent it contributes towards a "step change" in business and NGO engagement with inter-related global challenges like climate change, decreasing supplies of water and oil, rising demand for food, and increasing levels of inequality<sup>3</sup>.

## Ongoing conversations about business and development

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<sup>3</sup> More information about this initiative is included in Annex 1. The complete Africa Progress Panel/Concern Universal research paper can be downloaded at [www.concern-universal.org](http://www.concern-universal.org).

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Traditionally, business is understood as profit-maximising, while NGOs are non-profit organisations coalescing around a collective commitment to some shared principle (Keck and Sikkink 1998)<sup>4</sup>. In the nineteenth century, the arbitrariness of this distinction was apparent as philanthropists like William Cadbury and Joseph Rowntree provided housing and education, while advocating for government to improve its own social provision (Cannon 1994; Hoffman 2007). Today, a leading City figure describes the boundaries between business and charity as “more like a semi-permeable membrane than hard walls” (Barclays Wealth 2009; 26). So if we shift our focus from organisations towards the people they exist to serve, a more useful distinction can be made: Both are effectively defined by their relationships with a range of people – whether we label them customers, stakeholders or beneficiaries – but NGOs are typically answerable to a broader range of such constituencies (Bruce 2005; Drucker 1990; Kotler and Andreasan 2002; Williams 2006).

The global challenges mentioned above are underpinned by people’s conflicting needs and priorities. They are symptoms of a world that is fundamentally out of balance (Gellner 1988; Ralston Saul 2005). Companies increasingly acknowledge their own survival depends on their ability to engage with these challenges, often through collaborating with NGOs and others (Elkington 1999). Likewise, national governments like the UK’s Department for International Development (DFID) and multilateral agencies such as the United Nations through its Growing Sustainable Business initiative (GSB) encourage collaborative approaches. For NGOs, partnership represents an opportunity to better meet the needs of communities by accessing new resources and critically engaging with business and others (Heap 2000; Korten 2006). Not surprisingly, a growing body of work focuses on business/NGO partnership. However, this tends to examine its instrumental role in addressing practical challenges rather than exploring the sometimes competing perspectives held by participants, which inform their understanding of those challenges (Brinkerhoff 2002; Jonker and Nijhof 2006).

The people-focused approach advocated above enables us to see how partnership can both address the symptoms of an apparently unsustainable world and generate a more holistic understanding of the underlying causes. In time, this might contribute to the emergence of more vigorous and sustainable approaches to business and development (Speth 2008). This paper therefore focuses on partnership as both a mechanism for solving problems and an arena for engaging in dialogue, by sharing the story of CU’s collaboration with the APP.

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<sup>4</sup> The remainder of this paper uses the term “NGOs” to denote international aid and development organisations. Nonetheless, such organisations are also part of the broader voluntary and community sector (VCS) and are likely to share systemic and relational similarities with organisations that have a more national or local focus.

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## Concern Universal's experience with the APP Business Advisory Group

CU works to alleviate poverty through 10 distinctive country programmes in Africa, Asia and Latin America. It works in partnership – with communities, business and NGOs – supporting practical actions that enable people to develop sustainable sources of income and improve their quality of life. Its focus is therefore on bringing together people from all sectors to make a real and lasting difference to the people it serves. Business is an integral part of that picture and – like any sector – it can be a force for good or for ill. CU engages with the full spectrum of business, including smallholders, large local companies and multinational enterprises, enabling them to maximise their positive contribution. The collaboration with APP represented a way to leverage this practical experience in order to benefit communities by advocating for greater business engagement in sustainable development.

The APP was established under the chairmanship of Kofi Annan to hold the G8 countries to promises made at the Gleneagles meeting in 2005. Seeing business as an essential catalyst in achieving the MDGs, the APP invited Richard Harvey to develop and chair a Business Advisory Group (BAG) to evaluate the extent of business engagement, identify practical ways forward and articulate this in a way that made sense to both business and government. Established in late 2008, the BAG comprised 16 business leaders from African and international companies<sup>5</sup>. The BAG identified priorities and developed recommendations. CU conducted the background research and coordinated meetings and discussions. Michael Keating and his colleagues at the APP Secretariat provided strategic input and channeled the organisation's convening power, while a Peer Review Group oversaw the research process and identified existing initiatives<sup>6</sup>. Lessons emerge at each stage of this three-part story.

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<sup>5</sup> Members of the BAG were: Richard Harvey (BAG Chair and former CEO of Aviva, Volunteer Advocate at Concern Universal); Adama Bah (Representative, Travel Foundation in The Gambia); Howard Barrie (Partner, Denton Wilde Sapte); Mary Boakye (Partner, Denton Wilde Sapte); Gareth Bullock (Group Executive Director, Standard Chartered); Matthews Chikaonda (CEO Press Corporation Ltd and Former Minister of Finance, Malawi); Angus Davison (Managing Director, Haygrove); Thorleif Enger (Chairman, Spring Energy and ex-CEO Yara); Dr Mo Ibrahim (Founder, Mo Ibrahim Foundation); Linah Mohohlo (Governor, Central Bank of Botswana); Gareth Penny (CEO, De Beers Group); David Reid (Chairman, Tesco); Peter Sutherland (Chairman of BP and Goldman Sachs); Tidjane Thiam (CEO designate, Prudential and former Minister of Planning and Development, Ivory Coast); Professor Muhammad Yunus (Founder, Grameen Bank and Nobel Peace Prize Laureate 2006).

<sup>6</sup> Peer Review Group members were Caroline Ashley (Overseas Development Institute); Sean de Cleene (Yara International); Richard Gilbert (Business Action for Africa); Adam Leach (International Business Leaders Forum); Jane Nelson (Harvard Business School); Tomas Sales (United Nations Development Programme); Casper Sonesson (United Nations Development Programme); Zahid Torres-Rahman (Business Action for Africa); Wayne Visser (Cambridge Programme for Sustainability Leadership); Chris West (Shell Foundation); Elizabeth White (World Bank).

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## **Part 1: Doing our homework – research in a crowded field**

Given the overlap between business and development discussed above, the starting point for the collaboration was the need to bring a business perspective to what are traditionally perceived as development challenges<sup>7</sup>. Taking inspiration from the pages of the Financial Times, the collaboration developed a sector-based typology of the extent of business engagement in development in Africa, looking at the sectors of agriculture, financial services, energy and mining, information technologies, pharmaceuticals and tourism. These sectors were selected according to their significance to GDP, strategic importance to the development of other sectors or potential to generate relatively “quick wins” in terms of economic and social development. However, the inter-relations between them were also acknowledged, resulting in a holistic analysis of the context, opportunities and challenges. The interim report, drawn up in consultation with the Peer Review Group, emphasised how businesses from SMEs to multinationals together generate employment and provide access to goods and services. The linkage between “big” business and SMEs – especially smallholders – emerged as key since about 80 percent of the one billion people who live on less than a dollar a day are subsistence farmers. More equitable and sustainable models of business and development inevitably begin with them.

The research process uncovered three main learning points. Firstly, three priorities cut across all six sectors; the need for better governance, more access to capital and stronger agricultural value chains. Secondly, diverse examples of good business practice emerged. However, the same cases are cited time and again, suggesting either that they are relatively limited in number or that others are not entering the public domain. Finally, attempts to scale-up and replicate these initiatives are limited. Where replication has occurred, it is led by development actors like the UN, whose involvement inevitably dilutes the business-led character of such initiatives over time.

## **Part 2: Talking across boundaries – engaging business leaders in discussions about development**

The BAG provided initial feedback on the research, from which emerged the three priority areas mentioned above. CU then spent three months analysing each area, to provide a starting point for discussion during the inaugural meeting of the BAG in April 2009. Attended by Kofi Annan and held in the boardroom of Prudential in London, the meeting brought together four BAG members, with others participating via prior telephone discussions. The recommendations generated across the three areas of governance, capital and agriculture focused

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<sup>7</sup> Initiatives already underway include those led by the United Nations (UN); business networks like Business Action for Africa; African-based organisations like the African Institute of Corporate Citizenship; and individual sectors e.g. the Extractive Industries Transparency Initiative.

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on business' unique role in addressing long-standing challenges in Africa and included both ambitious plans and smaller "quick wins."

The recommendations were significant in themselves, but the underlying discussions were also revealing. Firstly, BAG members echoed earlier comments by the Peer Review Group about the need for more cross-sector collaboration. This was captured by Kofi Annan as he opened the meeting:

"You can go into any village in Africa and you will find Coca Cola. And yet we can't get vaccines to those same villages. How are they able to do that? What can we learn from companies like them?"

Secondly, participants repeatedly returned to the need for solutions to be genuinely African. However well-intentioned, actions introduced from outside without sufficient local acceptance will most likely founder. Finally, the discussions were underpinned by a sense of urgency. One BAG member expressed his frustration at the extent to which global and national discussions about the food crisis – which will hit poor communities hardest – have been replaced by a focus on the financial crisis. Another member agreed:

"Farmers and entrepreneurs are by definition optimists. But we're having to face the sheer reality of maintaining current levels of food production in the context of climate change. Let alone having to produce maybe 50 percent more [as the population grows]."

### **Part 3: From ideas to action – taking the emerging recommendations out to a wider audience**

Consultations with the BAG, the Director and others at the APP and Peer Review Group reduced 35 potential recommendations down to five (see Annex 1). The next stage (to December 2010) focuses on facilitating their practical implementation, specifically through approaching the organisations best placed to take actions forward in the long term. Immediate plans therefore centre on disseminating the recommendations among the business and development communities. A first step was the participation of Richard Harvey and three other BAG members at the World Economic Forum (WEF) in Cape Town in June 2009.

While this process is just beginning, lessons already emerge. Firstly, the dissemination process uncovers more ongoing initiatives. This potentially enables the APP to lend its weight to existing initiatives rather than create new projects. For example, the BAG suggested technical assistance might be cost effectively provided to African farmers via a "smallholder portal." However, conversations at the WEF revealed two such initiatives already underway commercially in Asia. Further research regarding their possible transferability to Africa is now underway. Secondly, a strong degree of alignment is occurring in business and development debates. For example, at the WEF companies were voicing ideas

long promoted by NGOs to prioritise investment in SMEs and smallholder farmers, who account for more than half of global GDP and about two-thirds of global employment. However, some companies repeatedly lend their support – via the Global Compact, Business Call to Action etc. – while others remain on the margins or absent altogether. This suggests the need to focus greater attention on companies not yet engaged.

## **Conclusions and possible areas for further research**

The Business Advisory Group generated a series of practical recommendations to help business take a more active role in developing better governance, more access to capital and stronger agricultural value chains in Africa. However, it also played a role in highlighting the extent to which these opportunities and challenges overlap with those faced by the global community as a whole. By acknowledging the “inter-relatedness of everything,” this paper suggests that such collaborative approaches might be leveraged to support communities’ own business and development efforts. Consequently, the experience has helped CU shape its emerging strategy with regard to business (see Annex 2). More broadly, the collaboration has generated four overlapping conclusions, each of which would benefit from further research.

### **1 A more holistic understanding of business places individuals and communities at the centre of business and development efforts**

The initiative confirmed CU’s practical experience of the significance of building stronger linkages between “big” business and SMEs: The research and discussions among BAG members highlighted the role that such linkages can play in enabling people to enter into a “virtuous” cycle of development, enabling them to benefit from “trade not aid.” This echoes the work of Hart (2007) and Prahalad (2005). They suggest that by seeing people at the “bottom of the pyramid” as a vast relatively untapped market, companies can respond to their needs in a profitable and sustainable way. To borrow from Drucker (1955), the community-focused approaches to development and business outlined here are clearly consistent with the fundamental tenets of marketing: That is, the whole business (or NGO) should be seen from the point of view of the customer (or community). However, there is a need for further research into the presumed link between increased business activity and improved quality of life. This might focus in on the different effects such activities have on particular individuals or sections within the community.

### **2 Alternative and sustainable models already exist**

The initiative facilitated discussion of alternative models of business and development through highlighting numerous examples of what might be termed “hybrid” models. For example, CU’s own Gambia is Good (GIG) project enables smallholders to supply local markets more effectively by leveraging the knowledge of communities through the involvement of NGO/business partners

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(Wadham forthcoming). It adheres to Yunus' (2007) model of social business, that is, GIG emphasises social benefits rather than profits and therefore pursues financial sustainability alongside broader community-based objectives. Yunus is a member of the BAG, seeing a role for the initiative in encouraging more multinationals to embrace the promise of social business. While scaling up social business emerged as one of the five recommendations, the others were squarely focused on the potential of "mainstream" business activities. The underlying research adapted Nelson and Prescott's (2008) model, which suggests business contributes to development through Corporate Social Responsibility (CSR), but also via its core business and advocacy activities. The case studies informing the BAG's discussions – SAB Miller's low-cost lager in East Africa that uses locally-produced sorghum, CU's experience of helping smallholders become potato suppliers to an international crisp manufacturer in Malawi – confirm Nelson and Prescott's view that successful engagement often combines elements of CSR, core business and advocacy activities. However, more research is needed into how alternative models such as social business unfold in the long term. In particular, to what extent do they enable communities to improve their quality of life and how do they balance financial, social and environmental returns?

### **3 Greater scale-up of effective mainstream and alternative approaches is required**

The collaboration revealed numerous examples of good practice. However, their impact is ultimately limited by lack of scale-up and replication. This is a challenge that recurs frequently in the literature. Sachs (2008) sees scale-up as fundamental to the Millennium Villages Project, which aims for replicable and simultaneous improvements in harvest yields, malaria control, health services, access to water and sanitation and education levels. However, these improvements are based on expensive technologies that potentially undermine their sustainability (Peet and Hartwick 2009). Like Sachs, Polak (2008) says scale-up should be envisaged from the outset, with any business or development innovation requiring a potential market of at least one million people. However, he also emphasises the need to design, price and market innovations taking into account the needs and constraints of communities. This returns to Schumacher (1973), whose "small is beautiful" message suggests that to be sustainable any proposed change "must stand in some organic relationship to what [people] are already doing" (1973; 186). More research is needed into how replication can be balanced against the need for sustainability. At the same time, communities themselves both shape and reflect wider national and global forces, meaning that change is also required at an institutional level (Brown 1991; Korten 1990). Further research is therefore also needed into this interplay of micro/macro forces. This might be facilitated by rigorous empirical studies of case studies already identified by the APP and others.

### **4 Communities will benefit more from business where people are engaged across the value chain**

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The initiative suggests communities will benefit more from business and development activities where the value created within communities can be retained there. SMEs are likely to be crucial to this process because of their central role in generating income and employment, and therefore help benefits from increased business activity filter down to local populations (OECD 2004). Most examples encountered via the APP initiative involved multinational companies, which also confirms a bias found in the wider literature (Jenkins 2004). However, during the discussion and dissemination stages of the APP initiative, more examples began to emerge, suggesting that the academic and grey literature has perhaps yet to catch up with practice. One area of additional research therefore would be to undertake empirical studies that more effectively capture the range and diversity of innovative approaches to business and development already underway. Multinational-led initiatives remain significant if not dominant in the examples encountered here and elsewhere, a trend likely to continue as the recession hits small firms hard. However, there is evidence that big companies are learning to take on the entrepreneurial characteristics that have traditionally been the hallmark of smaller competitors (The Economist 2009). Benefits for communities emerge when firms of all kinds and sizes engage together in a sustainable way. For example, Senge et al (2006) note the extent to which the development impact of large companies like Unilever is mediated through local suppliers. Consequently, there is a need for more research into how this happens in practice and whether there is a role for NGOs in catalysing that process.

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## Annex 1:

### Update for the World Economic Forum in Africa (June 2009)

#### Background

The APP commissioned sector-based research into business development in Africa and set up a Business Advisory Group (BAG), comprising senior African and international executives. The BAG focused on examining the role business could play in promoting social and economic development in Africa. As a business-led initiative, it examined how different sectors can contribute to development. Richard Harvey, ex-CEO of Aviva, was invited by Kofi Annan to serve as the Chair of the BAG. Richard has led this process, supported by Concern Universal, an international Non-Governmental Organization (NGO), for whom he is a volunteer advocate. A Peer Review Group (PRG) was established to help ensure the quality of the research and signpost relevant existing initiatives. It comprises 11 people from eight organizations.

The purpose of this initiative is to create a space in which business leaders can share their vision and views as to how the private sector can add practical value to existing efforts to help reach the Millennium Development Goals (MDGs) in Africa. Specifically, it aims to identify practical ideas that can be disseminated and implemented.

In this context, and given the current economic climate, the BAG members identified three priority areas for action during an initial round of calls in January/February 2009:

- Business can do much more to upgrade its role in **promoting good governance**, transparency and accountability
- Business can play a bigger role in **mobilizing capital** and ensuring that it connects with the many available opportunities in Africa
- Business can do more to **strengthen agricultural supply and value chains**, not least as Africa has comparatively low levels of food production but also potential advantages compared to other regions.

Peer reviewers provided input regarding the opportunities and challenges presented by each of these areas and highlighted a number of ongoing initiatives. The Business Advisory Group's telephone conferences and meeting with the Chair in April 2009 focused on these three areas and generated five concrete recommendations for action. These are outlined below. They are intended to be both business-led and feasible.

The next phase of the initiative is to identify channels and partners for the implementation of these recommendations and disseminate the key underlying

messages to a wider African and international audience. The BAG and the APP will use their advocacy, convening and communication reach to this end, exploiting existing opportunities such as the World Economic Forum meeting in Cape Town in June and other meetings of business leaders in Africa or elsewhere. Consequently, the role of the BAG/APP going forward has a particular focus on identifying institutional 'homes' for the multiple actions that might follow. The APP sees this as the best way to maximize its own capacity and convening power and ensure the long-term usefulness and viability of the recommendations.

## **Emerging key recommendations for action**

### *1 Accelerate agricultural development*

Given increasing demand for food, there is a need to incentivize and equip farmers of all sizes to produce more and get more land into sustainable production. A key ingredient is to facilitate stronger linkages between different types of farmers i.e. smallholders, small-scale commercial farmers and big business. This also requires a focus on reducing risk through technical assistance for smallholders and SMEs and specialized financial support.

Relevant objectives might include:

- Identify and replicate by end-2010 at least 3 examples of good practice where international/ national business has benefited from developing stronger links with smallholder producers.
- Strengthen technical assistance to suppliers, through piloting/replicating a web-based 'smallholder portal' providing information on crop management, weather conditions etc. (by collaborating with organizations such as AGRA etc.).
- Make more capital available to farmers by identifying alternative sources of finance (including Recommendations 4 and 5) and piloting/replicating supportive mechanisms such as crop insurance and technical support.
- Promote public demand for ethically produced food/products through exploring collaboration possibilities with organizations such as the Rainforest Alliance.

The role of the BAG in implementing this recommendation might be:

- Stimulate replication of good practice examples of sustainable approaches into three other countries by end 2010 through mobilizing the required combinations of knowledge, technical assistance and finance.
- Facilitate/participate in visits to identified countries to extend their own knowledge and encourage local/national business leaders to increase their engagement in promoting greater African participation in value chains.
- Identify/engage possible partners to develop technical assistance portal.

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*2 Improve intra-regional and international connections through mobilizing private sector investment in transport and communications infrastructure*

Given that efforts to increase food security and strengthen the SME sector are limited by producers' lack of access to markets, there is a need to mobilize private sector investment in transport, communications and clean energy infrastructure. A number of infrastructure projects are already in development. The challenge is making more of those projects happen. Consequently, this recommendation would focus on identifying and linking funding for those projects that will yield the highest social and development benefits. This will be done through collaborating with existing regional and pan-African organizations (e.g. the AfDB), international finance institutions (e.g. the World Bank), and the private sector.

Relevant objectives might include:

- Get 3 major regional infrastructure projects started or signed by end-2010 on the basis of (a) the readiness of the projects and (b) their ability to meet the food security needs of people in Africa (one possible initiative to support might be the Beira Agricultural Growth Corridor, discussions for which are already underway).

The role of the BAG in implementing this recommendation might be:

- Identifying relevant projects and engaging with relevant regional and pan-African organizations.

*3 Push for a better business environment and ever greater transparency in Africa*

Members of the BAG underline the need to address the challenges of bureaucracy and corruption in a constructive and collaborative way. Examples from Botswana, Malawi and Kenya have demonstrated the extent to which this collaborative approach can facilitate more inward and domestic investment, and maximize the positive impact that business can have for local communities. While improving the business environment is primarily the role of government, business has a role to play. It is in the interests of business to have a more transparent governance system both at the national/local level and within the firm. Business must therefore live up to its own responsibilities with regard to communities, the environment and its own employees and to take a stand against internal and external corruption.

Relevant objectives might include:

- Encourage more active compliance with international/national codes by at least 5 countries by end-2010.
- Broker national business/government/civil society fora to improve the business environment in at least 3 countries by end-2010.
- Explore the feasibility of generating greater transparency in company reporting, including the terms of major contracts.

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The role of the BAG in implementing this recommendation might be:

- Engage with BEDIA in Botswana and others to identify success factors and key learning points to help develop the most effective approach in other countries.
- Oversee a pilot of cross-sector fora in 3 countries to be decided, where both business and government express an interest in such an initiative.
- Engage at least 5 companies committed to implementing existing initiatives (e.g. Global Compact, Business Call to Action). In particular, support their efforts to 'institutionalize' these commitments across their strategies and operations (Malawi's Business Action Against Corruption and the Global Corporate Governance Forum might provide useful examples from which to learn).

#### *4 Increase the capital/credit available to SMEs*

Members of the BAG consistently underline the extent to which lack of credit hampers the growth of companies across the business spectrum, especially among SMEs and the 'missing middle' of companies that are too large to access microfinance but too small to access other funding mechanisms.

Relevant objectives might include:

- In identified countries, identify/pilot ways in which loan capital and technical support can be made more available to SMEs through existing/new structures and networks (e.g. post offices).
- Work with existing providers of technical assistance to improve the risk rating of SMEs and smallholders (see Recommendation 1).

The role of the BAG in implementing this recommendation might be:

- Encourage major donors to risk-share with lenders in order to encourage greater lending to SMEs.
- Support the development of the proposed 'smallholder portal' and identify similar initiatives in other sectors.

#### *5 Explore the potential for scaling up social business in Africa*

Given the proven success of the social business model in Bangladesh and elsewhere (especially that of the Grameen Group), a number of BAG members showed interest in exploring whether, how and where the model might be rolled out in Africa. Exploring the potential of social business within an African context would support the broader initiative of identifying alternative sources of finance and innovation for development, especially within the agricultural value chain. It might also improve the capacity of businesses and micro-credit initiatives, by linking international companies with ongoing initiatives in Africa.

Relevant objectives might include:

- Clarify the meaning and approach of 'social business' in ways that makes sense to African farmers, SMEs and international business.

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- Facilitate the attendance of at least 3 BAG members or other business leaders at a 3-day Grameen Creative Lab brainstorming session.
  - Support the establishment of at least 3 social businesses in Africa by end-2010, in order to pilot, learn from and replicate the experience elsewhere.
  - Support at least 1 major corporation in setting up a social business foundation or knowledge-sharing initiative by end-2010.

The role of the BAG in implementing this recommendation might be:

- Identify/engage potential participants for Grameen Creative Lab session(s).
- Identify possible 'institutional home' for ongoing social business initiative.
- Identify possible replication opportunities.

### **Next steps**

- Liaise with other business groups engaged in MDG achievement whether in Africa or beyond e.g. Frontier 100, Business Call to Action etc.
- Identify specific advocacy/dissemination opportunities (including possible launch opportunity in September).
- Consult with peer reviewers via meeting/teleconference in July/August to further develop recommendations.
- Seek input from BAG members on revised recommendations (July/August).
- Incorporate revised recommendations into AP Policy Brief (September).
- Identify and collaborate with appropriate organizations to take forward recommendations (from July onwards).
- Ensure dissemination of key message – i.e. that business-led approaches to meeting the MDGs can work – to wider African and international audience through TV and participation in various fora.

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**BUSINESS ADVISORY GROUP**

**Richard Harvey** (BAG Chair and former CEO of Aviva, Volunteer Advocate at Concern Universal)

**Adama Bah** (Representative, Travel Foundation in The Gambia)

**Howard Barrie** (Partner, Denton Wilde Sapte)

**Mary Boakye** (Partner, Denton Wilde Sapte)

**Gareth Bullock** (Group Executive Director, Standard Chartered)

**Matthews Chikaonda** (CEO Press Corporation Ltd and Former Minister of Finance, Malawi)

**Angus Davison** (Managing Director, Haygrove)

**Thorleif Enger**, Chairman, Spring Energy and ex-CEO Yara

**Dr Mo Ibrahim** (Founder, Mo Ibrahim Foundation)

**Linah Mohohlo** (Governor, Central Bank of Botswana)

**Gareth Penny** (CEO, De Beers Group)

**David Reid** (Chairman, Tesco)

**Peter Sutherland** (Chairman of BP and Goldman Sachs)

**Tidjane Thiam** (CEO designate, Prudential and former Minister of Planning and Development, Ivory Coast)

**Professor Muhammad Yunus** (Founder, Grameen Bank and Nobel Peace Prize Laureate 2006)

**PEER REVIEWERS**

**Caroline Ashley**, former Research Fellow, Overseas Development Institute

**Sean de Cleene**, Vice President, Yara International

**Richard Gilbert**, Communication Advisor, Business Action for Africa

**Adam Leach**, Chief Executive, International Business Leaders Forum

**Jane Nelson**, Director of CSR Initiative, Harvard Business School

**Tomas Sales**, General Manager, Growing Sustainable Business Programme, UNDP

**Casper Sonesson**, Policy Advisor, Private Sector Division, UNDP

**Zahid Torres-Rahman**, Director, Business Action for Africa

**Wayne Visser**, Development Advisor, Cambridge Programme for Sustainability Leadership

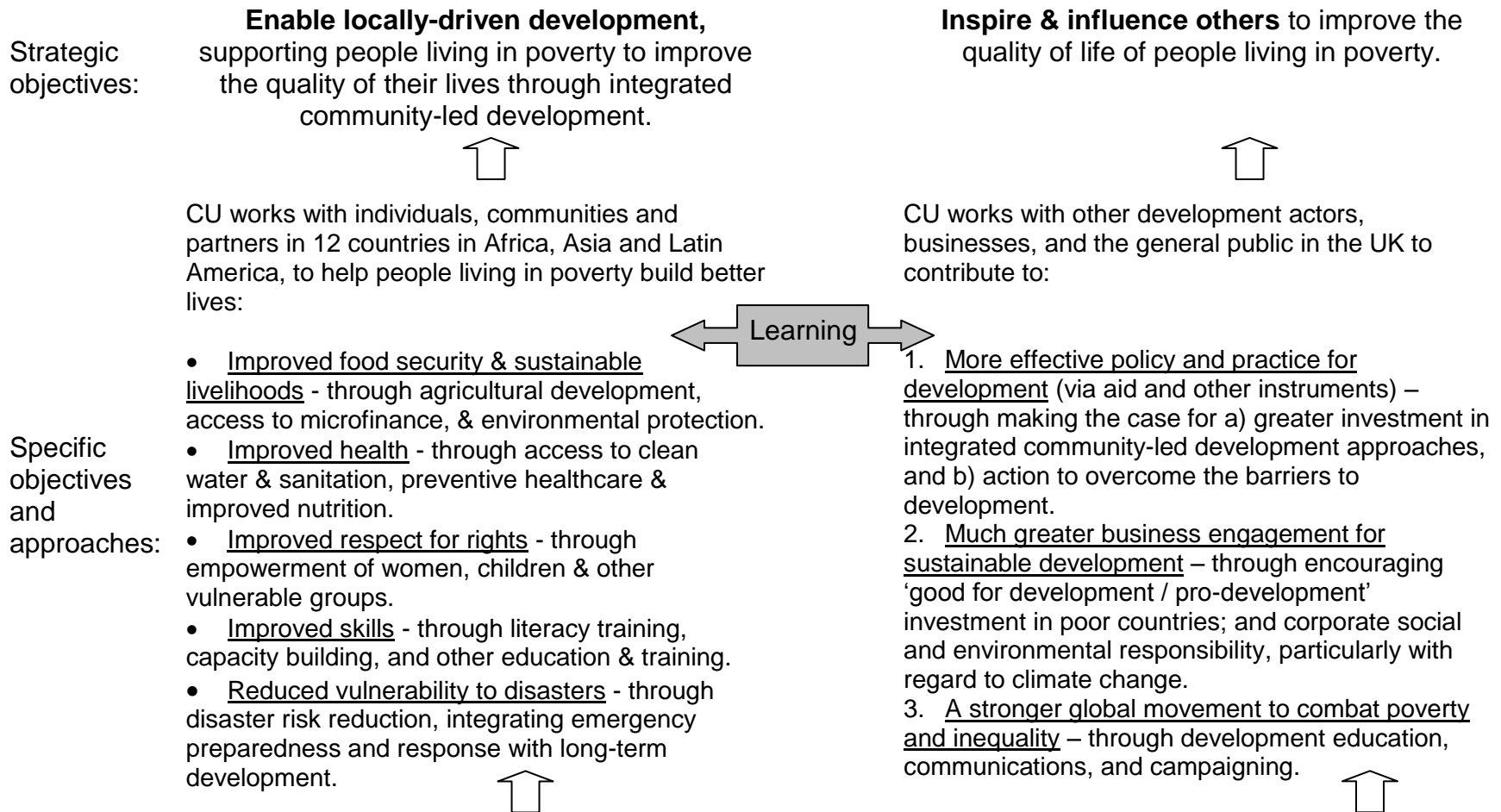
**Chris West**, Director, Shell Foundation

**Elizabeth White**, Senior Strategy Officer, World Bank

**Annex 2:**

**Summary of Concern Universal's strategy and its approach to engaging with business**

## Concern Universal Strategy 2009-2014



COUNTRY PROGRAMMES: Specific objectives and activities in ‘rooted, relevant and responsive’ country-specific strategies

ORGANISATION-WIDE STRATEGIES: 1) Enabling Locally-Driven Development; 2) Inspiring and Influencing

Support services: People development, Developing cost effectiveness, Raising restricted and unrestricted funding, Communications



## CONCERN UNIVERSAL AND BUSINESS

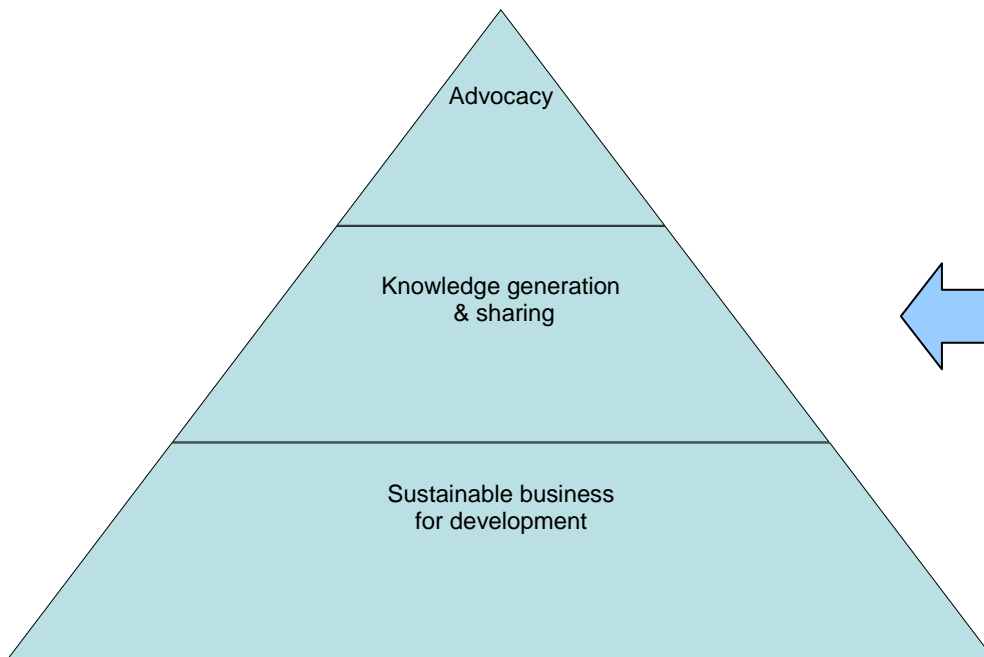
Our Vision: A world where justice, dignity and respect prevail for all.  
 Our Mission: To work in partnership to challenge poverty and inequality.  
 We support practical actions that enable people to improve their lives and shape their own futures.

### Our strategic objectives for 2009-2014:

- 1) Enabling Community-Led Development: Working together with people living in poverty to enable them to improve the quality of their lives.
- 2) Inspiring & Influencing Others: Supporting efforts advocating for a fairer and more environmentally sustainable world.

<p><b>Our analysis</b></p> <p>Working with the Africa Progress Panel, CU has supported calls for:</p> <p>A better business environment</p> <p>More access to credit and capital</p> <p>Accelerating sustainable agricultural development</p>	<p><b>Concern Universal is:</b></p> <ul style="list-style-type: none"> <li>• A UK-based charity helping over 1.5 million people each year in 12 countries in Africa, Asia and Latin America.</li> <li>• The UK’s International Aid and Development Charity of the Year 2008.</li> <li>• An efficient, effective and entrepreneurial organisation with 30 years of experience.</li> <li>• Channelling ~£10 million per year to support community-led development in Malawi, Mozambique, Kenya, Nigeria, Ghana, Guinea, Gambia/Senegal, Bangladesh/India, Brazil &amp; Colombia.</li> <li>• Working with business and communities to enable people to “trade their way out of poverty.”</li> </ul> <p><b>We focus on:</b></p> <p>Working with communities, business, NGOs and governments to enable business to increase its contribution to sustainable development by:</p> <ul style="list-style-type: none"> <li>• Implementing cost-effective, community-driven, integrated development programmes that focus on increasing people’s income and engaging them more effectively and fairly in the value chain</li> <li>• Contributing to the global movement to improve the lives of people living in poverty by advocating for a more “holistic” understanding of the contribution business can make to development</li> <li>• Encouraging demand for more sustainable business among consumers</li> <li>• Learning from what we and others do, in order to identify priorities for action, encourage collaborative approaches and harness the carbon market for development.</li> </ul> <p><b>We do this by:</b></p> <ul style="list-style-type: none"> <li>• Working with businesspeople – right across the organisation from CEO-level down – to encourage companies to contribute towards development in a practical way</li> <li>• Encouraging business, governments and the public to reconsider their understanding of the links between “big” business and small producers across the world</li> <li>• Learning from existing examples of alternative “hybrid” approaches that might enable business to scale-up its contribution to meeting the Millennium Development Goals</li> </ul>	<p><b>What this means for:</b></p> <p><b>Communities</b>              “We have better and fairer access to markets.”</p> <p><b>Supporters</b>              “We are engaged in wider efforts to secure more sustainable approaches to business and development.”</p> <p><b>Partners</b>  <i>Local community organisations, other NGOs and governments</i>              “We learn from each other and share new ideas.”</p> <p><b>Team</b>              “We feel valued, and are inspired by &amp; take ownership of our work</p>
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## EXAMPLES OF CONCERN UNIVERSAL'S WORK WITH BUSINESS



### Advocacy

- UK regional/national
- International/CU focus countries
- Developed corpus of senior business leaders
  - Africa Progress Panel (APP) Business Advisory Group
  - West Africa Farm Experience
  - Global Leaders
  - Better Futures
  - Visit by UK business leaders to Ghana, May 2009
  - CNBC, BBC, documentaries, news items
  - Chambers of commerce
  - British Council
  - One-to-one meetings with FTSE 100 CEOs/Chairs
  - Group events e.g. dinner at Standard Chartered Bank
  - Speaking engagements: Business, non-profit and public sector – e.g. Said Business School, Leadership Trust, PWC, “Getting money from the rich”

### Knowledge generation and sharing

- Contribution of business to MDGs (APP)
- Research into effects of business engagement e.g. Tetley, Haygrove (Cass Business School)
- Carbon financing for sustainable development (SAID, Imperial College)
- Social business (Leeds University)
- Business/NGO partnership (Manchester Metropolitan University)
- Ongoing collaborations with business/development/ academic networks & organisations e.g. IBLF, BAA, UNDP, ODI, World Bank, Shell Foundation, CGAP, CCE, EABIS

### Sustainable business for development

- CUMO microenterprise, Malawi
- Project Icon, Malawi (Tetley)
- Improving access to water & sanitation in Malawi (Cooperative Group)
- Gambia is Good (Haygrove) – Winner of World Business & Development Award & Virgin Responsible Tourism Award
- Ethical Business Service (Africa Now)

