

Launch of UN Global Compact Africa Strategy
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Remarks by
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Role of the private sector in supporting the achievement of the SDGs in Africa: the importance of multi-stakeholder approach

Excellencies, ladies and gentlemen,

Allow me to start by congratulating the UN Global Compact for the launch of their Africa Strategy, which will be a fundamental tool to accelerate the implementation of the Sustainable Development Goals during this decade of action.

The SDG conceptual framework is a break from traditional development thinking. It not only puts together economic, social and environmental goals; it is structured to promote collaboration between involved stakeholders, not competition.

In fact, SDG 17 calls for strengthening the means of implementation of Agenda 2030 and revitalizing the global partnership for sustainable development, through [...], multi-stakeholder partnerships, public-private partnerships, civil society partnerships, etc.

By talking about “partnerships”, the 2030 Agenda is asking us to approach the private sector as something more than a mere provider of financing. And allow me to underscore this point, because we cannot move from a situation in which African countries are dependent on ODA to another in which they are dependent on private funding.

In fact, the mobilization of private sector investment is not happening at the required scale. For example, in 2018, the private sector financial commitment to Africa’s infrastructure was only 11% out of all the commitments made.¹ Private investments in the infrastructure of developing countries were lower than they were in 2012. Instead of decreasing, the financing gap continues to increase.

How should we engage the private sector then? Through two principles: (1) first, by acknowledging that there is a set of intangible assets that belong to the private sector’s DNA and are strategic to accelerate the implementation of the Sustainable Development Goals: efficiency, productivity, global reach and technological innovations.

And (2) second, by embracing the idea of “conscious capitalism”; a notion that turns away from the neoliberal conception that the primary obligations of firms is to create profit for their shareholders and upholds instead that companies have a broader responsibility to all their stakeholders including local communities, employees and others.

¹ ICA 2019, *Infrastructure financing Trends in Africa 2019*

This new conception acknowledges the importance of adopting social responsibility as contribution towards sustainable development and the United Nations principle of leaving no one behind. Indeed, the private sector has started to realize that business cannot succeed and thrive in a failing world.

And this new approach represents a huge opportunity for Africa, because African countries, as suppliers of raw materials and consumers of manufactured goods, are one of the main stakeholders of big corporations.

Excellencies, ladies and gentlemen,

The 2030 and the 2063 Agendas are frameworks that aim to solve the world and Africa's problems. In the private sector language, problems are opportunities for business. Therefore, under this new approach of conscious capitalism, the SDGs and the AU Aspirations should be considered as a framework of investment prospects with an added value, since they seek to address all the needs of businesses' stakeholders.

However, these business opportunities have different levels of risk attached to them. Hence, "de-risking" is the magic word; and defining a strategy to achieve "de-risking" in Africa become becomes a key step.

De-risking involves much more than buying insurance. It requires a fairer and better participation of African countries in Global Value Chains, as well as in terms of Africa's marginalization from international finance markets.

It also calls for African countries to create a conducive business and investment climate through (a) supportive governance structures; (b) transparency and accountability; (c) competition policy; (d) hard and soft infrastructure; and (e) instruments that foster healthy, commercially sustainable markets.

De-risking needs a commitment by the private sector to uphold and demand these good governance measures; to push for the adoption of transparency pacts between Governments and the private sector, for fighting illicit financial flows; promoting the creation of decent jobs; investing in science, research and innovation; integrating sustainable, inclusive and integrated approaches into their business models.

And it finally requires, from an African domestic perspective, the adoption of integrated national financing frameworks linked to Planning-Programming-Budgeting-Evaluation systems that approach the private sector as an SDG stakeholder.

Let us take the opportunity of the turning point that the Agenda 2030 and the new notion of conscious capitalism represent to think "outside the box" and to understand that the private sector and African governments have a common interest: the implementation of the Sustainable Development Goals in order to leave no-one behind.

Excellencies, ladies and gentlemen,

An African proverb reminds us "If you want to go fast go alone; If you want to go far, go together".

Regarding SDGs implementation, my own alteration to this proverb would be to say: If you want to go wide, work with the Governments; if you want to go deep; work with Non-governmental organizations and

civil society; if you want go fast, work with the private sector; but if you want to go far and you want it to last, work with all of them together.

I am confident that the new Africa Strategy of the UN Global Compact will help us advance in this direction.

I thank you.