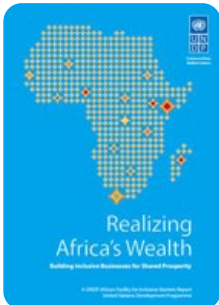


Creating business opportunities for Africa's poor

Involving low-income communities in markets and businesses across Africa is essential for economic growth to translate into sustainable development, according to a United Nations Development Programme (UNDP) report released on Friday, 10 May 2013.



"Realizing Africa's Wealth - Building Inclusive Businesses for Shared Prosperity" draws upon 43 in-depth case studies and a database of 600 institutions to portray the state of inclusive business in Africa, looking at a wide spectrum of sectors from banking to agribusiness.

Prepared by UNDP's African Facility for Inclusive Markets, the report examines the approaches and conditions required to bring economic growth closer to low-income communities in Africa, focusing on how businesses can more readily include them as consumers, entrepreneurs and employees.

Promising opportunities

It describes the status of inclusive business in sub-Saharan Africa and the environment needed to support the enterprises and entrepreneurs. It identifies promising opportunities in enabling enterprises and entrepreneurs to build more - and stronger - inclusive businesses. The report calls for more efforts to support inclusive businesses with incentives and investment schemes as well as knowledge sharing about market information and implementation.

By working together to increase information, incentives, implementation support and investments required to make businesses more inclusive, the report makes the case that policy-makers, business owners and development practitioners in Africa will be in a position to make dramatic advances across the Millennium Development Goals (MDGs).

"Africa has seen some strong economic growth over the past decade. Nonetheless, rapid economic progress has not brought prosperity to all, and inclusive business represents a promising approach by bringing the benefits of economic growth directly to the poor by including them in value chains," the deputy director of UNDP's Regional Bureau for Africa, Babacar Cissé, said. "We need young entrepreneurs and innovators as drivers of inclusive businesses. We need organisations that are willing to take the roles of catalysts, supporters and funders of inclusive businesses."

Making sure all African citizens can become entrepreneurs, consumers, employees or producers, requires business environments that provide opportunities for all. Market information, policies and legal frameworks that reduce transaction costs, financing and logistical assistance are key to ensuring businesses that are inclusive of the poor can succeed. Facilitating business and market creation not only generates income, b

also basic goods, services and choices, with important implications for each of the MDGs, the eight internationally-agreed targets which aim to reduce poverty by 2015.

The impact of businesses

The report illustrates the impact that businesses and markets have had on the lives of the poor. In Burkina Faso, the French organic cosmetics company L'Occitane invested in the capacities of local women's cooperatives, helping 15,000 employees to produce and export quality shea butter, and generate US\$1.2 million in profits.

In Tanzania, a factory operated by local company A to Z, together with Japanese chemical company Sumitomo, produced 30 million long-lasting, insecticide-treated mosquito nets, and employed 7,500 people.

In Kenya, Equity Bank and K-Rep Bank funded the country's national agricultural commodities exchange, which has successfully helped increase the income of thousands of small-scale farmers.

"Businesses are key to achieving these advances, but we certainly need more capacity-building entities, such as civil society organisations, governments, developing partners and research institutions, with demonstrated abilities to assist businesses in building inclusive models," the chief executive officer of Equity Bank in Kenya, James Mwangi, said.

The report calls for the development of new inclusive business ecosystem-building initiatives, at national and regional levels, with the support of finance mechanisms to provide resources for coordination, information and funding. It also calls for the creation of centres of excellence to undertake research, document successful approaches and share knowledge.

The report was launched by the president of the African Development Bank, Donald Kaberuka, and the manager of the UNDP Regional Service Centre in Johannesburg, Gerd Trogemann, at a side event of the World Economic Forum for Africa.

Download the report www.undp.org/africa/privatesector

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