

# Sustainable African businesses can help unlock \$1tn in new market value

A recently released report, [\*African Better Business, Better World\*](#) puts African CEOs and entrepreneurs in the spotlight as drivers of a sustainable future.



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African business leaders, entrepreneurs and economies can benefit from and help develop significant economic opportunities, worth \$1tn in the region and \$12tn globally if they pursue sustainable business models. The opportunities and how to achieve them took centre stage at two events, hosted by Safaricom and Intellicap in Nairobi, to launch the report from the Business and Sustainable Development Commission.

The Business Commission's global report, first launched in January 2017 ahead of the World Economic Forum in Davos, shows how sustainable business models could open economic opportunities across 60 "hot spots" worth up to \$12tn and increase employment by up to 380-million jobs by 2030. More than half of the total value of the opportunities are in developing countries. In Africa alone, sustainable business models could open up an economic prize of at least \$1.1tn and create over 85-million new jobs by 2030.

## Solving difficult social challenges

"The world is seeing increasingly that African companies are models for what can be achieved with ingenuity and innovation as they solve difficult social challenges. They are not wedded to old solutions, so here in Kenya we see digital innovators delivering banking, energy and health solutions. The speed of innovation and adoption is astonishing," said Mark Malloch-Brown, chair of the Business and Sustainable Development Commission. "The Better Business, Better World report launch in Nairobi puts the African private sector squarely in the drivers' seat on the road to achieving sustainable development, and we welcome more African business leaders to join the Business Commission."

Hosted by Safaricom, the Better Business, Better World conference, held on 23 February, brings together business leaders to build support for the Sustainable Development Goals (or Global Goals) — 17 objectives to eliminate poverty, improve education and health outcomes, create better jobs and tackle our key environmental challenges by 2030. The purpose of the conference is to show how the Global Goals provide the private sector with a new growth strategy that opens valuable market opportunities while creating a world that is both sustainable and inclusive. And the potential rewards for doing so are significant.

## Potential for inclusive, green growth and development

Kenyan mobile network operator Safaricom has been a leader in creating innovations that remove obstacles to financial inclusion through its mobile banking platform M-PESA, and increases sustainable energy access through M-KOPA. "Africa has a real opportunity to lead the way in doing better business for a better world. As a commission we have found that across the continent, there is potential for inclusive, green growth and development which remains untapped," said Bob Collymore, CEO of Safaricom and member of the Business Commission. "We stand on the cusp of possibilities and we must seize the opportunity now. As the report shows, there have been in the last few years a demonstration of the possibility of leapfrogging development through new technologies and the Internet to bring development in transformative ways that also promote purpose."

A key message of the report is that digital solutions and entrepreneurs will be critical to unlocking many of the new opportunities. Research from the report has identified 32 'development' unicorns that are developing Global Goals related with market caps of more than \$1bn. In Africa entrepreneurs are bringing new solutions to development problems in remarkable ways, and the opportunities are compelling. One market hot spot, affordable housing, could create over 13-million of these jobs. Risk pooling is the single largest monetary opportunity in Africa, valued at \$150bn.

## Young entrepreneurs needed

"We need young entrepreneurs to reimagine solutions that would allow business to participate in joining government to solve issues of poverty and hunger that the SDGs seek to address," said Vineet Rai, founder, Aavishkaar-Intellect Group and also a member of the Business Commission. "Sankalp Forum and Intellect are bringing together the best young entrepreneurs from Africa and Asia to find new ideas and solutions that aim to deliver on the ambitious opportunity that the Better Business Better World report outlines as \$12tn."

At the same time, the commission believes a "new social contract" between business, government and society is essential to defining the role of business in a new, fairer economy. The 2017 Edelman Trust Barometer reinforces this idea. It shows that while CEO credibility is sharply down, 75% of general population respondents agree that "a company can take specific actions that both increase profits and improve the economic and social conditions in the community where it operates". And they can do so in ways that align with recommendations and actions outlined in Better Business, Better World: rebuilding trust by creating decent jobs, rewarding workers fairly, investing in the local community and paying a fair share of taxes.

## Strengthening corporate alignment with Global Goals

Throughout 2017, the commission will focus on working with companies to strengthen corporate alignment with the Global Goals, including: mentoring the next generation of sustainable development leaders; creating sectorial roadmaps and league tables that rank corporate performance against the Global Goals; and supporting measures to unlock blended finance for sustainable infrastructure investment.

"We need to show these ideas work not just in a report but on the business frontline," said Dr. Amy Jadesimi, CEO of

LADOL, a Nigerian logistics and infrastructure development company, and a member of the commission.

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