



United Nations
Global Compact

UN GLOBAL COMPACT AFRICA STRATEGY

2021–2023

**Mobilizing
African Business
for Impact**



The United Nations Global Compact is uniquely positioned to support companies on their journey to align their practices to a sustainable and inclusive future. The Ten Principles on human rights, labour, the environment and anti-corruption offer a blueprint for businesses seeking to be part of the collective effort to build back stronger from the COVID-19 pandemic.

Now is the time to scale up the global business community's contributions to the 2030 Agenda and the implementation of the Paris Agreement on climate change. That is the overarching goal of the Global Compact strategic plan for 2021 through 2023.

António Guterres
UN Secretary-General and
Board Chair of the UN Global Compact



More must be done by businesses globally to accelerate corporate sustainability and responsible business practice. Our strategy and ambition are to grow and take our participants on a journey of demonstrated continuous improvement in the impact that they create.

Our goal is to raise expectations of how businesses will embed all Ten Principles. These are intrinsic to a company and serve as the enabler for contributions towards achieving the 2030 Agenda for Sustainable Development. This strategy articulates how we will work collaboratively to grow this impact, leverage our global mandate and localize our programmatic response to ensure it is fit for purpose to meet the priorities on the African Continent.

Together, we will be One Global Compact
uniting business for a better world.

Sanda Ojiambo
CEO & Executive Director
UN Global Compact



CONTENTS

1. EXECUTIVE SUMMARY	4
2. INTRODUCTION	6
3. STRATEGY PILLARS	7
4. OUR VISION	8
5. VALUE PROPOSITION	12
6. TARGETS	16
7. OPERATING MODEL	17
8. DEFINING SUCCESS	18
9. CONCLUSION	19

1. EXECUTIVE SUMMARY

The United Nations Global Compact is a call to action for all companies everywhere to align their operations and strategies with Ten Principles in the areas of Human Rights, Labour, the Environment and Anti-Corruption. Founded in the year 2000 by the United Nations Secretary-General, the Global Compact is the world's largest corporate sustainability initiative, counting over 13,000 participating companies and 3,000 non-business entities as its participants in 162 countries. Building on its preeminent position as the largest pan-African sustainability initiative, the Global Compact has developed this new strategy to drive increased impact in the coming three years and place great emphasis on African priorities and peoples.

The strategy comes at an opportune moment with the 2030 Agenda for Sustainable Development deadline fast approaching, with the world gearing up for the Climate Change Conference of Parties (COP 27) in Africa in 2022, and with countries on the Continent implementing the African Union's Agenda 2063, their collective blueprint for transforming the Continent into a global powerhouse of the future.

Africa is a resource rich, youthful, geographically vast, and politically diverse Continent with expanding economies, robust private sectors and markets, growing wealth and capital, and improving governance and institutions. However, it continues to face challenges related to infrastructure reach, access to finance, informality and global competition leading to economic inequality and poverty. The global pandemic and climate change exacerbate these challenges.

To realize the vision of a prosperous, thriving, and advanced future for themselves and their countries, businesses in Africa must therefore embrace and become strong pillars of sustainability and responsible business practices. They have a crucial role to play. Indeed, adopting sustainability and responsible business practices is essential for commercial success in today's changing global context. Not only are consumers worldwide voting with their money and demanding more from corporations, but a new generation of talented and socially conscious workforce are voting with their feet and flocking to employers who embrace these principles and values. Moreover, the increasing embrace of sustainability serves to foster greater innovation, open new opportunities, create predictability, and de-risk investment in

the business sector. Large-scale and coordinated action is critical for every business engaged in Africa.

We have an ambitious agenda in Africa. We aim to advance adoption of the Ten Principles and the responsible business practices espoused therein by the private sector in support of the Sustainable Development Goals (SDGs). In line with our global strategy, the Africa Strategy aims to accelerate impact with a multifaceted approach that is built upon four essential factors: a clear strategic vision, a well-defined and compelling value proposition, an ambitious and targeted growth plan, and a fit-for-purpose operating model.

1. OUR VISION

The Global Compact will pursue three strategic objectives in Africa:

- Growing impact through focus;
- driving inclusive impact; and
- leveraging associations, supply chains, and sources of capital.

To achieve this vision, the Global Compact aims to recruit and support the 100 most exemplary companies in Africa along with the top ten companies present in each of the ten countries where a Local Network is operating.

The Global Compact will engage and include the business community across all nations of the Continent through expanded capacity in Four Centres — Kenya, Morocco, Nigeria, and South Africa, along with the six other Local Networks. Supporting the Compact's global strategy, these efforts will focus on realizing action on the Ten Principles of the Global Compact and five SDGs critical to business success — Gender Equality (SDG 5); Decent Work and Economic Growth (SDG 8); Climate Action (SDG 13); Peace, Justice and Strong Institutions (SDG 16) and Partnerships for the Goals (SDG 17).

To accelerate the sustainability journey of the broader private sector, including large businesses and small and medium-sized enterprises (SMEs) across the whole African Continent, the Global Compact will engage business associations, industry supply chains and financial institutions and other providers of capital.

2. VALUE PROPOSITION

The Global Compact is uniquely positioned and equipped to expand the corporate sustainability and responsible business practice agenda across African nations. It draws its strengths first and foremost from the normative authority conferred by the biennial renewal of its mandate by all members of the United Nations General Assembly; second, from its own ability to impartially and inclusively convene multiple actors for impact; and third, from its technical breadth, depth, and two decades of experience on issues pertaining to the Ten Principles, corporate sustainability, and responsible business practices.

To address Africa's unique needs, the Africa Strategy calls for the Global Compact to localize its programmatic response along two dimensions — delivery mechanisms and priority topics — which will be tailored to the national and business sector priorities in the Four Centres. This approach will ensure that the most salient issues are covered and that programs are delivered in the most impactful way. In particular, the Africa strategy calls for localized programs first and foremost establishing the foundational nature of the Ten Principles for business and also addressing critical associated issues, including women's entrepreneurship and inclusive procurement, just transition, climate adaptation and resilience, mobilizing private sector on human right policies, and anti-corruption and ethical businesses.

Partnerships will be essential to advance impact through optimizing sustainability and responsible business practices through business associations, in guiding flows of capital across supply chains, and with governments through policy engagement.

3. TARGETS

The Africa Strategy has four strategic growth targets: maximize participation of the top 100 companies in Africa; focus on growth in the Four Centres; grow the presence of the Global Compact in the rest of Africa and increase the number of SME participants in all Local Networks across the Continent.

4. OPERATING MODEL

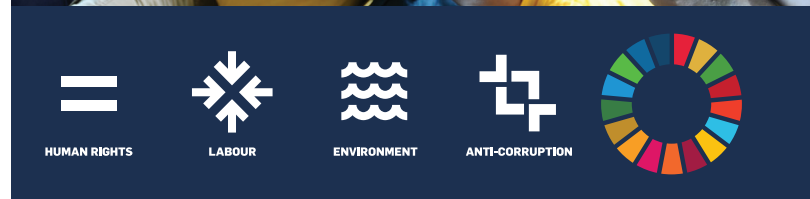
Successful implementation depends on collaboration globally, regionally, and locally, thus the operating model will comprise of — the Global Compact Headquarters in New York (HQ), the new Africa Hub, and the Local Networks, including the Four Centres, across the Continent.

HQ will continue supporting participants and networks in Africa by providing strategic direction, oversight and management, developing policies and programs, offering strategic guidance and coordination, fundraising, overseeing global relationships with UN Agencies, and determining the position of the Global Compact on various matters of policy.

As the backbone of the networks on the Continent, **the strong Africa Hub to be established in Abuja, Nigeria** will undertake a range of strategic and operational activities in the areas of program design and contextualisation and delivery, policy engagement, growth, fundraising, UN participation, and SME involvement.

The Local Networks will continue to serve as the Global Compact "boots-on-the-ground," driving engagement and delivery at the local and national level. Over the next two years, the Global Compact will increase the capacity and number of the Local Networks on the Continent.

Finally, engagement with UN Agencies at the global level, Resident Coordinators and Country Teams at the national level, and other UN Agencies at the regional level will be an essential component of the Global Compact's operating model, enabling stronger embrace among private sector participants of the global goals.



2. INTRODUCTION

The United Nations Global Compact Africa Strategy comes at an opportune moment. With the 2030 Agenda for Sustainable Development deadline fast approaching and as countries on the Continent implement their collective blueprint, the African Union's Agenda 2063, for the transformation of the Continent into a global powerhouse of the future and, the establishment of the AfCFTA, Africa has the potential to become a continent of prosperous, thriving, and advanced economies.

Our Africa Strategy anchors itself on the Global Compact's ambition to accelerate corporate sustainability and responsible business practices on the Continent, and champion the business sector's contributions to sustainable development.

Indeed, various trends make it incumbent upon the private sector in Africa and worldwide to wholeheartedly embrace the Ten Principles to achieve continued business success in the future. Participation in global and local value chains is increasing and consumers worldwide are shifting preferences towards products and companies which champion sustainability and good practices. A new generation of talented, young, and socially conscious graduates entering the workforce are equally selecting more and more to work for employers who embrace sustainability principles and values. Moreover, the impacts of climate change demand that companies adjust their practices to reduce their carbon footprint to maintain their competitive edge in the marketplace. In a world with increasing speeds and flows of information, the importance of being part of the solution has become an essential factor for businesses who seek to remain competitive and thrive in the future.

Using the 2021–2023 Global Strategy of the Global Compact as a starting point, the Africa Strategy has three interlocking objectives: to grow the impact of the Global Compact through focus while driving inclusive impact by leveraging its influence on associations, supply chains, and sources of capital.

Embedded within these strategic objectives is the advancement of the Ten Principles, the DNA of the Global Compact, which cover four thematic areas: Human Rights, Labour, Environment and Anti-Corruption.

The Africa Strategy also acknowledges the importance of a tailored approach for the Continent's unique context. Africa hosts many rich and diverse cultures, a rapidly expanding

private sector, and abundant wealth and capital, all of which provide powerful opportunities for progress. Accordingly, the Global Compact has developed a programmatic offering that focuses on the SDGs most relevant to this context and to the work of the Compact.

To realize the vision of a prosperous, thriving, and advanced future for themselves and their countries, businesses in Africa must therefore embrace and become strong pillars of sustainability and responsible business practices. They have a crucial role to play. Indeed, adopting sustainability and responsible business practices is essential for commercial success in today's changing global context. Not only are consumers worldwide voting with their money and demanding more from corporations, but a new generation of talented and socially conscious workforce are voting with their feet and flocking to employers who embrace these principles and values.

Moreover, the increasing embrace of sustainability serves to foster greater innovation, and open new opportunities, create predictability, and de-risk investment in the business sector. Large-scale and coordinated action is critical for every business engaged in Africa.

The directions and perspectives incorporated in this Strategy have resulted from a robust and inclusive process involving numerous extensive and rich discussions with the business sector in Africa represented by the Global Compact's *Local Networks*. Interviews and workshops with executives and business leaders from African multinational corporations, leading national companies, and SMEs provided critical inputs into the unique and diverse needs of the sector. Consultations with other stakeholders, including governments, civil society, other United Nations agencies, and members of the Global Compact's Government Group further strengthened the perspectives adopted in the strategy.

The Global Compact is present with Local Networks in the Democratic Republic of the Congo, Egypt, Ghana, Kenya, Mauritius & Indian Ocean, Morocco, Nigeria, South Africa, Tanzania, and Tunisia, counting over 650 companies as participants across the continent.

Africa Strategy 2021–2023 Interviewee

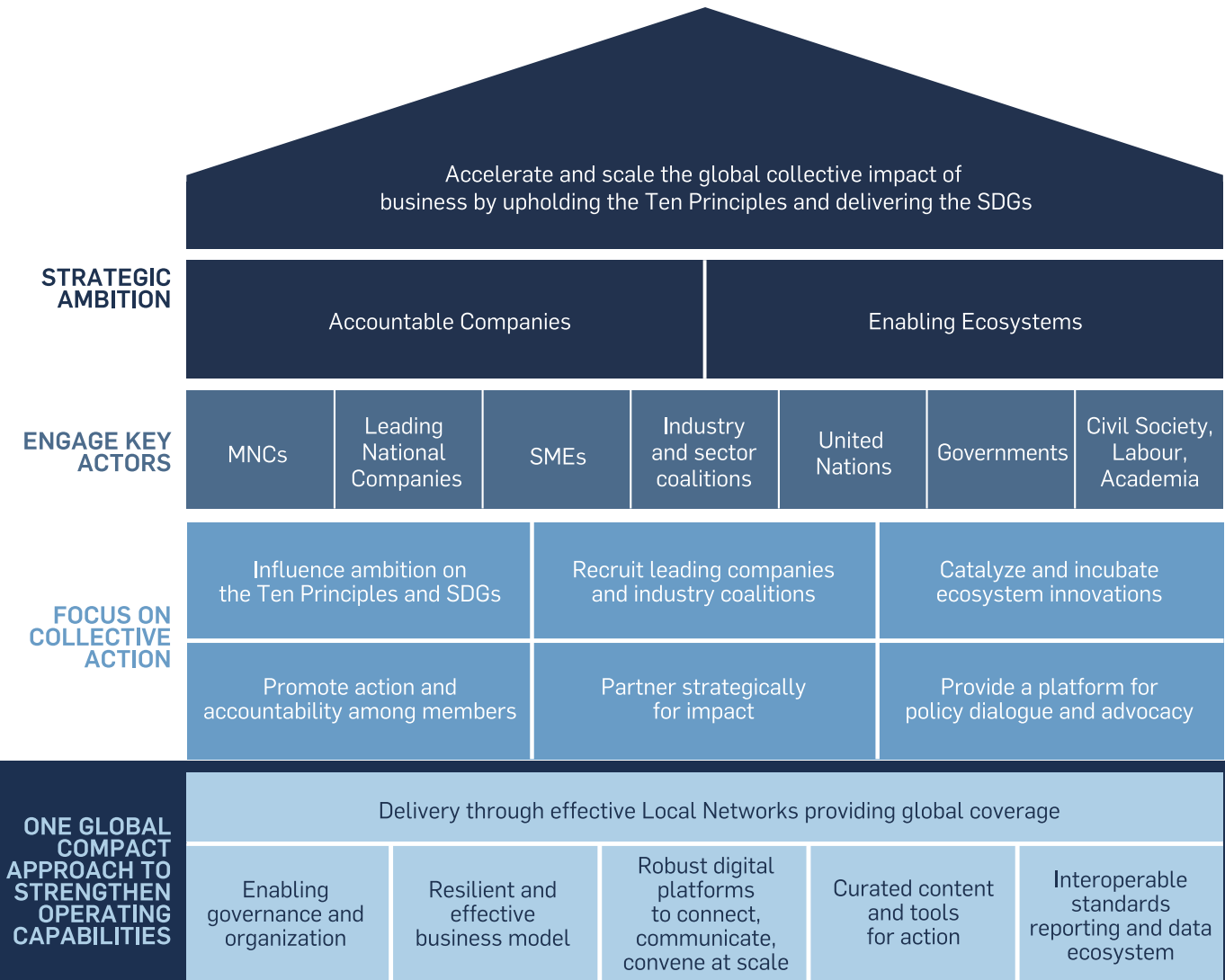
3. STRATEGY PILLARS

The Global Compact Africa Strategy is built upon four essential pillars: a clear strategic vision, a well-defined and compelling value proposition, an ambitious and targeted growth plan, and a fit-for-purpose operating model.

The **strategic vision** explains the objectives and priorities of the Global Compact: what we need to do to be impactful and therefore enable success among the private and public sectors in Africa. This perspective informs the entire Africa strategy.

The other three elements concern the operationalizing of the strategic vision—how success in Africa can be achieved. Simply put, the **value proposition** is the offering that the Global Compact is bringing to the market to accelerate corporate sustainability and responsible business practices. Our **targeted growth plan** pertains to the deliberate increase in participation and impact. And our **fit-for-purpose operating model** describes how we will achieve this.

UN GLOBAL COMPACT STRATEGY FRAMEWORK



4. OUR VISION

Our strategic vision for the Africa region is rooted in the Global Compact 2021–2023 ambition: The Global Compact aims, as one organization, to unite businesses for a better world. This ambition has three essential elements:

- **Accelerate and scale the global collective impact.**
This ambition aims to raise the floor (the baseline) and the ceiling (expectations) on the social contract of business.
- **Uphold the Ten Principles.** The basis for all the work of the Global Compact is the Ten Principles concerning Human Rights, Labour, the Environment and Anti-Corruption. They are the DNA of the Global Compact — always relevant regardless of time, location, or circumstances.
- **Contribute to the delivery of the SDGs.** The SDGs represent a global consensus on the seventeen goals that are essential to advance wellbeing and prosperity worldwide.

THE GLOBAL COMPACT VALUE PROPOSITION AND AFRICA'S UNIQUE CONTEXT

The Global Compact is uniquely positioned and equipped to drive progress on corporate sustainability and the responsible business practice agenda across Africa. The normative authority conferred by the biennial renewal of its mandate by all Member States of the United Nations General Assembly confers the Global Compact with the credibility and the legitimacy to set expectations and take a stand on the most important issues. In addition, the Compact has a global multistakeholder network and can convene, connect, and amplify businesses, civil society, labour, governments, industry coalitions, academia, youth groups, and UN agencies.

The technical capabilities of the Global Compact — its depth in the Ten Principles and strength in other areas — will prove vital in helping businesses integrate the Ten Principles and relevant SDGs into their operations and practices. The significant global base of multi-stakeholder participants in the Global Compact will help greatly in that undertaking. No less important, the Global Compact has deep local knowledge, engagement, and credibility — all of which will allow it to engage, influence, convene and connect national business and ecosystem leaders in support of advancing sustainability and responsible business practices as well as engagement on relevant SDGs.

To be successful, the Global Compact aims to tailor its work for the African context and bring about progress for

businesses through the embrace of the Ten Principles and SDGs and the innovation opportunities available through them. First, the Compact will focus on the targets it uses for measuring success, namely the SDGs where there is the potential for Africa's business sector to make the most progress. In addition, the Global Compact will motivate the private sector as a vehicle for promoting sustainable development to complement and enhance the efforts of the public sector and encourage meaningful public-private cooperation.

The Global Compact is exceptionally suited to address Africa's needs with regards to private sector engagement on responsible business. It has the UN normative authority to coordinate action, which is particularly noteworthy given that few credible organizations are driving the private sector to internalize responsible business and the SDG agenda. Moreover, the Global Compact is an established entity with a growing presence in Africa.

“The Global Compact plays a critical role in being the guide to companies on how to embrace the sustainability agenda more strategically and remain competitive, especially in Africa.”

Africa Strategy 2021–2023 Interviewee

THE STRATEGIC AMBITION AND STRATEGIC OBJECTIVES OF THE GLOBAL COMPACT IN AFRICA

The strategic ambition of the Global Compact, as articulated in our global strategy, has specific implications for Africa.

Accelerate and scale the global collective impact of business by upholding the Ten Principles and delivering the SDGs and Agenda 2063 through accountable companies and ecosystems that enable change.

Our ambition is to **accelerate** the growth of the corporate sustainability movement across Africa. **Scale, both global and continental**, will be achieved through our expanded footprint, the Four Centres, and the deliberate leverage of industry associations, supply chains, and sources of capital. **The collective impact of business** refers to establishing the Global Compact as the “go-to” organization

for corporate sustainability in Africa. **Business** refers to not only leading large companies but also SMEs. **Delivering the SDGs** is critical because they constitute a global consensus on the development framework. **Companies must be accountable** for adhering to the Ten Principles and making progress in their own sustainability journeys. And **ecosystems that enable change** will serve as a leverage point for the Global Compact's scale. The Compact will track and measure both the collective impact of the African private sector as well as the progress of individual companies. The Compact will engage in targeted, transformative partnerships and policy dialogue in Africa around corporate sustainability and responsible business issues.

Three clear strategic objectives guide the Global Compact strategic vision for Africa (see Figure 1). The Global Compact needs to grow impact through focus while driving inclusive impact through leveraging associations, supply chains and sources of capital.

Growing Impact Through Focus

- **Targeted Growth.** First and foremost, the Global Compact will engage with and aim to recruit the top 100 companies in Africa. These "champions" likely already have strategic and economic transactions with the largest investments across the Continent, which will help accelerate the sustainability agenda. In addition,

many of the champions are interested in furthering their sustainability, which the Global Compact is uniquely positioned and equipped to support. Since these companies are well recognized, their active engagement with the Global Compact will serve as lighthouse examples for other companies to follow.

To catapult growth and sustainable development, the Global Compact will also leverage robust Local Networks in Four Centres: Kenya, Morocco, Nigeria and South Africa. With their healthy and large national private sectors, these countries embrace the Ten Principles, are making good progress on the SDGs, and are a good strategic fit with the current operations of the Compact in Africa. Located in different regions across the Continent, they will facilitate penetration across all countries to the extent possible in Africa.

- **Focus.** The Compact will maintain focus on the Ten Principles for sustainability and responsible business practices and five core SDGs in our global strategy, with appropriate emphasis on the issues that are most relevant to Africa and businesses. This approach will help ensure that our efforts are tailored to the African context, which is critical for effecting real, transformative change.

In addition to the five SDGs the Global Compact also needs to influence progress on four additional SDGs: no poverty (SDG 1); zero hunger (SDG 2), good health and wellbeing (SDG 3), and quality education (SDG 4), to meaningfully contribute more generally to progress and development in Africa.

FIGURE 1: THREE STRATEGIC OBJECTIVES

Global Compact strategic Vision for Africa is driven by three strategic objectives



GROWING IMPACT THROUGH FOCUS

Global Compact in Africa will focus on engagement and recruitment of the Top 100 companies across the continent and growth through robust local networks in the Four Centers (Kenya, Morocco, Nigeria and South Africa), focussing on issues and SDGs most relevant to businesses on the continent

...WHILE DRIVING INCLUSIVE IMPACT

Global Compact will continue to engage broadly across Africa — no matter which sector, geography or company size (including SMEs) — with programs and support from Local Networks or Africa Hub allowing further growth and increasing impact on the sustainability journey of the business sector in Africa

THROUGH LEVERAGING ASSOCIATIONS, SUPPLY CHAINS AND CAPITAL

Global Compact will engage and inspire major financial institutions, multinational and pan-African corporations and key associations across the continent to advance the global corporate responsibility movement within their portfolios, through their suppliers and distributors and among their members

While the Compact does not aim to develop programs directly pertaining to these SDGs, its focus on the core SDGs will have substantial indirect impact. (See Figure 2.) A programmatic focus by the Global Compact for private sector action on decent work and economic growth, for example, will indirectly address poverty, hunger, and health. Putting more emphasis on the issues where the private sector has the most direct interest and ability to engage will allow the Global Compact to influence and advance progress through the private sector instead of competing with other organizations that are already actively and effectively working on addressing other important issues.

Driving Inclusive Impact beyond the Four Centres
The Global Compact will continue to engage broadly across Africa, making every effort to ensure we serve all nations and businesses there.

- **Countries.** Geographic expansion will continue under the 2021–2023 plan, which sets expansion goals beyond the ten Local Networks, including the Four Centres. The plan has two phases. Several countries have been designated for expansion during the first wave, 2021 to 2022, including Algeria, Angola, Botswana, Congo (Brazzaville), Cote d'Ivoire, Ethiopia, Rwanda, Senegal

and Uganda. Francophone and Lusophone countries have also been designated, acknowledging the fact that language differences translate to cultural differences and approaching sustainability issues accordingly. We believe that this inclusive approach will accelerate the sustainability journey of the entire private sector.

- **Companies.** All companies will have the opportunity to join, regardless of sector, geography, or size. This includes a renewed focus on serving SMEs, a crucial part of Africa's economy. SMEs account for 90 per cent of African business, employ two-thirds of the formal workforce, and constitute 40 per cent of the continent's GDP. Yet they have found the adoption of corporate sustainability and responsible business practices a challenging prospect because of insufficient understanding, constrained capacity, and difficulty in operationalizing the Ten Principles.

Programs and support from the Local Networks and the Africa Hub will help promote further growth and accelerate the private sector's sustainability journey.

FIGURE 2: PROGRAMMATIC PRIORITIES IN AFRICA

With the Ten Principles as our DNA, the Global Compact aims to drive impact on a specific subset of SDGs with a programmatic response tailored for African companies



LEVERAGING ASSOCIATIONS, SUPPLY CHAINS AND SOURCES OF CAPITAL

It is also important to deliver quick wins on the pathway towards increasing impact. The Global Compact intends to engage key business associations across the Continent, multinational and pan-African corporations, and major financial institutions. We hope to inspire them to advance the global corporate sustainability and responsible business movement with customers, through suppliers and distributors, and in their own portfolios. Indeed, doing so is in the best interest of the business as it is more and more clear that adopting sustainability and responsible business practices serves to attract new customers and employees, while fostering innovation, opening new opportunities, creating predictability, and de-risking investments. Tapping into this broader ecosystem will accelerate the agenda and set up the Compact for greater success in Africa.

■ **Enlist key associations.** The Compact will engage business associations in Africa in a more robust and coordinated way to add sustainability and responsible business practices onto their agenda. Indeed, these associations, a powerful force for business across the Continent, wish to engage their membership on issues related to our core mandate. Teaming with these associations will help scale the impact of the Compact.

■ **Engage supply chains end to end.** We plan to engage large national, regional, and multinational corporations and inspire them to engage their suppliers and customers on the agenda, recognizing the importance of a holistic approach across value chains to responsible business practices. These companies will thus multiply their sustainability impact across their value chains and further contribute to the corporate sustainability and responsible business practice movement.

■ **Guide capital flows.** The Global Compact will engage with investors and the providers of capital, ranging from private equity and asset management to commercial and development banks. We intend to inspire them to incorporate corporate sustainability and responsible business practices, namely adherence to the Ten Principles, as an essential part of their portfolio and investment review processes. Indeed, providers of capital and the companies engaging with them in many parts of the world are already seeing the long-term business benefits of establishing and growing sustainability as a core part of the commercial enterprise. We will work to further advance these trends in Africa.

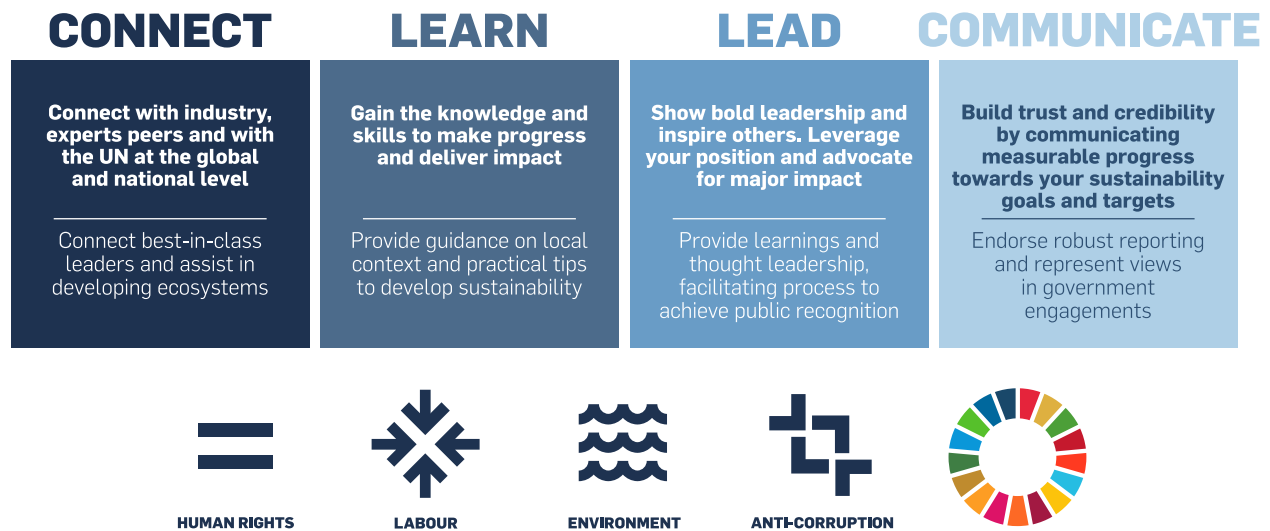
Photo: donvictorio, Shutterstock



5. VALUE PROPOSITION

Guided by the Strategic Vision, the Africa Strategy will be operationalized along three pillars. The first of these, the value proposition, articulates the unique offering of the United Nations Global Compact for organizations based in Africa.

FIGURE 3: DELIVER VALUE THROUGH FOUR AVENUES



Four drivers are key for realizing the value proposition of the Global Compact in Africa: leveraging our global mandate; localising our programmatic response; developing programmatic engagements; and tailoring the programmatic approach for SMEs.

LEVERAGING OUR GLOBAL MANDATE

The Global Compact will leverage its strong global positioning to deliver value for participants and scale across the Continent. The strength of the value proposition comes from the credibility and normative authority conferred by the United Nations, the ability of the Global Compact to convene for impact and its capabilities and experience across several sustainability topics.

Several impactful global delivery mechanisms are critical for ensuring that programs realize the value of focus on the Ten Principles and SDGs. **Think Labs** serve as incubators for future-oriented programs and themes, developing content for programmatic engagement and dissemination. These projects define the positioning, thought leadership, and ambition of the Global Compact. **The Global Compact Academy** offers training and master classes on both fundamental and advanced business practices in all relevant areas of activity. **Accelerators** help companies make rapid progress on specific goals in their operating context. Peer learning groups bring together companies and stakeholders to share best practice and challenges on an ongoing basis at the global, regional, and local levels. **Policy Advocacy and Campaigns** enable companies to support policy positions and ambitious action. And Events connect participants and stakeholders across programs and ecosystems.

LOCALISING PROGRAMMATIC RESPONSE

The African context is unique in a few important respects. African nations, like many countries in the Global South, are principally focused on addressing development challenges such as poverty, hunger, health, education, and employment.

Moreover, African countries have adopted the Ten Principles and SDGs in varying degrees, leading to differing levels of maturity across all dimensions of sustainability. The level of interest in sustainability also varies. Indeed, businesses across the Continent still view this agenda as corporate social responsibility (CSR) rather than as a key strategic issue that will impact long-term commercial success.

Localization

On the basis of these contexts, the Global Compact will tailor its global programmatic response to respective regional priorities.

We have defined priorities and programmatic directions in each of the Four Centres together with our Local Networks there. With expansion of the Global Compact in Africa, our value proposition will be further tailored to programmatic priorities across Africa and localized to cater for Francophone and Lusophone countries.

The Global Compact has designed its localized programmatic response along two dimensions, delivery mechanisms and priority topics, ensuring that the most salient issues are covered and that programs are delivered in the most impactful way.

Delivery Mechanisms

Programmatic responses will focus on a few mechanisms that can deliver priority topics with impact: peer learning groups, accelerator programs, and the Global Compact Academy. Additionally, tools and guides equip companies with the wherewithal to implement business practices in line with the Ten Principles and the SDGs.

Priority Topics

In determining priorities and sequencing, the Global Compact sees the relevance of our programmatic offering to Africa with utmost importance. Guided by the Ten Principles, we have prioritized five thematic areas: Gender Equality (SDG 5); Decent Work and Economic Growth (SDG 8); Climate Action (SDG 13); Peace, Justice, and Strong Institutions (SDG 16); and Partnerships for the Goals (SDG 17). Furthermore, reflecting the interlinked nature of the SDGs, our efforts on these five SDGs will support efforts on other key goals, including No Poverty (SDG 1); Zero Hunger (SDG 2); Good

Health and Wellbeing (SDG 3) and Quality Education (SDG 4).

Implementing our programmatic responses will require redoubling our programs focused on the Ten Principles as well as developing new programs and customizing more than ten programs with existing global content to the African context. New program development will focus on the following five thematic areas:

- Women's Economic Empowerment
- Just Transition
- Climate Adaptation and Resilience
- Business and Human Rights
- Anti-corruption and Ethical Businesses

Leveraging both Global Compact resources and partner collaborations, we envision programs in Africa to fall into one of three group of programs:

1. Existing programs that require little localization.

With advanced content and roll-out, value realization can happen quickly. A good example is the existing program of the Global Compact on Scaling up Anti-Corruption Collective Action.

2. New global programs with regional relevance.

Programs that are currently in the development phase on the global level will begin the process for local tailoring now to ensure regional relevance. One example is the program for Women's Entrepreneurship and Inclusive Procurement.

3. New programs for Africa and the Global South.

The Compact will also develop new programs with content and material relevant for the broader Global South, which will create value for many regions including the African Continent. One such example would be programs concerning responsible business conduct and due diligence.

“The SDGs clearly have become the framework for action not just for the private sector, but also for transformational development on the Continent.”

Africa Strategy 2021–2023 Interviewee

DEVELOPING PROGRAMMATIC ENGAGEMENTS

To drive scaled impact across the Ten Principles and selected SDGs, the Global Compact will leverage its ability to convene and form partnerships. Indeed, a programmatic approach to Partnerships for the Goals (SDG 17) will allow us to scale our impact across multiple actors simultaneously.

In addition, programmatic engagements will facilitate the process by which companies that exhibit progress or best-in-class-practices on sustainability topics achieve public recognition. These partnerships will also allow these companies to share learnings and thought leadership with peers.

The Global Compact envisions four models of programmatic engagements:

- **Optimizing value chains.** We will partner with large businesses and help them work with their supply chain partners to adopt corporate sustainability and responsible business practices in their operations. The objective is to create a forum of businesses in one value chain that ideates on solutions and defines next steps. The first engagement is usually an accelerator event with occasional follow-up meetings for peer exchange and updates.
- **Connecting with associations.** We will partner with business and industry associations to support their efforts to engage their members in the agenda, to support our common goals of building a thriving business sector. Events for updating associations and their members on progress and for defining roles will occur on a regular basis. Eventually, they will become a routine practice.
- **Guiding flows of capital.** We will interact with commercial banks, private equity firms, asset managers, and development finance institutions that manage large amounts of capital to ensure that they understand the global benefits of corporate sustainability and responsible business practice, including environmental, corporate, and social governance (ESG), as they conduct due diligence, review creditworthiness, and make investments. As a result, these financial institutions will drive scaled impact on the agenda of the Global Compact without necessarily increasing our participants. Engagements, which occur locally and nationally, should be held regularly at defined intervals so that the Global Compact can provide detailed input.
- **Shaping policy formation.** Governments, civil society, unions, UN Resident Coordinators, and UN Country Teams will, together with the private sector, participate actively

“There needs to be a partnership between government and Global Compact to make sure that businesses understand what their role is when it comes to the implementation of the Sustainable Development Goals.”

Africa Strategy 2021–2023 Interviewee

in policy engagements, as relevant. The objective is to shape public sector decision making by providing input on policies and sharing perspectives from the Global Compact and its participants. These engagements will occur both regularly and as needed, ensuring that the Global Compact and our participants contribute to the creation of enabling policy and regulatory environments for business *sustainability*.

DEVELOPING PROGRAMS TO SHAPE POLICY FORMATION

Working in collaboration, governments, the UN and the private sector can create more effective policy and regulatory frameworks that incentivize long-term investments and prompt businesses to align their strategies with the 2030 Agenda. Addressing the need for greater dialogue and systems-level solutions to overcome barriers to sustainability, the Global Compact aims to strengthen its role as a platform and facilitator for the private sector to engage in policy dialogue with governments, the UN, and other development partners.

Building on its broad multi-stakeholder network and convening power, the Global Compact is uniquely positioned and equipped to support these efforts by bringing key actors together and providing a platform for the honest discussion on what can be achieved collectively. Indeed, participant companies have highlighted the critical role that the Global Compact can play as a neutral and credible convener, bringing together key actors to unlock broad-scale commitment and action.

Driven by the Global Compact Local Networks, these efforts will serve five objectives. **They will provide a space for private sector perspectives to be voiced** and included in national development priorities and plans; **shape the long-term policy and regulatory frameworks** that inspire and incentivize corporate sustainability and responsible business practices and guide alignment of business actions with national objectives; **promote the adoption of the Ten Principles** and the SDGs as the

principal framework for responsible business models and operations; **facilitate the creation of transformative, multi-stakeholder partnerships** to advance shared development goals; and **leverage the private sector's** capacity to create innovative and impactful solutions to major social challenges.

Acting as a policy interlocutor at the regional and national levels, the Local Networks will facilitate policy dialogue guided by local priorities. Such efforts will seek, among other policy objectives, to integrate the voice of responsible business in key national SDG processes such as the Voluntary National Reviews (VNRs) of SDG progress; organize policy dialogue around the Ten Principles and corporate sustainability such as CEO Roundtables; and support governments to formulate effective and inclusive policies, such as development of national action plans.

TAILORING THE PROGRAMMATIC APPROACH FOR SMEs

SMEs comprise a significant part of the private sector, accounting for 90 per cent of companies in Africa and 80 per cent of employment, a significant number of which are owned or run by women. Not surprisingly, SMEs play an integral role in regional and global value chains. And they are a critical driver of economic growth, jobs, particularly for youth, and potential impact.

African SMEs face significant challenges in adopting sustainability-related agendas. National SME development agendas are in the early stages of maturity and are often fragmented. Furthermore, the SME business environment tends to be more challenging, which makes it harder to identify linkages between ESG performance and profitability. In general, SMEs tend to have limited extra capacity, and focus efforts as much as possible on their core business. Furthermore, the size of the average SME across the Continent is smaller than in other regions.

African SMEs have the potential to unlock sustainable development in an impactful way. The AfCFTA (African Continental Free Trade Area) provides a place where sustainability standards and policies can be harmonized and where SMEs' activities can be integrated into the broader sustainability and responsible business agenda. Additionally, development partners supporting Africa have significant interest in SME development, which could help

“The Global Compact can leverage its advantages — its access to MNCs, lead firms, and SMEs, global network of Local Networks, UN linkages, and natural role as convener — to bring strategic value to SMEs.”

Africa Strategy 2021–2023 Interviewee

convince SMEs to focus more on sustainability issues. If new incentives and involvement in regional value chains grow, the uptake of sustainability measures by SMEs may accelerate.

The Role of the Global Compact

Boosting the engagement of African SMEs will require programs to be tailored for SMEs specifically. The Global Compact is well suited for this task because its Local Networks have the capacity to serve African SMEs on the ground based on the local resources and context. The Compact also has a strong regional supply chain network based on its relationships with continental links across the supply chain, which could prove to be another valuable resource for SMEs.

First, we intend to enhance the capacities of SMEs via the deployment of knowledge resources, trainings, supply chain engagements, and digital platforms. Moreover, the Compact will support SMEs and the private sector more broadly in efforts to influence national development agendas related to corporate sustainability and responsible business practices, and in providing advice to policymakers based on SME needs. Finally, we will foster partnerships with other best-in-class sustainability and SME-support organizations worldwide.

We anticipate that SMEs will engage in sustainability-related efforts through various channels. As compliant participants of their Local Networks, they will be able to directly access a wealth of global and regional resources and tools that have been localized for Local Networks. At the same time, they will be involved in Global Compact efforts to drive impact through business associations, supply chains, and interactions with providers of capital.

6. TARGETS

The growth agenda of the Global Compact in Africa is ambitious, deliberate, and geared towards ensuring that companies affiliated with the Global Compact are enthusiastic drivers of the corporate sustainability and responsible business practice movement. The Africa Strategy thus calls for four strategic growth targets to be achieved by 2023:

Maximize Penetration of the Top 100 Companies in Africa
To ensure that the Global Compact has the greatest impact possible on Africa's private sector, the strategy calls for at least 90 of Africa's top 100 companies to be actively engaged with the Global Compact, ideally as participants.

Focus on Growth in the Four Centres

To meet the highest growth targets in each of the Four Centres (Kenya, Nigeria, Morocco and South Africa), at least seven of the top ten national companies need to be actively

engaged as participants; more broadly, more than one-third of all businesses with more than \$25M in turnover should become participants of the Global Compact.

Grow Presence in the Rest of Africa

By 2023, Global Compact growth will extend beyond the Four Centres and the top 100 companies to include an average of one-third of all African businesses with more than \$25M in turnover.

Increase the Number of SME Participants in Local Networks

To scale impact, the number of SME participants of the Global Compact across all Local Networks on the Continent should grow by approximately 50 per cent.

THE DNA OF THE UN GLOBAL COMPACT



HUMAN RIGHTS



LABOUR



ENVIRONMENT



ANTI-CORRUPTION



7. OPERATING MODEL

The UN Global Compact will implement the Africa strategy at three levels: Headquarters (HQ) in New York City; the Africa Hub in Abuja, Nigeria; and the Local Networks situated in ten countries across the Continent at present.

Collaboration across all entities as “One Global Compact” will be critical for successful implementation of the Africa strategy. HQ will support participants and networks in Africa by providing central oversight and management, developing policies and programs, offering strategic guidance and coordination, fundraising, overseeing global relationships with UN agencies, and determining the position of the Compact on various matters of policy.

Africa Hub

The Africa Hub will serve as the regional backbone of the networks in Africa, supporting the development of new programs and ideas, driving outreach and engagement in countries where no networks exist, and providing additional operational manpower.

The Africa Hub will support both countries with Local Networks and those without networks in the effort to engage the private sector across the Continent. It will support Local Networks tailor our global offerings to the national context, including in the development of localized programs, the consolidation of growth and fundraising targets, and the streamlining of programmatic work. Additionally, the Africa Hub will develop regional policy positions and ensure that regional engagements are aligned with global priorities.

Local Networks

Local Networks will be equipped to create richer experiences for participants, support growth activities, and promote policy engagement on a local level. The Local Networks will provide critical input for programmatic responses, participant engagement, and fundraising. They will also serve a crucial role in engaging with the broader UN ecosystems in their countries and driving policy dialogues with respective governments.

The Global Compact plans to expand the number of Local Networks across the Continent in the coming years. These efforts will focus first on Algeria, Angola, Botswana, Congo Brazzaville, Côte D'Ivoire, Ethiopia, Rwanda, Senegal, and

Uganda. In each jurisdiction, the Global Compact will work with other UN organizations to achieve maximum impact across Africa.

Engagement with the UN system

Engagement with UN Agencies at the global level, Resident Coordinators and Country Teams at the national level, and other UN agencies at the regional level is critical to long-term success of the Global Compact and indeed to enable stronger linkages between the private sector and the global goals. Three principles guide the relationship of the Global Compact with its UN system peers:

- **Alignment with Inclusion** calls for centralizing alignment at the Global Compact Office level for greater synergies and reduced duplication of efforts, while formalizing key relationships to include as many critical perspectives as possible. As an example, it would strengthen the relationship between the UN's Country Team and the relevant Global Compact Local Network to ensure that the network's perspectives are incorporated into the country's Cooperation Framework. (This framework, which is negotiated between the country's government and the UN's Resident Coordinator in that country, guides activities and priorities of in-country UN entities.)
- **Accountability with Transparency** requires that specified personnel at all levels of the Global Compact are dedicated to managing engagement with the UN system. These personnel have clearly delineated roles and responsibilities, which makes the Compact accountable for engagement with the UN system and ensures the internal transparency necessary for the success of interdependent operations.
- **Flexibility with Clarity** guides the types of engagement models the Global Compact will deploy in its relationships with other entities in the UN system. To meet the different objectives of these relationships, target engagement models will vary with the agency entity. But to prevent this flexibility from compromising the transparency of these relationships, clarity on roles, responsibilities, and relationships with key entities will be essential.

8. DEFINING SUCCESS

Measuring the full impact of the Africa strategy goes beyond a quantitative assessment of the participant base. We also plan to use a variety of qualitative measures to understand the value of our services, our reach on the Continent, and the growth of our brand as the world’s largest corporate sustainability initiative.

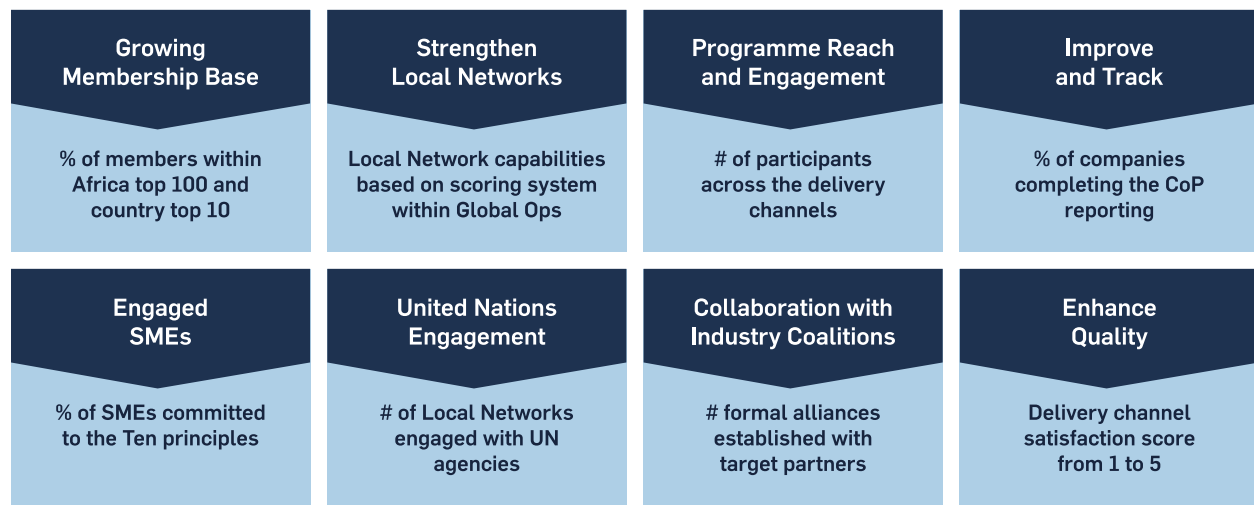
Hence, the Global Compact defines success along two dimensions: **driving impact** in corporate sustainability and responsible business practices across Africa and **expanding our reach** and participants on the Continent in a deliberate and targeted fashion.

We have established eight key metrics for evaluating the impact of our strategy (Figure 4).



FIGURE 4: KEY METRICS FOR ASSESSING SUCCESS

Key metrics of success to measure and track the true impact of the UN Global Compact strategy goes beyond membership growth



Note: Aligned with the M&E Framework developed for the Global Compact at a global level

9. CONCLUSION

The United Nations Global Compact must play a crucial role in Africa's sustainable development journey by inspiring and enabling meaningful and responsible contributions from the business community.

Guided by the Ten Principles, we are proud of our ability to accelerate responsible business practices through our large and growing global network of companies. As the world works to respond to the global pandemic and rebuild more resilient and inclusive economies, the Ten Principles provide a guiding framework through which large and small enterprises alike can contribute to a sustainable recovery and indeed benefit from the process. Recognizing the enabling context, diversity, and needs on the African continent, we call upon all companies and participants to jointly raise our ambitions for progress to benefit African economies and to enable African societies to attain their full potential.

Accelerating sustained progress on the 2030 Agenda for Sustainable Development and the African Union Agenda 2063 requires collective and coordinated effort. Bearing a crucial global mandate, the weight of the United Nations, and long-standing experience supporting the private sector, the Global Compact will pursue three strategic objectives in Africa: growing impact on sustainability and responsible business practices; driving inclusion of all businesses; and leveraging the power of associations, supply chains, and sources of capital.

Our strategy serves as a call to action for businesses in Africa. We invite the private sector across the continent to participate in this paramount journey toward upholding the Ten Principles and accelerating progress on the SDGs in this Decade of Action. Africa's future is well worth the investment.

THE AFRICA STRATEGY WILL HELP US DRAW OUT SPECIFIC ISSUES AND OPPORTUNITIES TO ENTRENCH THE SUSTAINABILITY DEVELOPMENT AGENDA WITH AFRICAN BUSINESSES.



THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT



HUMAN RIGHTS

- 1 Businesses should support and respect the protection of internationally proclaimed human rights; and
- 2 make sure that they are not complicit in human rights abuses.



LABOUR

- 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 4 the elimination of all forms of forced and compulsory labour;
- 5 the effective abolition of child labour; and
- 6 the elimination of discrimination in respect of employment and occupation.



ENVIRONMENT

- 7 Businesses should support a precautionary approach to environmental challenges;
- 8 undertake initiatives to promote greater environmental responsibility; and
- 9 encourage the development and diffusion of environmentally friendly technologies.



ANTI-CORRUPTION

- 10 Businesses should work against corruption in all its forms, including extortion and bribery.

ABOUT THE UNITED NATIONS GLOBAL COMPACT

As a special initiative of the UN Secretary-General, the **United Nations Global Compact** is a call to companies everywhere to align their operations and strategies with Ten Principles in the areas of human rights, labour, environment and anti-corruption. Our ambition is to accelerate and scale the global collective impact of business by upholding the Ten Principles and delivering the Sustainable Development Goals through accountable companies and ecosystems that enable change. With more than 13,000 companies and 3,000 non-business signatories based in over 160 countries, and 69 Local Networks, the UN Global Compact is the world's largest corporate sustainability initiative — one Global Compact uniting business for a better world.

For more information, follow [@globalcompact](https://twitter.com/globalcompact) on social media and visit our website at unglobalcompact.org.



United Nations
Global Compact

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The Ten Principles of the United Nations Global Compact are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.