

AFRICA'S CHANGING LANDSCAPE

At the dawn of the 21st century many of the continent's leaders seek a new kind of capitalism, one focused on a sustainable way of doing business that uses natural resources wisely.

JONATHAN TORGOWNIK

AN AERIAL VIEW OF THE
"LAND OF A THOUSAND
HILLS" IN RWANDA.

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Quietly and without much fanfare there is a paradigm shift taking place in the global economy. Africa, a continent that until now has only been associated with poverty and political unrest, is emerging as a land rich in opportunity. For those visionaries who see its vast potential this long-awaited trend is exciting. It means this huge emerging market will follow in the footsteps of other powers to gain its rightful place of influence in the world. Over the past decade, China has been *the* big economic story. That, however, may soon change. Says Bruce Wrobel, the CEO of Sithe Global, a project development firm that builds power plants, dams, refineries and other infrastructure internationally: “Within 10 years people will be talking about Africa the way they talk about China today.”

What’s he getting at? Africa’s population, at one billion, is currently smaller than China’s, but over the next decade experts expect it to explode. For one thing, malaria will likely be eradicated within the next five years. The continent is also making progress on the AIDS front. Once the impact of these diseases is mitigated, Africa has the potential, given its natural resources and huge landmass, to support many times its current population.

The global business community, however, is not waiting that long. Many forward-looking multinational corporations already know that the economies of many African countries are on the verge of taking off. According to the African Development Bank, the GDP of the continent, which has been growing 5% to 6% annually, hit \$1.3 trillion last year. Much of that growth has come from burgeoning telecommunications and banking systems, plus increased trade with China for both natural resources and manufactured goods. Today Africa’s economy is larger than India’s, and not far behind those of Brazil and Russia.

Africa has barely tapped into its potential as a major source of oil, timber, and ores. Consider that this enormous continent—into which could fit the U.S., Europe, and China—contains roughly 75% of all the Earth’s strategic minerals. The Republic of Guinea, one of the poorest countries in the world, has, according to U.S.G.S. data, 30% of the world’s bauxite, the raw material from which aluminum is extracted. Recent tests suggest the nation may actually have closer to 60% of global reserves, much of it easy—and relatively cheap—to recover.

Today, however, Guinea accounts for only 1% of the world’s alumina production. (Australia is the world’s biggest

COLLABORATION AND COFFEE MAKE A BOLD AND INTERESTING BLEND.

Starbucks is committed to a more sustainable Africa. As the birthplace of coffee, some of the most amazing and unusual coffees in the world come from Africa. Ethiopia, Tanzania, Kenya, Rwanda and Uganda offer exquisite coffees that our customers love to drink. Coffees that we are proud to sell.



Africa is considered the birthplace of coffee.

That's why, as part of Starbucks™ Shared Planet,™ we work with farmers in Africa to help them sustain their businesses and their diverse coffee-growing environments. In partnership with the African Wildlife Foundation, we opened a coffee-quality laboratory that will offer local farmers the opportunity to taste the coffee they have grown and to learn more about growing coffee for a global palate. And, through its



Kenya Heartlands Coffee Project, we are promoting environmental sustainability and resource conservation in that nation. We're working hard with the people of Africa to create thriving coffee-based communities.



Starbucks works with farmers to develop sustainable growing practices.

We can't imagine a world without African coffee, and we're sure our customers can't either. We're grateful for the legacy of African coffee that is being protected and nurtured. And, we are grateful to take part in bringing this rare and wonderful coffee to an eager world. There is truly nothing on earth to replace it.



A world without African coffee? Unimaginable.

IT'S NOT JUST COFFEE. IT'S STARBUCKS.

provider.) Over the next 20 years, major aluminum makers including Alcoa, Global Alumina, Mitsubishi, Russian Aluminum, CHALCO (from China), and Australia's BHP Billiton will together invest an estimated \$20 billion for bauxite refineries in Guinea. BHP Billiton and Rio Tinto are also developing iron ore mines there—each costing billions. In the aggregate, this is by far the biggest capital project currently underway in Africa, an endeavor that has the potential to transform this struggling country of 10 million people.

A NASCENT MARKET

Natural resources are not all Africa has going for it. Many of its countries have now turned to higher-value industries such as mobile telecommunications, finance, high-end agriculture (think Starbucks coffee), and manufacturing. Parts of Africa still suffer from civil war, corruption, and drought, but the majority of nations in this vast land are open for business in a way they never have been before.

In his book *Africa Rising*, Vijay Mahajan, a professor at the University of Texas, states: "Africa's challenges, like any consumer needs, can also create business opportunities. The lack of reliable electricity in many parts of Africa has created a market for generators and solar cells. Unstable financial systems have led to systems for bartering cellphone minutes, micro-financing, and cellphone-based banking. Health problems—from AIDS to malaria—have created demand for new treatments, generic drugs, testing equipment, and insurance."

All that is good news for investors. Ashley Bendell, associate director of Equities at Exotix, an investment boutique that focuses on emerging markets, says that "conditions have improved on the whole. Over the last 10 or 15 years more democracies have sprung up in Africa and most economies have remained very resilient."

Africa's potential is clear. The question is: How can it grow sustainably? How can it create jobs that are long-lasting and well-paying, while at the same time educating the workforce and respecting the environment? One encouraging trend: More and more corporations from the developed world have begun to see the value in investing not only in African business but also in communities and in social infrastructure. U.S. companies, for instance, are giving seed capital to not-for-profits like All for Africa to form sustainable enterprises. All for Africa is funding one million oil palm trees on approximately 17,000 acres of land in Ghana and Cameroon. The project will create hundreds of long-term jobs, and the revenues generated from the production and sale of palm oil will be distributed to NGOs working on the continent in the fields of health, education, skills training, water purification and microfinance. (See "Palm Out Poverty," page S17.)

A NEW PROFITABILITY MODEL

Practicing sustainable capitalism isn't easy. It requires new ways of running organizations, as well as the adoption of new business and social values. William McDonough, one



FIELD OF DREAMS: OIL PALM TREES PLANTED IN GHANA BY ALL FOR AFRICA TO CREATE JOBS AND SPUR ECONOMIC DEVELOPMENT.

BOTSWANA'S VALIANT FIGHT AGAINST AIDS



A PRESCRIPTION FOR SUCCESS: EDUCATING YOUTH ABOUT AIDS TO REDUCE INFECTION RATES.

From her base in the village of Mahalapye in Botswana, Regina Lesole works as a project coordinator at a national network of AIDS counseling and treatment centers. She considers herself lucky because although she is HIV-positive, she takes anti-retroviral treatment that keeps her healthy, enabling her to provide for her three children and elderly mother.

She has access to these drugs thanks in part to an innovative public/private partnership, ACHAP (African Comprehensive HIV/AIDS Partnerships). A few years ago doctors diagnosed her illness, and she is one of over 120,000 patients receiving these life-saving drugs for free. ACHAP supports the program. Says Dr. Themba Moeti, ACHAP'S managing director: "Our public/private partnership has helped the Botswana government move faster, which is why we've made such a big impact on HIV. It has lifted the morale

of the whole country."

ACHAP was formed in 2000 when the Botswana government teamed with pharmaceutical firm Merck & Co., Inc. and the Bill and Melinda Gates Foundation. It's not hard to see why the partnership developed in Botswana: an estimated 27% of the adult population was infected with HIV, one of the highest rates in Africa.

"We engaged in this partnership because to tackle a complex problem like HIV, neither a company, nor a government, nor an NGO can go it alone," says Brenda Colatrella, who heads Merck's Office of Corporate Responsibility. Merck and its partners pooled their resources, enabling them to take a comprehensive approach to HIV/AIDS including prevention, treatment, care, and support. To date, the Merck Company Foundation and the Gates Foundation have committed \$106.5 million to the partnership, and Merck donates its anti-retroviral medicines to Botswana's national treatment program.

One of the most important lessons the partners learned was that training local health-care workers was essential to the program's success. Early on, they realized Botswana did not have the necessary medical professionals to tackle the issue, so ACHAP spent two years training doctors and nurses to diagnose and treat the disease. It also offered leadership and IT training to help manage their clinics.

When the program started a decade ago, fewer than 5% of those in need of anti-retroviral therapy were receiving it. Health facilities were overburdened and morbidity rates were rising. The Botswana government estimated that if nothing were done, the epidemic would reduce the total population of the country by 18%, while cutting GDP growth some 4.5% annually.

Today, the picture looks dramatically different. While AIDS remains a challenging problem in Botswana, much progress has been made. Now, 87% of AIDS sufferers receive treatment, up from 5% when

the program started—and the highest percentage in all of Africa. The adult mortality rate has been cut in half—so far saving more than 50,000 lives. At the same time, the infection rate among young adults 20 to 24 is down from 19% in 2004 to 12% today. Mother-to-child transmission rates have also dropped dramatically, and new infections among children are down by 80%. ACHAP has constructed 35 infectious-disease clinics and trained more than 7,000 health workers.

Why does Merck spend time and money to help Africa? It turns out that sustainable development is good business. Says Merck's Colatrella: "A project like this improves relations with our stakeholders." But there's another factor at work, as well. "What we're doing is almost demanded by employees. Most people want to work for a socially responsible company." And why not, with results like those in Botswana? ●

www.achap.org

Bujagali is the largest privately financed hydroelectric power project in Africa

It generates sustainable benefits beyond electricity

Uganda has one of the lowest electrification rates in the world which constitutes a significant barrier to the country's economic and social development. Further, the country has a significant generation capacity deficit and relies heavily on expensive emergency thermal capacity. Thermal plants in Uganda rely on fossil fuel trucked over long distances.

The 250MW Bujagali hydroelectric power project on the River Nile will not only double the country's effective generation capacity, but will also significantly lower electricity generation tariffs, thereby enhancing the competitiveness of Uganda's economy and creating much needed jobs. Based on a renewable source of energy, Bujagali will reduce pollution, including carbon dioxide emissions, which is expected to reduce by more than 900,000 tonnes per year as Bujagali replaces oil-fired generation. The benefits of Bujagali do not end there. **Bujagali Energy Limited** ("BEL"), the owner of Bujagali, is implementing a wide range of social and environmental programs to improve the quality of life for the community residing in the vicinity of the project. Therefore, Bujagali, which reuses water released by upstream hydroelectric stations, portends great hope for Uganda's sustainable economic and social development.

The sponsors for the project, one of the largest private power investments in Sub-Saharan Africa, are **Sithe Global** and the **Industrial Promotion Services (K)** ("IPS"), an affiliate of the **Aga Khan Fund for Economic Development** ("AKFED"). **Sithe Global**, an international infrastructure developer specializing in large scale, socially responsible projects, is majority owned by **The Blackstone Group**.



Bujagali Under Construction



COMMUNITY HEALTH -

Constructed and supplied community health centers and administered medical programs.



FISHERIES -

Trained and organized hundreds of local fishermen and equipped them with fishing gear, boats and nets.



AFFORESTATION -

Planted more than 1,000 acres of trees along the Nile River to combat soil erosion.



TOURISM -

Provided funding to establish rafting and ecotourism businesses downstream of the project site.



EDUCATION -

Constructed and equipped new schools and provided skills training and apprenticeship programs for local youths.



VULNERABLE PERSONS -

Supported hundreds of people including orphans, the elderly, widows and people with disabilities through the provision of new household equipment and supplies.



AGRICULTURE -

Organized farmers into productive agricultural co-ops and provided training, livestock and supplies, constructed market to stimulate agriculture production.



OTHER SOCIAL PROGRAMS -

Including: extending municipal water supply to more than 5,000 people; renovating dozens of resettlement village houses; and developing a plan to increase local access to the national electricity grid.

of the world's foremost thinkers on sustainability, speaks of the need to balance economic, social, and environmental interests. Yes, companies must and should make a profit on their products and services, but in the process, business leaders should attempt to pay people fairly for the work they do while at the same time respecting the ecosystem. As McDonough puts it: "If commerce shuns the environmental, social, and cultural concerns, it will produce a large-scale tragedy of the commons for generations to come."

An examination of some corporations doing business in Africa offers hope that such a tragedy of the commons can be avoided. Merck & Co., Inc., the Bill and Melinda Gates Foundation, and the government of Botswana have formed ACHAP, an innovative and successful private/public partnership launched a decade ago to address HIV/AIDS in Botswana through a comprehensive approach. Sony is tapping the power of soccer's World Cup to educate at-risk Africans about AIDS prevention. Starbucks is buying increasing amounts of responsibly grown and ethically traded African coffees—including fair trade certified. Sithe Global—along with its co-sponsor on the project, Industrial Promotion Services (IPS), an affiliate of the Aga Khan Fund for Economic Development—is building the Bujagali Dam in Uganda. The construction project will provide thousands of local jobs, and when completed will generate clean energy for millions of Africans. SEACOM, a U.S. telecommunications firm, has just finished a \$600 million high-capacity fiber optic cable line that connects South and East Africa to Europe and India, thereby opening up a flood of valuable information that will help local universities,

governments, hospitals, and businesses grow.

Any U.S. business looking to expand in Africa might benefit from the Corporate Council on Africa (CCA). This Washington, D.C. nonprofit, membership organization is dedicated to strengthening and facilitating the commercial relationship between the United States and the countries of Africa. This year, CCA is holding three conferences in Washington on topics ranging from agribusiness to infrastructure to health care. At these gatherings, executives can gain insights into the on-the-ground reality of doing business in Africa, including how to cope with taxes, customs laws, and direct investments, as well as the ins and outs of sustainable development. Stephen Hayes, CCA's president and CEO, is excited about Africa's potential but worries that American companies wanting to invest there need more help. "China's Eximbank guarantees about \$13 billion in loans a year for Chinese companies doing business in Africa," he says. "By contrast, the International Monetary Fund, Eximbank, and other sources provide only \$437 million in loan guarantees for American corporations. We've got to increase that amount if we're going to remain competitive."

The challenges can be ominous, but as the following stories suggest, many multinationals, including some headquartered in the U.S., have already discovered an African formula for success.

BUILD LOCAL ECONOMIES

In a continent this poor—per-capita income in sub-Saharan Africa is only \$1,770 a year—any prospect to improve one's life—a new job, clean water, or health care—attracts attention. Sometimes too much attention. When a corporation



FOCUSED ON THE FUTURE: IN SUPPORT OF UNICEF'S EYE SEE PROJECT, SONY DONATES CAMERAS SO AFRICAN CHILDREN CAN LEARN PHOTOGRAPHY.

Practicing sustainable capitalism isn't easy. It requires new ways of running organizations, as well as the adoption of new business and social values.

SCORING A DREAM GOAL

SONY
make.believe



A SOCIAL DEVELOPMENT TOOL: SONY WILL TELEVISION THE WORLD CUP IN AFRICAN COUNTRIES.

One day last summer in Ghana, 7,500 villagers gathered for a very special event. In the town square, a giant 200-inch screen was broadcasting the national soccer team in a heated match. The event, however, was about a lot more than entertainment. During the game, the Japan International Cooperation Agency (JICA) and its local NGO partner were able to persuade some 1,100 Ghanaians to get tested for HIV or partake in educational programs on AIDS prevention. That number was three times greater than the NGO had ever achieved with other HIV awareness campaigns. Says Hidemi Tomita, General Manager of Sony's Corporate Social Responsibility Department, who initiated the program: "The power of football to attract people is enormous. We felt we could tap it to help improve health care and education in Africa as part of our contribution to-

wards the United Nation's Millennium Development Goals."

Excited by the success of the Ghana project, Sony—which has a history of corporate citizenship work dating back some 50 years and is currently engaged in CSR activities worldwide—has plans to expand the program around the 2010 FIFA World Cup™ soccer tournament that will be held in South Africa this June and July. The entertainment and consumer electronics giant calls its new initiative the Dream Goal 2010 project, and it sprang from Sony's CSR policy, which centers on the themes of "Technology," "Participation of [Sony's] employees," and "Partnership."

One element of Dream Goal 2010, called "For

Sony's donated media equipment will help NGOs educate locals about health issues.

Local Communities," builds on the success of the Ghana program. This summer in Africa, Sony will donate large-screen, live public viewing systems, which incorporate a Sony video projector, Blu-ray Disc player, and audio mixer. The company will televise FIFA World Cup™ games in HD for free in selected African countries that are sending teams to the World Cup (tentatively, Ghana and Cameroon) with JICA and UNDP. The games should attract large audiences that will be exposed to the same AIDS awareness and prevention approach that has worked so well in Ghana. After the games, Sony will give media equipment to its partners that will use it to attract even more rural Africans to their health and education programs.

Dream Goal 2010 does not stop there. Another aspect of the program, "For the Children," will send 15,000 underprivileged South African children to World Cup matches. Here too, local NGOs will take this opportunity to promote

education about and prevention of HIV/AIDS. In addition, Sony has created the "For Local NGOs" project to support NGOs around the world.

Africa, of course, needs help beyond programs to combat HIV. "Education is very important," explains Tomita, "so we asked ourselves what can we do for children?" The answer came from Sony's core competency: media and the creative arts. In partnership with FIFA, Sony will support Football for Hope's "Siyakhona (We Can)" project. The company will provide young leaders and talents in disadvantaged African communities with equipment and training to enhance their media and communication skills. The project will provide Sony products, such as Cyber-shot digital still cameras and VAIO computers, as well as training to enhance media and communication skills to young leaders chosen from around 40 community-based organizations.

Let the games begin. ●

For more information, please go to: www.sony.net/dreamgoal

AFRICA RISING

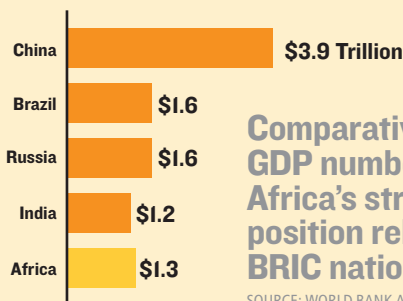
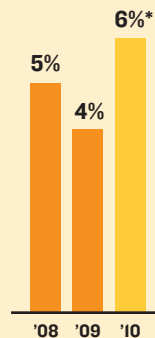
Africa is the new frontier for growth. More companies are cultivating change by making sure their investments are inclusive and sustainable. That model appears to be working.



Africa comprises 20.4% of Earth's landmass

Bankers remain upbeat about the economic outlook for Africa a year after it was hit by a drop in demand for commodities.

SOURCE: AFRICAN DEVELOPMENT BANK
*PROJECTED ANNUAL GDP GROWTH



Comparative 2008 GDP numbers show Africa's strategic position relative to BRIC nations.

SOURCE: WORLD BANK AND GLOBAL TIMES

builds a factory, a dam, or a refinery, residents from all over the region typically swarm the site in hope of employment. Shantytowns arise, bringing with them poverty, crime, the sex trade, and a high probability of spreading AIDS. Sithe Global, the project development firm that is 80% owned by the private equity firm the Blackstone Group, has a better idea: It builds sustainable economies throughout the region where it is doing construction. How does it work?

In 2007, Sithe Global, (through Bujagali Energy Ltd. (BEL) a joint venture with IPS,) with funding from the World Bank and the African Development Bank, began construction on the \$860 million Bujagali Hydropower Project on the upper Nile River in eastern Uganda. The country has a strong middle class and good economic growth, yet is still poor. The majority of its inhabitants don't have access to electricity. Also, because Uganda must import oil to generate electricity, the power it does have is very expensive. Electricity from a hydro plant would not only be clean but would eventually cost perhaps half as much as that from an oil-fired plant.

Dams, however, create environmental challenges. Sithe Global figured that nine villages along the Nile River would be affected by the project. One would require the relocation of residents, and people in the other eight would have their livelihoods affected because the construction would disrupt their farms and fisheries. For the Bujagali project, Sithe decided to take responsibility for the nine affected communities. Says Bruce Wrobel, Sithe Global's CEO: "One thing we've realized is that you need to make investments in local communities. It's good business, and it's the right thing to do."

BEL relocated the directly impacted village, building the residents new housing along with a health center and schools. For all of the nine villages, the company developed fisheries and agricultural capabilities. It provided training, livestock and supplies so villagers could maintain their livelihood, and planted some 500,000 trees, including some cash crops like avocados and cashews, along the deforested banks of the Nile. It is also working with local rafting companies to build up tourism. BEL employees now hold weekly meetings with local villagers to see how the programs are taking hold. "We hope that in two years these local businesses will be self-sustaining and pay for health and education programs," says Wrobel.

BEL also took actions to help villagers maintain their lives on a sustainable basis. This meant training villagers to become suppliers to the project. The mechanics were simple: BEL employees would go to one village and say, "You will be the chicken and egg village, supplying food to our workers." Another would be the sewing village, repairing worker uniforms. And yet another would be the bakery village. BEL gave each village \$250,000 in seed money and the training to do the job. "The idea," says Wrobel, "is to stabilize and uplift the region rather than concentrate the wealth in one spot. Even after the construction is over, the dam should still employ many



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who will support the local businesses.”

Is Sithe just doing good for its own sake? No—it believes sustainable development is good business. Wrobel figures social development costs to be 2% to 3% of the total for a big project like Bujagali, but the dividends are much greater. “To the extent that the community gets behind the project,” he says, “it has a measurable impact on the productivity of the workforce.” Wrobel has found that if a worker goes home and his family is proud that he’s working with a particular organization, that’s going to be reflected in the quality of his or her work. Bujagali has 2,500 workers and even a 10% increase in productivity has a big impact on schedules and cost. Not to mention a big impact on the fortunes of the community.

INFORMATION EMPOWERS

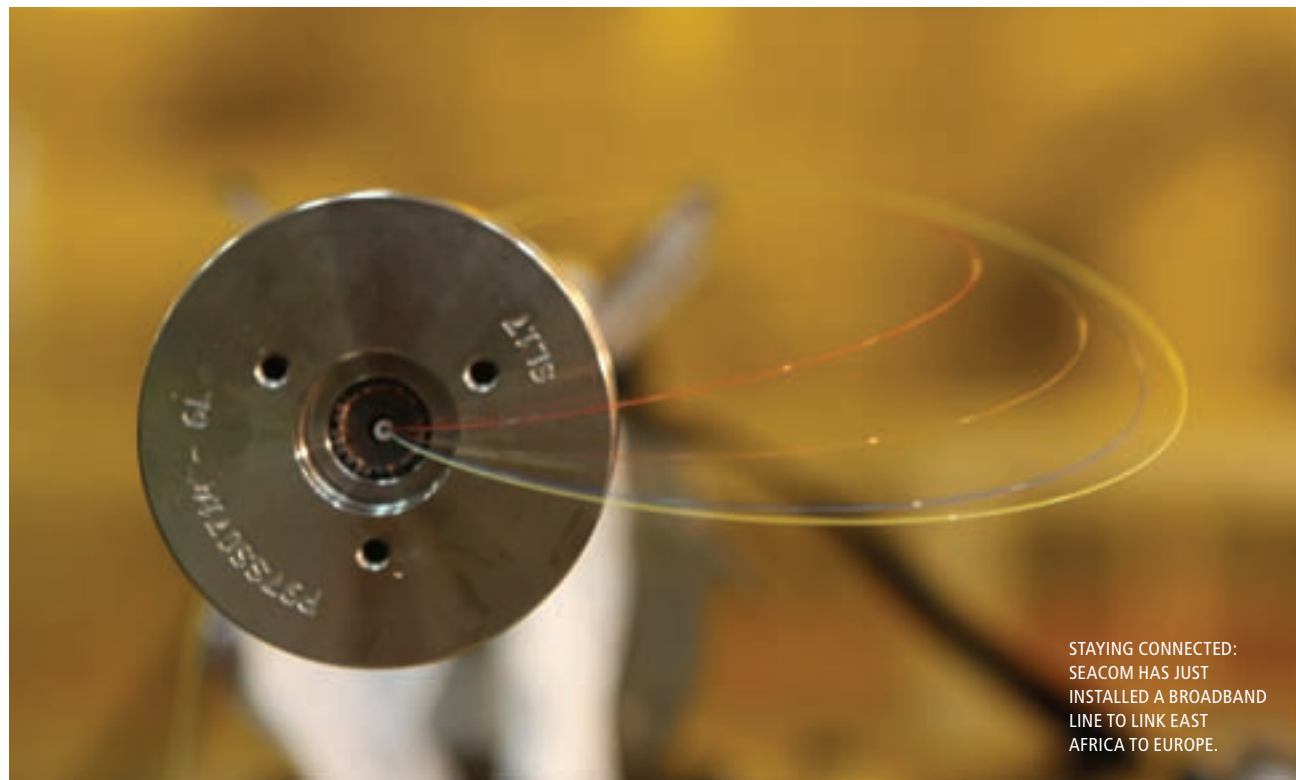
Ask any expert on economic development and they’ll tell you that one of the most effective ways to spur indigenous growth is to give people access to information—lots of it. A recent World Bank study concluded that for every 10% of additional broadband penetration, a nation’s annual GDP increases by 1.3%. That’s a fact that Brian Herlihy, the 35-year-old CEO of SEACOM, was well aware of when the company launched in 2007. Herlihy has just finished installing a \$600 million broadband line stretching the entire length of East Africa, connecting that part of the continent to Europe for the first time. “Information is paramount to any market

economy,” says Herlihy. “So to us, sustainable business means keeping those local GDP growth rates as high as possible.”

Until SEACOM came along, East Africa depended on satellite for its Internet access. Service was poor and spotty. Even sending or receiving an e-mail could take a week in some places. “It was so frustrating,” says Herlihy, “that many would just give up.”

Now, thanks to SEACOM’s broadband line, the price of using the Internet is coming down, the speed is going up, and usage is exploding. Example: Tanzania’s international Internet capacity grew 1,200% in the first two months after connecting to SEACOM’s cable. Easy access spurs economic opportunity. One Indian company is moving its call center to Africa.

SEACOM’s broadband service has become a catalyst for more investment in telecom capacity. Today 20 East African countries including South Africa, Kenya, and Mozambique are investing billions to build out local fiber optic and mobile networks, which would not be happening if SEACOM’s cable hadn’t come along. And that capacity is sorely needed: Already Africa has 350 million mobile phone subscribers, and that number is growing dramatically. The cell phone is becoming the main platform for banking, paying taxes online, and other transactions. Herlihy points out that Africans under 25 have an insatiable desire for more data, whether through browsing the Web or by using YouTube or Facebook. Those Africans over 25 primarily need more broadband for business. One challenge going forward is that local content remains scarce. That, how-



STAYING CONNECTED:
SEACOM HAS JUST
INSTALLED A BROADBAND
LINE TO LINK EAST
AFRICA TO EUROPE.

COURTESY OF SHOW OF FORCE

AN ETHICAL BUSINESS CHARTER



In today's world forward-thinking companies are looking for ways to develop natural resources while maintaining sustainability goals. Guinea Alumina Corp. (GAC) can attest to that. It is preparing for its new bauxite mining and alumina refinery in Guinea, West Africa. GAC is a joint venture company, with shareholders consisting of Global Alumina, BHP Billiton, Dubai Aluminum, and Mubadala Development Company.

"Key to laying the foundations for a mega-project such as this is creating the environment for socially responsible and sustainable mining operations," says GAC CEO Eddy Kenter.

"Despite the challenges of working in a developing country across various stakeholder groups, we are steadfastly committed to maintaining international standards and promoting good governance, respect for human rights, best-practice social and environmental performance, and adherence to

the equator principles. Fundamental to our success to date has been our commitment to working with the community, various levels of government, non-government organizations, and industry partners in accordance with our company and shareholder values."

In preparing the foundations for future project approval and development, GAC has already invested several million dollars in malaria, HIV/AIDS, and community development programs that are already achieving positive results. "Our approach is underpinned by our desire to support a healthy commu-

"Key to laying the foundations for a mega-project such as this is creating the environment for socially responsible and sustainable mining operations."

nity, which for generations to come will be the source of healthy and valuable employees," says Kenter.

Our community development and capacity building programs are aligned with the UN Millennium Development Goals, and we acknowledge and embrace the lead role we can play in assisting Guinea to progress and overcome many of the challenges faced by developing countries, such as poor health, low literacy, and inequity in opportunity.

"Our success will not only be measured by the value we deliver to our shareholders, but also in the way we can help facilitate social, economic, and institutional development, and enhance the capacity of the country through our investment," says Kenter.

GAC will contribute to employment both directly and indirectly. Our programs are designed to build skills and capability to maximize local employment while, at the same time, contribute to the development of small and medium enterprises and institutions that will ulti-

mately deliver and support the economic growth of Guinea in the future.

GAC is currently working in partnership with the International Finance Corporation, the member of the World Bank Group focused on private sector investments, to develop and mentor small and medium enterprises in Guinea so that they can deliver goods and services to our operations. "We hope that through this program, we can support the development of local businesses that will become independently successful and benefit from the significant pipeline of opportunities in mining and other industrial sectors in Guinea."

Pivotal to our sustainability philosophy is the creation of community and institutional capacity to ensure that prosperity can be achieved independently of GAC. Says Kenter: "We are working to engender good governance, process improvements, and performance of agreed roles." ●

For further information, visit www.guineaalumina.com.

ever, should provide ample opportunity for local entrepreneurs who want to create an African Google or Yahoo!

To help Africans take better advantage of the Internet, SEACOM is working with local universities and NGOs to create an outreach program to educate people about the Web. Students are taught how to search, write programs, and set up online businesses. The enthusiasm for the Internet shown so far by young Africans bodes well for the continent's future. Ladies and gentlemen, boot up your engines.

RESPECT THE LAND

Not all that's going on in Africa these days has to do with technology, energy, and mining. In fact, many experts believe Africa has the potential to become the breadbasket of the world. Much of its fertile land, however, remains untended or ravaged by war and drought. The right kind of land management could turn that around. One bright spot is African coffee, which is among the best-tasting in the world. The question is—how to grow more of it?

Producing coffee can be a tricky job, especially if you are a farmer trying to meet the high standards of a company like Starbucks. Not only does the Seattle company demand the best-tasting beans, but it also strives to make sure that its coffee is produced sustainably and sourced ethically. If a bag of

coffee displays the "Starbucks Shared Planet" label, you can be sure that the farmers have been paid a premium or "fair" price for their coffee and that the crop has been grown in a socially and environmentally-friendly manner. Of the 367 million total pounds of coffee Starbucks purchased in 2009, 81% of it earned this label. The company has set a goal that 100% of its coffee will be purchased through ethical sourcing practices by 2015.

The eastern regions of Africa supply Starbucks with about 10% of its coffee but only a small amount of it can claim the Shared Planet label. That's about to change. CEO Howard Schultz recently opened an East African Farm Support Center in Kigali, Rwanda. How does it work? The company sends agronomists and quality experts into the field to help farmers produce consistently better coffee, improve crop yield using environmentally responsible practices, and earn better prices. Of course, the higher the quality of the coffee, the more money African farmers make.

The agronomists at the Farm Support Center work hard to make sure the ecosystem of Africa's coffee-growing regions remain healthy. Some farmers who over-plant their fields in an attempt to raise yields have found that the quality of their crops—and thus their incomes—has suffered. Starbucks encourages agricultural practices that minimize the impact on water



PROTECTING THE ECOSYSTEM: STARBUCKS' FARM SUPPORT CENTER IN RWANDA TEACHES FARMERS HOW TO IMPROVE CROP YIELD RESPONSIBLY.

Connecting Africa to the World



How do you bring a \$600 million, multi-national project from a concept to a fully operational 17 000km undersea fibre optic cable network in less than three years? Hard work, determination and great partners!

Fully operational since 23 July 2009, SEACOM brings wholesale international broadband connectivity linking businesses, individuals, and communities in Southern and Eastern Africa, Europe and South Asia. With an enormous capacity of 1.28TB/s our network now enables high definition TV, peer to peer networks, IPTV and surging Internet demand across the region.

The creation of SEACOM was made possible by creative shareholders and project finance lenders who could structure a complex and innovative limited recourse financing solution which catered for a mega-project with many moving parts. With facilities arranged by Nedbank Capital and Investec Capital Markets, this enabled us to set a new standard for quality and speed in implementing one of Africa's most complex mega-projects.

SEACOM is proud to have partnered with these two leading African financial institutions to make our vision of a connected Africa a reality today.



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ACCOLADES:

Best Pan African Initiative Award: AfricaCom Awards, November 2009

2009 Business Leadership Award: Awarded by The Corporate Council on Africa at the 7th Biennial U.S.- Africa Summit Expo, September, 2009

Africa Investor ICT Deal of the Year: Nedbank Capital- African Investor Infrastructure Awards, November 2008

Euromoney Project Finance Deal of the Year 2007: Awarded by Euromoney Project Finance magazine, 2007

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and soil, as well as on local flora and fauna. Says Vivek Varma, Starbucks' senior vice president of global public affairs: "We've seen that in the world of specialty coffee, there's a clear connection between top quality and healthy biodiversity."

Starbucks' focus on sustainability does not end with agriculture. The company also supports local education and health programs. About a year ago, the company launched a multi-year partnership with RED, created by rock star Bono and Bobby Shriver in an effort to engage the private sector in the fight against AIDS in Africa. A portion of profits from products sold—including a Starbucks whole-bean coffee, a blend of East African coffees—goes directly to the Global Fund to invest in African AIDS programs. So far, Starbucks has generated enough money to buy more than *14 million days* of medicine to help those living with HIV in Africa. A nice thought while you're sipping your morning coffee.

YOU CAN BANK ON IT

Africa's road to a sustainable economy will go nowhere if it's not funded, and that's where the banking system comes in. Large projects can raise capital from governments, multilateral organizations such as the World Bank and the African Development Bank, or large multinational oil, mining, and resource corporations. But what about African entrepreneurs wanting to open a restaurant, a small factory, or a delivery

service? Or what about the consumer who wants to buy a refrigerator or a car? Banks like Standard Bank, one of Africa's leading emerging markets financial services organizations, make it a point to serve these markets, ensuring that all strata of African society have access to credit. Says Richard Gush, CEO of Standard Bank's corporate and investment-banking operations in Africa: "When it comes to banking and sustainability, people usually roll their eyes, but you have to watch what Standard Bank does, not what it says." What the bank does do is to take a principled approach to banking—in Gush's words, to make sure "we are doing the right deals, with the right people, in the right way."

In practice, this means that the company has trained its employees to evaluate each deal it does to make sure it is not lending money to projects that have a negative impact on the environment. As a sign of its commitment to this approach, Standard Bank last year formally adopted the Equator Principles. As a signatory, the bank is bound to ensure that its customers actively avoid, manage, or mitigate the social and environmental impacts of the projects for which they require financing. Standard is also looking at the environmental impact of its own operations. In 2008, it participated in the Carbon Disclosure Project, a global, independent initiative that requires its members to measure their carbon footprint and transparently disclose steps taken to reduce it—from building more efficient office buildings, to cutting back on travel, to buying carbon credits.

The bank also reaches outside its walls to provide funding for the education of disadvantaged learners. In South Africa, Standard Bank backs the National Department of Education's Dinaledi Schools Programme, which forms part of the department's national mathematics, science, and technology strategy. During 2008, the bank adopted 114 schools to help them become centers of excellence in mathematics and science. It's not all philanthropy on Standard Bank's part. One can assume that these schools will produce many future leaders in Africa's banking industry.

A BRIGHT FUTURE

Africa spent the last century shedding the shackles of colonialism and the exploitation of gold, oil, and other natural resources that came with it. At the dawn of the 21st century, many of the continent's political and business leaders seek a new kind of capitalism, a sustainable way of doing business that uses natural resources wisely, taps into clean energy, creates millions of green jobs, and values an educated and skilled workforce.

Yes, the road ahead has major hurdles, but from the progress witnessed so far, it's not at all unlikely that we will soon see Africa take its rightful place on the global economic stage. ●

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PLANTING SEEDS FOR SUSTAINABLE GROWTH

Interview with board member Jeff Johnson, Chief Correspondent, BET

What Is All for Africa?

All for Africa is a new kind of not-for-profit, founded in 2008 by a group of New York City-based entrepreneurs who believe that aid should be viewed not as a handout but as seed capital to form sustainable enterprises. To accomplish this goal, All for Africa partners with the private sector, launching innovative projects that create sustainable local economies, empowering communities in Africa to better control their economic destinies.

What Is Palm Out Poverty (POP)?

The POP Initiative is All for Africa's flagship campaign, creating long-term streams of revenue, generated through

the production and sale of palm oil, to fund the operational expenses of local nonprofit organizations and communities throughout the continent.

The plan is straightforward: to plant one million oil palm trees on approximately 17,000 acres of land in Ghana and Cameroon. Once mature, these trees will yield approximately 300,000 barrels of crude palm oil each year for the next 35 years.

Why Palm Trees?

Palm oil is the world's main source of vegetable oil, and a viable bio-fuel. Consumption is growing, and because it is a traded commodity there will always be an accessible market for the product. The one million trees planted and maintained with African

resources and labor will create about 700 agricultural jobs.

Who Gets the Money?

The one million trees will be subdivided into 700 Beneficiary Oil Trusts (BOT) – each consisting of the equivalent of 1,500 trees on 25 acres of land. ALL of the profits from each BOT will be disbursed annually, for the 35-year life of the trees, to these selected nonprofit and community-based beneficiaries. That

means instead of spending much of their time struggling to raise money for next year's budget, nonprofit organizations will be able to focus on the growth and expansion of their mission and strive toward economic independence.

Buy an oil palm tree for the Palm Out Poverty Initiative.

info@allforafrica.org
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GENERATE 700 MILLION DOLLARS
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