Barriers to implementation of SDGs in Africa: the need for effective business and government collaboration

By:

Eghosa Ekhator

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The 193-Member United Nations General Assembly formally adopted the 2030 Agenda for Sustainable Development on 25 September 2015, along with a set of bold new Sustainable Development Goals, which the former Secretary-General Ban Ki-moon hailed as a universal, integrated and transformative vision for a better world. In January 2016, the 17 SDGs of the 2030 Agenda for Sustainable Development came into force. Thus, within the next fifteen years, these new goals apply universally, and countries will intensify efforts to end all forms of 'poverty, fight inequalities and tackle climate change, while ensuring no one is left behind' (UN website 2018). Some of these global (and inter-connected) goals include end to poverty, gender equality and quality education amongst others.

There have been recent reports on the performance and implementation of SDGs and Agenda 2063 (these are some initiatives developed under the auspices of the African Union) in Africa. For example, the 2017 African Sustainable Report states that approximately six out of every ten SDG indicators cannot be tracked in Africa due to severe data limitations. The 2017 report states that slow progress towards poverty reduction in Africa despite accelerated growth enjoyed over the past decade. The report states that Africa's infrastructure deficits undermine industrial development. The report concludes that successful implementation of the SDGs and Agenda 2063 will require an integrated approach that coordinates the efforts of all sectors of government working in collaboration with the private sector and civil society. In the 2018 African Sustainable Report, notwithstanding that 'Africa is making steady progress in building the critical ingredients for sustainable and resilient societies, but the pace is slow. Access to basic infrastructure such as energy, water and sanitation services is improving but falls well below the global average.'

Furthermore, one of the major ills affecting the successful implementation of SDGs in Africa is funding. Many African countries are not economically capable to fund the implementation of the SDGs framework in their countries. The total investment cost of actualising the SDGs range 'between USD 5 and USD 7 trillion per year at the global level and between a total of USD 3.3 and USD 4.5 trillion per year in developing countries'. Thus, governments and the private sector (including businesses) are expected to collaborate to actualise the SDGs. Goal 17 of the SDGs emphasizes that the 'SDGs can only be realised with strong global partnerships and cooperation'.

This post will seek to answer the following questions:

1. With the history and activities of Multinational Corporations (MNCs) in Africa, can we expect a fruitful partnership with the governments of African states?
2. Are the existing frameworks capable of delivering national outcomes or development programmes envisaged by the SDGs in Africa?

Africa has been at the epicentre of the devastating effects of the activities MNCs and hence '… transnational corporations operating primarily out of the global North have enjoyed de facto impunity for human rights abuses related to their global business activities, particularly those in the global South'. For example, some of the negative consequences of the MNCs in the oil sector in Nigeria include gas flaring, oil spills, environmental pollution, negative social impacts, conflict and violence. Thus, due to these negatives impacts arising from the activities of oil MNCs, many oil companies in the country have developed Corporate Social Responsibility (CSR) initiatives in an effort to mitigate these negative consequences.

Some scholars have argued that the likelihood of 'realizing SDGs via effective CSR initiatives in the Delta [Nigeria] is doubtful'. Also, some scholars have argued that Millennium Development Goals (MDGs) and SDGs promote neo-colonialist polices in developing countries. For example, Langan argues that 'SDG's pivot to economic growth and private sector development (PSD) represents a *reinforcement* of existing donor commitment to free market policies in Africa.'

Notwithstanding the aforementioned criticisms of the SDGs, the SDGs have set a baseline or standards that countries should adhere to. One way of actualising the aims and objectives of the SDGs in African countries by relying on effective collaboration or collaborative governance between government, businesses and the private sector (including local communities and civil society). Arguably, the SDGs cannot be achieved without the contributions of MNCs. However, MNCs can only achieve legitimacy by engaging directly with the relevant stakeholders to realize progress on the SDGs. Thus, SDGs can serve as a framework that can support MNCs in enhancing their CSR 'engagement in a way that contributes to sustainable development'.

Also, under the subhead of multistakeholder partnerships , SDG 17 highlights two targets:

17.16: Enhance the global partnership for sustainable development, complemented by multistakeholder partnerships that mobilize and share knowledge, expertise, technology, and financial resources, to support the achievement of the SDGs in all countries, in particular developing countries.

17.17: Encourage and promote effective public, public–private, and civil society partnerships, building on the experience and resourcing strategies of partnerships.

Many reports, surveys and guides have been published by a plethora of international organisations which emphasises the important role of businesses (private sector) in the implementation of the SDGs and the tools and strategies that the businesses should use in actualising the SDGs. A recent development in this regard is the creation of the Sustainable Development Goals Fund (SDGF). The SDGF is a 'development cooperation mechanism created by the UNDP to support sustainable development activities through integrated and multidimensional joint programmes.' The SDGF is the first 'UN development cooperation mechanism' explicitly established to actualise or implement the 2030 Agenda. It brings together a diverse range of actors including UN agencies, national governments, civil society, business and academia to 'address challenges of poverty, promote the 2030 Agenda for Sustainable Development and achieve SDGs.' The SDGF is supporting joint programmes in 23 countries including African states such as Côte d'Ivoire, Ethiopia, Mozambique, Nigeria, Sierra Leone and Tanzania. To enhance public-private collaborations or partnerships, the SDGF has created a Private Sector Advisory Group, comprised of business leaders of major companies around the world. The overarching aim of the SDGF Private Sector Advisory Group is 'to provide the SDG-F Secretariat with guidance and strategic support to achieve better development results in coordination with the private sector.'

Furthermore, reforming the tax system in African countries and mandating MNCs to pay appropriate taxes will go a long way in funding the SDGs. Many MNCs engage in tax evasion, tax havens and illicit financial flows activities amongst others. Similarly, the Report of the High Level Panel on Illicit Financial Flows from Africa (Mbeki Report) UNECA 2014 states that 'Africa is estimated to have lost $1 trillion in illicit financial flows" from corporations and organised crime rings.' Recently, the Independent Commission for the Reform of International Corporate Taxation (ICRICT) has suggested a global minimum effective corporate-tax rate on multinationals of between 20% and 25%. Advocates of this global tax regime argue that it 'would greatly weaken these firms' financial incentives to use so-called transfer pricing among their subsidiaries to shift recorded profits to low-tax countries.'

Conclusion

This paper aligns with Godwell Nhamo who states that 'if the SDGs are to be a vehicle for poverty eradication in Africa, then the continent needs to do more for itself, including domestic mobilization of financial resources'. In essence, effective partnerships or collaborations (e.g. between government, academia, public sector, private sector, civic society and local communities amongst others) need to be developed in order to achieve sustainable SDGs outputs.

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