



Enterprise Solutions to Poverty

LATEST NEWS

Improving Africa's Business Climate

A new \$150 million facility designed to create a more attractive business environment in Africa has been officially launched.

The Investment Climate Facility, backed by the Shell Foundation, aims to remove perceived and real obstacles to investment in Africa.

Speaking at the launch in Cape Town, South Africa, Foundation Director Kurt Hoffman said: "ICF is a bold and innovative initiative that will play a crucial role creating the conditions for enterprise growth in Africa – and through that, the sustained reduction of poverty."

ICF was one of the Commission for Africa's key recommendations and received the backing of the G8 countries at the 2005 Gleneagles' Summit.

British Prime Minister Tony Blair has pledged \$30million towards the initiative. The Shell Foundation and Royal Dutch Shell have also committed \$2.5 million, making them some of the first non-governmental contributors.

Issues such as obstacles to cross-border trade and the simplification of regulations affecting small businesses will be tackled. In Rwanda it takes 21 days to start a business compared to two days in Australia, according to the British government. In Burundi it takes 124 days to clear customs compared with five in Denmark.

The facility is a private sector-led, public-private partnership based in South Africa.

Mr. Hoffman, added: "The hard work begins today, but ICF's unique structure, which brings together those who best understand the business environment in Africa, makes its success all the more likely. The Shell Foundation is proud to be one of the founding contributors."

ICF's objectives are closely aligned with the Foundation's belief that enterprise and business thinking must be placed at the heart of the war on poverty. If African countries are to attain the 7% economic growth required to meet the U.N.'s Millennium Development Goals then 'increased aid, fairer trade and cancelled debt' - the issues that dominated the Make Poverty History campaign of 2005 – will not be enough to permanently lift the poor out of poverty.

The Foundation's *Aspire* facility, which helps Small and Medium-sized Enterprises is a concrete example of an initiative that is already helping build better businesses in Africa.