

# FOREWORD

For many decades, we have been talking of sustainable development in Africa without really achieving our set goals, especially in poverty reduction and socio-economic empowerment. Our greatest challenge has been, to a large extent, our inability to think out of the box. We have too often relied on the traditional way of doing things with little innovation and without being mindful that at the base of the pyramid lie massive opportunities. If properly tapped, these can lead to unprecedented growth and wealth creation.

The B4D (Business for Development) Pathfinder provides a unique opportunity to generate real development with the tripartite participation of business, government and the people to overcome poverty. This project is anchored on inclusive business, whereby the private sector actively involves poor communities in the company's core business value chain and its business development strategies.

This innovative approach taps into the skills, technology, knowledge and experience within the corporate sector. It enhances corporate social responsibility by the inclusion of sustainability approaches within business decision-making and has a more strategic, pro-active and innovative role which requires a change in mindset of all stakeholders. By enabling poor and marginalized communities to participate and contribute effectively in the value chain of businesses, the sense of participation and belonging is enhanced. This is a powerful business tool to increase the market size as well as market share of businesses because the propensity to consume among the poor is the highest. The B4D Pathfinder enables companies to grow and tap these markets through development enhancing business strategies. Once empowered and given adequate purchasing power, the poor can easily get out of the poverty trap. This has been the experience in many Asian countries including China and India.

The B4D Pathfinder initiative offers a system that enables businesses in southern Africa to navigate an uncharted path to sustain their own growth and profitability, while at the same time directly contributing to sustainable development in southern Africa by including the poor in their growth path. That is why it is called a pathfinder.

Inclusive business is emerging as a model with great potential to meet the challenges of the Millennium Development Goals through its holistic and inclusive approach. The B4D Pathfinder gives ground-breaking application to this approach in southern Africa. It can be



used as a tool for the implementation of the SADC Regional Indicative Strategic Development Plan (RISDP) that was designed to boost economic growth through regional economic integration for poverty reduction in the SADC region. Its success will however depend on active facilitation by governments, the extent to which the private sector embraces participation in the initiative, and the readiness of poor communities, with the support of civil society organisations, to take advantage of the opportunity given to take their destiny into their own hands.

As this is a new concept, it needs champions to push forward the whole system including the proposed charter, the barometer, and the toolkit that are the three key mechanisms for the success of inclusive business through the B4D Pathfinder.

The Southern African Trust has demonstrated its seriousness, competence and savoir faire since its establishment. Its deep involvement with civil society organisations across the region and innovative work on pro-poor advocacy is well established and beyond reproach.

The SADC Employers' Group, currently hosted by Business Unity South Africa, is emerging as a key business voice in the region that has actively engaged issues of poverty and development. Together with the SADC Business Forum, it is poised to become a major force for development in the region.

It is therefore fitting that the SADC Employers' Group and the Southern Africa Trust, working closely with SADC government structures, jointly champion the cause of inclusive business through the B4D Pathfinder. I appeal to you to give them all the support they require to make this remarkable initiative a resounding success.

---

BENJAMIN W. MKAPA  
Former President of the United Republic of Tanzania  
Co-Chairperson of the Investment Climate Facility for Africa

