



**UNITED NATIONS
ECONOMIC COMMISSION FOR AFRICA**

Subregional Office for North Africa

**WORKSHOP ON DESIGNING CODES AND IMPLEMENTING STANDARDS FOR
CORPORATE GOVERNANCE**

December 5-7, 2005

Aide Memoire

1. OVERVIEW

The Economic Commission for Africa (ECA), within the context of its efforts to promote private sector growth in Africa through the promotion of good corporate governance principles, will be conducting a number of workshops on designing codes and implementing standards for corporate governance throughout the five African sub-regions. This task forms part of a broader mandate of the ECA to promote good governance to spur faster economic growth, reduce poverty and contribute towards achieving the Millennium Development Goals (MDGs).

ECA, while recognizing the need for a capable State, has also played an important part in promoting a dynamic private sector that could backstop governments in business management. The efforts are already bearing fruit with African countries now manifestly working hard to create an environment that is conducive for investments. This is being achieved through reforms that include working to achieve macroeconomic stability, corporate governance, and investment promotion and transparency.

Despite ECA efforts, a lot more remains to be done. The private sector still remains limited to small and medium enterprises that play relatively little part in endeavors to employment promotion. The current assignment is a continuation of re-energized efforts to revive the private sector from a corporate governance angle.

2. THE NORTH AFRICAN CONTEXT

North African countries are in the process of integrating their economies into the global economy, in particular through association agreements with the European Union, entering the World Trade Organization and participating in the Greater Arab Trade Area. However as a pre-requisite to an effective global integration, these countries need to consider a re-structuring of their economy and undertake corresponding reforms, including corporate reforms, in order to improve productivity, growth and competitiveness. The development of private enterprises and the opening of family owned enterprises to foreign capital require promoting the principle of transparency and disclosure.

A second issue is that a number of companies dominating most North African countries' economies are State-owned enterprises (SOEs), although a trend toward their privatization is observable. Among many areas of corporate governance, detailed attention needs to be given to fair power distribution between shareholders and managers of these institutions.

Third, corporate governance must address the banking sector in North Africa. With the privatization process, a number of banks are being taken over by others, mostly foreign. It is clear that any reforms for the banking and corporate governance will have to address a large number of issues: macroeconomic instability, price controls, negative real interest rates, stretched supervisory capacity, emigration of skilled workers, political interferences, and traditional areas such as supervision and risk management.

Last, as part of deepening the market and capital markets in North Africa, attention is drawn to the development of stock exchanges. This process could benefit also from other economic reforms including the privatization of SOEs and successful efforts in

attracting both domestic and foreign investments. With the exception of a very few, the process of developing stock exchanges is still at its embryonic stage, and appears not to be a priority in most countries. Yet their potential is great for wealth creation and as a source of funds for development.

Necessarily, these issues and concerns have led to the expansion of corporate governance to well beyond its traditional sphere of financial and regulatory aspects to incorporate a participative corporate governance system of enterprise with integrity. In this expanded form, companies must recognize that they no longer act independently from the societies and the environment in which they operate.

It is in this context that the ECA Sub-regional Office for North Africa plans to organize a workshop under the theme “Designing Codes and Implementing Standards for Corporate governance throughout North African Countries”, from 5 to 7 December 2005. In the present context of a knowledge based economy, the workshop is aimed at highlighting key corporate governance issues in the African continent in general, and also the most pressing corporate governance issues within the North African sub-region.

3. SCOPE AND OBJECTIVE

The objective of the workshop is to discuss issues related to economic and corporate governance, taking into account ongoing reforms in most North African countries. The workshop will consequently be the venue for

- (1) revisiting economic and corporate governance issues as they pertain to Africa in general and in the context of the North African sub-region to assess strengths and weaknesses;
- (2) emphasizing remaining challenges; and,
- (3) proposing strategies for the diffusion of good practices.

4. THEMATIC AREAS

The workshop will be articulated around the following three thematic areas:

- 1) Corporate Governance Guidelines and Codes of Best Practices;
- 2) Corporate governance of State-Owned Enterprises (SOEs) in North Africa;
- 3) Corporate governance and Financial Intermediation in North Africa.

5. FORMAT OF THE WORKSHOP/SEMINAR

The workshop will be organized into plenary and working group sessions. The plenary will provide the opportunity to review the discussion document (30 pages) and to define the broad issues. The working groups will provide the forum for in-depth discussions on each of the thematic areas as outlined above, and develop recommendations on actions to address the urgent needs of North Africa.

6. EXPECTED OUTCOME

It is expected that the workshop will recommend some measures and areas where policy makers and other parties should focus their actions in order to implement and practice good economic and corporate governance based on internationally and regionally sound and relevant codes and standards. The deliberations of the workshop will be published by the ECA and disseminated to participants and interested groups.

7. PARTICIPANTS

The primary audience for the workshops will be a mix drawn from the regulatory bodies, tax authorities, government officials, business community and civil society representatives. Various national and regional institutions as well as co-operating/sponsoring partners, such as the UMA Secretariat, The African Training and Research Centre in Administration for Development (CAFRAD), Africa Development Bank (AfDB), NEPAD Secretariat, OECD, World Bank, will also be invited.

8. WORKING LANGUAGE

The meeting will be conducted in Arabic and French.

9. VENUE AND DATE

The workshop/seminar is scheduled to take place in Rabat, Morocco, from 5 to 7 December 2005.

10. CONTACTS

For further information and inquiries, please contact:

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Tentative Programme of Work

5 December

9:00 - 11:00	Opening Session Election of the Bureau Adoption of the agenda and programme of work
11:00 - 11:30	Coffee/Tea Break
11:30 - 12:00	Session I: Concepts and definitions by DPMD, ECA
12:00 - 13:00	Discussions
13:00 - 14:30	Lunch Break
14:30 - 16:00	Session II: Presentation of the Background Paper by the ECA Subregional Office North Africa: “Designing Codes and Implementing Standards for Corporate governance throughout North African Countries”
16:00-16:30	Coffee/Tea Break
16:30 - 17:30	Session II (continued)

6 December

9:00 - 10:30	Session III : Corporate Governance of SOEs by Elena Miteva, OECD
10:30 - 11:00	Tea Break
11:00 - 12:30	Session IV: Corporate Governance in the context of NEPAD/APRM, African Development Bank
12:30 - 14:30	Lunch Break
14:30-16:00	Session V: World Bank Presentation on Financial Intermediation
16:00-16:30	Coffee/Tea Break
16:30-18:00	Session VI: Country Presentation

7 December

Morning	Free for the preparation of the report
Afternoon: 16:00	Adoption of the Report of the Workshop and Closure