



**UNITED NATIONS
ECONOMIC COMMISSION FOR AFRICA**

Development Policy Management Division

**SUBREGIONAL WORKSHOP ON DESIGNING CODES AND
IMPLEMENTING STANDARDS FOR CORPORATE GOVERNANCE
IN WEST AFRICA**

Bamako, Mali, 16-18 February 2006

ECA-WA OFFICE

AIDE MEMOIRE

1. OVERVIEW

1. 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).
2. ECA has played an important part in promoting private sector in the continent. 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, maintain rule of law; and provide basic infrastructure (power, roads, ports, telecommunications, etc.).
3. Despite ECA efforts, a lot more remains to be done. The private sector still remains small, and plays relatively little part in endeavors to reduce poverty. The current assignment is a continuation of re-energized efforts to revive the private sector from a corporate governance angle.

2. THE CONTEXT

4. *A Concept Paper* prepared by ECA for these seminars gives a comprehensive African context to the promotion of good corporate governance principles. Suffice to state in this Aide Memoire that extreme poverty existing alongside of huge profits being made by multi-national corporations (MNCs) involved in the extractive sectors makes a cogent case to examine how these companies are run (corporate governance) and how they view their corporate social responsibilities in countries in which they operate. The companies must or, through appropriate legislation, be made to recognize that they no longer act independently from the societies and the environment in which they operate.
5. Corporate governance in Africa needs to pay attention to several other areas as well. These include the need to give more attention to state-owned enterprises, small and medium enterprises, pension funds management, development of stock exchanges, and addressing the safety issues in the work place.
6. Among many areas of corporate governance, detailed attention needs to be given to legislation that promote transparency and accountability and ethical behavior of MNCs, and to ensuring that parties exercising oversight functions such as Civil Society Organizations and Parliaments carry out their tasks effectively.
7. The *Concept Paper* raises a number of questions pertaining to corporate governance in Africa. First, is the continent paying enough attention to corporate governance in light of an obvious need to do so? The *Paper* notes that the potential of SOEs, private banks, pension funds and stock exchanges is still to be tapped. Furthermore, the MNCs have been found to apply lesser standards of corporate governance than they do in their original countries.

8. The second question posed is whether existing areas of emphasis of corporate governance are relevant to the African continent. The *Paper* argues that this is largely not the case. Implicit assumptions embedded in current practices are those of already entrenched democracy, functional legal systems, litigious societies, and others. Since these are misplaced areas of emphasis in the African situation, the *Paper* argues that corporate governance issues should first be framed in the African context.

9. The last question raised is whether existing initiative to promote corporate governance in Africa are bearing fruit. Note is taken of initiatives by the ECA, in collaboration with NEPAD, in developing guidelines for good economic and corporate governance. A further note is taken of other initiatives such as the Pan African Consultative Forum on Corporate Governance (PACFCG). The question now is why these are not implemented at a country level and how do we address political, capacity and resource constraints?

3. SCOPE AND OBJECTIVE

10. Enhanced efforts to promote good corporate governance stand to benefit the ECA-client countries immensely. These efforts are also timely in light of vast natural resources the MNCs are exploiting; yet making no inroads on increasing poverty in the continent. Improved corporate governance will therefore lead eventually to poverty reduction, and contribute to the achievement of MDGs.

11. As stated in the *Concept Paper*, the objective of the workshops/seminars is to discuss issues related to economic and corporate governance, taking into account ongoing reforms in most countries of Africa. The workshops/seminars will consequently be the venues for (i) revisiting economic and corporate governance issues as they pertain to Africa in general and in the context of a particular sub-region to assess strengths and weaknesses; (ii) emphasizing remaining challenges, and (iii) proposing strategies for the diffusion of good practices.

4. THEME OF THE SEMINARS/WORKSHOPS

12. In the context of the endemic corruption and mismanagement prevailing in the SOEs and the misconduct, casualness and carelessness of MNCs that do not take care enough of the social and environment protection in the countries, the theme for the seminar will be: *Adopting corporate governance codes and Standards for sustainable development in West Africa.*

5. FORMAT OF THE WORKSHOP/SEMINAR

13. The meetings will be organized into plenary and working group sessions, with the plenary providing opportunity to define the broad issues and working groups for in-depth discussions and recommendations on actions to address the urgent needs of each region.

6. EXPECTED OUTCOME

14. It is expected that the workshops/seminars 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

15. The primary audience for the workshops/seminars will be a mix drawn from the regulatory bodies, tax authorities, government officials, business community and civil society representatives.

8. WORKING LANGUAGE

16. The meeting will be conducted in English and French. Interpretation and translation services will be at the cost of SRO-WA.

9. VENUE AND DATE

17. The workshop/seminar is scheduled to take place in Bamako, Mali, from 16 to 18 February 2006 and will precede the West Africa Investment Forum scheduled for the same period. The outcome of the workshop will be reported to the Forum.

10. CONTACTS

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