

## **Africa Rising – The MloD-IoDSA international conference on Corporate Governance closed to a standing ovation**

*Jane Valls, CEO of the Mauritius Institute of Directors, and Mr Said Kambi, CEO of the Institute of Directors Tanzania, elected as the first Chairman and Deputy Chairman of the African Corporate Governance Network (ACGN)*

*Flic en Flac Hilton, October 19<sup>th</sup>. 2013 - Co organised by the Mauritius Institute of Directors (MloD) and the Institute of Directors of South Africa (IoDSA) , Africa Rising, the International Conference on Corporate Governance for Sustainability, closed to a standing ovation on Friday 19<sup>th</sup> October 2013, at Flic en Flac, Mauritius. The 190 delegates from 17 countries were unanimous that the objectives of this road map for value creation had been largely exceeded in terms of its rich content and format and the very high quality of the guest speakers.*

The conference, graced by the presence of Baroness Lynda Chalker, founder of Africa Matters Ltd., was opened by the Chairman of the MloD, Mr. James Benoit. After welcoming the guests, he had this to say: *“Africa is going to undergo huge growth and indeed is already going through huge growth and development in the next 2-3 decades. How do we ensure that this growth is sustainable, creates real value and benefits the citizens of Africa”*. After mentioning some world statistics on Mauritius namely: first in the Mo Ibrahim Index of African Governance 2013 for the 7th consecutive year, first in Africa in the Ease of Doing Business in the 2013 World Bank notation and 19th out of 183 economies, James Benoit suggested that Mauritius is therefore a good gateway for doing business in Africa.

Baroness Chalker, who has spent more than 30 years on the African Continent, attended the conference with a wealth of experience on African matters. She declared: *“I am very excited by the opportunities that this conference will bring to the African Continent. People no longer talk about the growing middle class. They now talk about having hundreds of millions of people participating in the economic growth for the first time”*. However, during her speech Baroness Chalker did offer a word of caution to the delegates: *“Those opportunities can only succeed with proper planning and proper attention to the challenges that come between private sector and public sector. Africa is rising but we have to be more careful about the delivery of quality, getting value for money, beating corruption and making sure that the ordinary people get good governance. Investors “should not only do their due diligence before investing, but I am asking them to do “deep due diligence!” she concluded.*

Dr. Azar Jammie, guest speaker on the first day of the conference, was worried by the huge current accounts deficits of the African economies and by the rate at which the US has been pouring money into institutions to rescue the global financial system. He added: *“Much of that money has helped African countries to grow in recent years. However, what would happen when this source of money dries up and the US starts raising its interest rates?”* Dr. Jammie was more in favour in increasing the level of production of goods and services on the Continent as Africa has large untapped resources and a very young population available, representing a huge reservoir of labour.

Mr. Guy Lundy, investment professional and futurist, in examining some future scenarios for Africa, offered some interesting choices that should move Africa from the potential lion of the world economy to one that really roars.

Africa, he said should decide on its own destiny and that choice will only come with the Africa Rising model i.e. An open economy and the ability to deliver. Africa need to be open to welcoming foreign skills, develop good neighborhood relations with fellow African countries, good governance practices, adequate health care and education, work to combat corruption and establish good and solid infrastructure. He concluded: “We have to believe in ourselves and in Africa”.

Mrs. Connie Mashaba, Managing Director of Black Like Me (PTY) Ltd. was amongst the speakers who offered the delegates a living example of how Africa can and should rise. Her success story was indeed a moving tale of hard work, integrity, sheer passion and determination. She now sits on a number of important boards sharing her wealth of experience by supporting young entrepreneurs within the South African Women Entrepreneurship Network and the World President Organisation Forum.

The first day’s proceedings closed on a hotly debated discussion about access to finance for most companies in Africa, especially those operating as Small and Medium Enterprises. Both speakers, Mrs. Foluke Kafayat Abdulrazaq, non-executive Director of the United Bank for Africa, and Mr. Ravin Dajee of Barclays Mauritius were hotly contested by the delegates who viewed the banking system as too constraining for most African enterprises. It was suggested that African banks should find new ways to screen and support African companies. In other words, find an African solution for Africans in terms of bank guarantees and collateral allowing them to achieve sustainable growth. On the other hand, both speakers put forward the fact that good governance in terms of banking came with an array of due diligence from Central Banks that made it difficult for banks to depart from world banking norms – much to the detriment of their customers and far from the realities of economic activity in Africa, they admitted.

Day two of the conference opened to a closer analysis of the various opportunities and pitfalls in Africa. While making the case for Mauritius’ ambition to become the gateway to Africa, Mr. Nitin Pandea also informed the audience that the Board of Investment was actively promoting African countries through its African Business Excellence desk in Port Louis. This was coupled with monthly promotional tours either in Mauritius or the Continent between individual countries and Mauritius in most economic spheres. One of the largest drawbacks to a fast development growth in Africa was the lack of qualified personnel. Education and skills development were considered as some of the most needed investments to support the double digit growth presently being enjoyed by some of the leading countries.

From the angle of best practices and ethics, leading to Good Governance, Professor Deon Rossouw, CEO of the Ethics Institute of South Africa, offered a simple but powerful definition: “I believe that good governance is about preventing good people from doing stupid things”. He believed that good governance was more of a moral responsibility and that we should start as early as possible in coaching and teaching it in schools. We should not neglect the “power of one” that is the power of one individual to change things by staying the course of ethics, even though his immediate environment has taken to “following the pack”. Lastly, he recommended that ethics and good governance should start from the very top of the hierarchy but that organisations have a duty to embed ethics and good governance in every layer of the organisation.

Mrs. Lynette Chen, CEO of the NEPAD Business Foundation, spoke of the organisation’s efforts towards consolidating Africa’s strategic intent such as agriculture, infrastructure, capacity building and natural resources management. She added: “Good Governance is in the DNA of companies that truly believe in achieving the African vision by **DOING WELL AND DOING GOOD BY SOCIETY**”.

The case for an enabling Public Sector was also hotly debated, with most of the world having the perception that public officials are corrupt and their institutions rife with political appointees. Chaired by Peter Goss, expert in forensic investigations and Chairperson of the Public Sector Corporate Governance Network of the IoDSA, the session brought a much needed new light to the capacity of State Owned Enterprises to play the crucial role expected from them. Although the perception is that transparency has deteriorated a lot in the past years as far as

SOE's are concerned, they play a crucial role in the socio-economic fabric of any society. With Mr. Mohammed Adam, from Eskom and member of the King Committee on Corporate Governance, both speakers made the case that the public sector did not have the monopoly on corruption – both gave the examples of Enron, WorldCom and Lehman Brothers – notorious cases where private enterprises had failed. Mr. Adam concluded by suggesting some solutions for a better tomorrow: changing the approach to a more integrated thinking pattern, appointing a more International Board on SOEs which should appoint the Chairperson as well as the CEO and establish clarity of roles within the Boardroom.

The second day of the conference closed to a defining moment with the presentation of one of the most successful companies in Africa, Barloworld Ltd, represented by Mr. Issac Shongwe, Executive Director. Mr. Shongwe offered the audience a shining example of “UBUNTU”, a principle that has guided his path and his company, helping Barloworld to build a world enterprise from the African Continent, based on some simple but powerful values such as Trust, Integrity, Respect, Continuous Learning and Excellence. Ubuntu is based on the principle that “a person is a person through other people”.

In her closing remarks, Jane Valls CEO of MloD and Chairperson of the ACGN had this to say:

“I thank all the speakers and delegates whose active participation has taken the level of this conference, “Africa Rising”, to new heights. There has been very rich interaction and networking between Africans throughout the last 3 days in the quest to find African solutions to African problems. In that respect, I believe that we have exceeded everybody's expectations. I reiterate my warmest thanks to Mrs. Ansie Ramalho, CEO of the Institute of Directors Southern Africa for her unconditional support in making this conference such a success”.

## **African Corporate Governance Network**

Under the sponsorship of the IFC, member of the World Bank Group, the African Corporate Governance Network, held its first Executive Meeting the day before the Conference and has elected Mrs Jane Valls, CEO of the MloD, and Mr Said Kambi, CEO of the Institute of Directors Tanzania, as its first Chairman and Deputy Chairman. Mr Kambi has this to say about the ACGN: “This is the dawn of a brave new world for Africa and the role of the ACGN is to ensure that we instill effective good Corporate Governance and ethical leadership. This is the Vision of the ACGN and all 10 Institutes who have signed the ACGN Constitution are committed to work towards this vision. We will work to grow the ACGN into an effective network for our members.